

EUROPEAN RECOVERY PROGRAM

Interview With

SIR EDMUND HALL-PATCH

London, England

June 8, 1964

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TAPE RECORDING IN ENGLAND: Sir Edmund Hall-Patch

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In England I have run into the problem of both reticence to talk and what is known as the Official Secrets Act, and some difficulties with tape recording. When I was here in April, I talked to A. D. Marris, who talked about his experiences with the Marshall Plan for three hours but would not go on tape. I later wrote and asked him if he would do so on my visit in June, but have not had a chance to get in touch with him yet.

Today, I talked with Sir Edmund Hall-Patch, formerly chairman of the executive committee on the OEEC, and met the same difficulty. He said that he had talked about my inquiry with Sir Harold Caccia, whom I talked to in April and who was the man that referred me to Hall-Patch (though many others have done so). Hall-Patch said he would

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be glad to help me but that he could not go on tape, largely because of the Official Secrets Act. Mr. D. C. Watt, who was at our conference in March, told me today that this was largely a matter of individual reaction, that despite the Act or in relation to it, some people would interpret it strictly as applying to such comments as they might make to me, and some would not. In any event, I was able only to listen to Hall-Patch talk without the tape recorder and to take extensive notes on which I shall dictate a summary.

The fact that Sir Edmund said Alphand would be a mirror of any current opinion of French government, and thus would not be a good person to talk to as a representative has given me the French government's opinion as of 1947. He indicated that Alphand is not very strong in his own convictions. This concurs with what Governor Harriman said about Alphand, and is reminiscent of what Charles

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Bohlen said about Michel Debre.

In discussing the fact that he did not want to go on tape, Hall-Patch did say that I could take notes and write them up and let scholars see them, but I got the impression that he would like to give permission before any of this was quoted by a given scholar. That is something I think we had better work out in later correspondence when I write him to thank him for the interview. We can arrive at any necessary agreements by a form of letter.

P.C.B.

London, 6/8/64

EUROPEAN RECOVERY PROGRAM INTERVIEW TRANSCRIPT

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EUROPEAN RECOVERY PROGRAM INTERVIEW

With

SIR EDMUND HALL-PATCH

London, England

June 8, 1964

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On Monday afternoon, June 8, 1964, I conferred with Sir Edmund Hall-Patch at his office in St. Alban's House, on Goldsmith Street, EC2, London.

Sir Edmund was chairman of the executive committee of OEEC in 1948, and had been mentioned to me by a number of people as an important person to talk to. Before that he was in charge of the Economics Activities of the Foreign Office. Although Sir Edmund did not feel that he could go on tape, he did give me an extensive account of his experiences and impressions of the European Recovery Program on which I took fairly full notes. He followed rather closely a set of questions I had sent to him in advance by mail.

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Before commenting on my questions, Sir Edmund said he thought there was one point that ought to be added to the discussion. That was the effect of the Korean War on the Marshall Plan

organization. He emphasized that up until that time all the activities and policy decisions of the OEEC had been unanimous, since it was required in the basic organization of the OEEC that every decision had to have unanimous approval. Sir Edmund confirmed my understanding that this was on the insistence of the Dutch in the preparatory work of 1947. He said that the Greeks or the Turks, especially, (some country) might hold things up and debate a point at length, but that eventually it was always possible to reach a unanimous decision. This was in line with the very high degree of international cooperation that was effected, and was possible because everyone was working for the international organization, and putting its interests ahead of

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individual nations.

Sir Edmund said that when the Korean crisis arose, the United States and the United Kingdom were going to have to carry the burden and had to have raw materials available, especially England. For that reason, the British representative went to Washington, talked to Mr. Truman, and insisted that the United Kingdom had to have access to raw materials and therefore that the interests of other members of the OEEC had to be side-tracked in that emergency.

Ernest Bevin wanted Hall-Patch to go to Washington at the time of Korea to negotiate with the United States, but Hall-Patch said that he could not do so and maintain his position with the OEEC, inasmuch as he would also be representing the United Kingdom, and at that stage its interests had to come first. Bevin thought it was important to continue the international cooperation as long as

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possible and therefore let Hall-Patch go to Washington representing the OEEC. He appointed another delegate to represent the United Kingdom.

From that point on, he said, the same degree of cooperation and of deference to international interests has never been achieved. Sir Edmund said that the first great test of the OEEC came in 1948 in the first division of aid; that sometimes that there were great difficulties in working out agreements, and that this was done sometimes on faith. He mentioned one occasion when a small country was dissatisfied with its share and was brought around to agreement by the statement of Hall-Patch and Hammerskjold that the small country's interests would be better taken care of in the next year. He said that that statement was made only on faith with no written commitment, but that it made possible an agreement at that time, and that the commitment later was carried out with Bevin's

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full concurrence. In the second go 'round in the division of aid, agreements were much easier. The executive committee simply sent a working group to a country hotel to meet, and they worked out the agreements there.

As to my question on the initiation of the Marshall Plan, Hall-Patch said that it really began right after D-Day. He said that the Allies were very much concerned about what was going to happen to prevent chaos, because while they were beginning to mobilize for re-construction before the

end of the war, they could only mobilize what they had and there was a big gap in international financing. There were essential matters that had to be dealt with overnight and for this reason the Emergency Economic Committee for Europe was established. He said that Isador Lubin just happened to be in Europe at that time (this was shortly after the end of the war), and that he

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was very effective in organizing this new committee. The United Kingdom representative was A. D. Marris. Lubin not only assisted in the organization of the committee over here, but stimulated higher-ups in the Administration in Washington to understand how critical was the need.

He said there were two remarkable men in the Labour government after the war, Ernest Bevin and Stafford Cripps. He said that Cripps had the education and the intellectual background that Bevin lacked, but that Bevin had vast experience of international negotiation in trade union affairs and was very effective in getting things done, although he knew nothing of international law. Hall-Patch said (as Mr. Marris had told me once earlier) that the great degree of wartime cooperation among the allies was a background for the effective administration of the OEEC program. He was in a position to see this as head of the

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Economic Section on the Foreign Office.

Sir Edmund cited some background to indicate that there was a good deal of development before the actual Marshall Plan. The first indication, he said, of the United States crystallizing its policy was in Dean Acheson's speech at Cleveland, Mississippi, in May of 1947. He emphasized the importance of Acheson's role, and of this speech as a signal. Hall-Patch emphasized the importance of the great public debate that is characteristic of any major decision in the United States. He did say that once the great debate is concluded and the United States' policy has been determined, that country can move faster than anybody else. He said the great debate and the effort to mobilize public opinion on economic recovery went back to the days of UNRRA, and that it really had come to a head at the time of the Acheson speech. He said that Bevin was frightfully conscious that the heart

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was knocked out of Europe, and that something was needed to provide a stimulus to get the Europeans to help themselves. Bevin had told Hall-Patch in 1947 that this would have to be done with France as the leader. He explained that France was the only country that could serve in that capacity as all the others were too small or too wrapped up in current war like the Greeks, or were still former enemies like the Italians and the Germans.

Bevin was encouraged by the Acheson speech and from then on really expected some action such as the Marshall speech, although nobody knew specifically that Marshall was going to make that speech. He said, incidentally, that he did not know who wrote the Marshall speech, but he thought that Acheson and Clayton both had important parts in at least developing the thinking. Speaking of Bevin's rapid action after the Marshall speech, Hall-Patch said that at a farewell dinner when

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Marshall retired as Secretary of State, Marshall said that he never expected that "Ernie" (as Hall-Patch consistently refers to him) would move so fast. Bevin's quick action is well known. He told Hall-Patch the day after Marshall's speech to go to Paris and to ask Bidault if he would sponsor a conference in Paris on this subject. Bevin gave this instruction to Hall-Patch before he consulted Attlee, but later that day talked to Attlee and Cripps, and gave further instructions to Hall-Patch when he got to Paris.

Sir Edmund said that the Truman Doctrine was looked on as a great and generous act by the United States to relieve Great Britain in the crisis, and that Britain was the main beneficiary. This was looked upon primarily as a military action, although it was an early phase of and a part of the same policy as that that was crowned in the Marshall Plan. But in general he seemed to

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think of the two programs as quite separate.

In discussing Britain's biggest need from the Marshall Plan, he said that really it was the chance to resuscitate a prostrate Europe. He said that Marshall was quizzed at a party right after the speech as to the development of the Marshall Plan (Hall-Patch was not there but said he was told this by somebody who was there) and when asked about the development of the Plan, Marshall said, "Speaking as a soldier, what I want is for Europe to be able to get up and kick us in the teeth if it feels like it." When Bevin heard that he said, "Thank God we have an ally."

In the discussion of need, Sir Edmund digressed to comment that the transition of Great Britain from the greatest creditor nation in the world to the greatest debtor nation in the world was entirely too much of an adjustment for the general public, and that the general public has never been

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able to accept it and still looks back to 1890.

As to Russia, Sir Edmund said that in Paris at the end of June, 1947, Molotov told Bevin he would agree to cooperate in the Marshall Plan if there would be no strings attached and if each country could tell what it wanted and simply have the United States give it without any controls. Bevin told Molotov that no sovereign state could be expected to issue a blank check and that there could be no cooperation on that basis. Sir Edmund said that Bevin really hoped that the Russians would join in. He believed that the time would come for some yielding of sovereignty, and really felt that it was worth a try. Sir Edmund did say that Bevin didn't really expect the Russians to come in, but he felt that the confrontation with Russia was necessary before the cooperating nations could get down to brass tacks on the Marshall Plan.

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As to Germany, Sir Edmund did not say anything specific about the "level of industry" controversy, though he did say that while Churchill was at Yalta, the Morgenthau paper came in proposing restricting Germany to an agricultural nation. His superiors were away and he, Hall-Patch, discussed this proposal with Cripps. They thought it complete folly and noted that it was

contrary to the Geneva convention for occupation of a defeated power, for the application of which the United States and the United Kingdom as the chief occupying powers were responsible. He said that none of the other countries ever took the Morgenthau plan seriously, and that it was essential that Germany restore its economy as an industrial nation.

Commenting on my question as to the possibility of cooperation, Hall-Patch said at that time he didn't really believe it would be possible, but that Bevin did. On this specific point, Bevin

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mentioned the saying that had been voiced by one of the American generals that the difficult we do at once and the impossible we do a little slower. Bevin said that the matter of international cooperation to meet the Marshall proposal was one of the impossible things that would be done as soon as it could be worked out.

At this point, Sir Edmund gave an account of his own experiences. He said that he went from the Treasury to the Foreign Office late in the war, being lent as an economic mobilizer. He said he "kicked like hell," and that Winston Churchill called him in and said, "Young man, it's war time. When you're told to do something, do it." He said that was just about what Churchill said and that that was the whole conversation. [He said the Foreign Office knew nothing of economics and had no organization and that he, Hall-Patch, had set up various units, among other

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things.]

In 1947 he was the London base for the Paris Committee, the Franks Committee, and made many trips back and forth to Paris. He said that Bevin sent him to Paris in order to keep matters in his own control, in the Foreign Office; that if Hall-Patch didn't go, the Foreign Office didn't have anybody else that knew anything about economics, and the control of the international economic cooperation would pass to the Treasury Office.

[At that time, the Belgians said they couldn't accept British domination by having a Briton made chairman of the Council of OEEC, so M. Spaak was given that position. Bevin made what Hall-Patch called a fantastic decision by telling him to take the chairmanship of the executive committee of the OEEC and also continue in his position as a member of the Economic Committee of the Ministry, here in London. Thus while Hall-Patch was working

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as an international official on the OEEC, he received all the Cabinet papers and knew what was possible on the basis of British support.]

On the subject of the cooperation of various countries at Paris, he said that Bevin and Cripps wanted to be sure that nobody could say that the United Kingdom hogged the advantages of the Marshall Plan and leaned over backwards to support international cooperation. In this same vein, they kept internal rationing longer than any other country. [At one point, he said that things were held up because the Greeks couldn't get any figures together for their estimates. A group of British and French representatives headed by Marjolin cooked up the Greek estimate, and in that

way, Greece got more than it might have if it had made its own figures.] He said that cooperation was effective because of this sort of thing. All the countries knew they would have to work together and

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would do it.

He said that in the critical winter of '47 and '48, only a small portion of the British public followed the debates of the American Congress, but the Parliament and the government ministers and officials did follow it closely, that the winter was really critical and they were interested in the developments in Washington. He said about the only thing that the general public was aware of was that rationing was very severe. At one point in 1947 (?), rationing was more severe than it was during the war. He said that at this time, the Government leaders in London were exceptionally close to Will Clayton and Lew Douglas, and that he remembered meetings at Attlee's private quarters where Clayton and Douglas would be present with members of the British Ministries.

On the government control of industry, he said "Yes, the Marshall Plan did accentuate the

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problem," but that difficulties were eliminated by the very close understanding between Paul Hoffman and Stafford Cripps. The problem was that the United States Government made it clear that it didn't like state control and would prefer nothing of that sort, whereas the British government was socialistic and determined to push nationalization whenever it could. Hoffman and Cripps represented these two points of view, but worked together very effectively.

[As to the difference between labour and industry, Sir Edmund's answer was more in relation to the attitude that they both had to the United States than in relation to any problem between them. He did say that at the end of the war the United States was active, at least, in the establishment of the ICAO, and that the United States threatened control of civil aviation throughout the world. Previous to the war, there had been

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something called CINA, which had managed civil aviation very satisfactorily, but that this new threat on the part of the United States was something that British industry and labour both feared very much. They were disturbed lest it be the beginning of the United States control of the steel industry and other British industries. The trade unions were important in this connection because they controlled the British government. Cripps talked to them effectively to allay their fears and to assure them as well as the industrial leaders that he was acting in the national interest and that they should cooperate.]

In regard to the United Nations, Sir Edmund said that he would not have favored the United Nations planning or control, that the UN did not have the infra-structure of organization, staffing, and so forth. [He said that the great nations, particularly the United States and the United Kingdom had been

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reluctant to delegate authority to an international body, especially when they knew that Trygve Lie was rather weak, and would not stand up to the Russians. Britain and other countries would not let strong, capable people go to work at the United Nations on this account. Parenthetically, he said the situation was quite different when Hammerskjold was Secretary-General of the UN, and that then many fine, strong people went to work at the UN.] As to my question as to whether they looked forward to eventual economic union, he said that the British labour people did look forward to it, because they knew that there would eventually have to be greater delegation of responsibility to international bodies. They didn't hope for this at the initiation of the Marshall Plan, but by 1950 the plan had worked out well enough so that they did hope for a more effective economic cooperation or union. He said

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the Foreign Office had always been opposed to political and economic union; that their secular instincts led them to be, but he said this was not true of the Treasury, the Board of Trade, the Labour Ministry, and so forth (he said that when the Conservatives came back into power, they went right back to 1890).

Discussing the motivation of the Marshall Plan, he said that those in power felt that the Marshall Plan was an unparalleled act of generosity, although British people generally didn't realize the magnitude of what it meant until about 1952. He said those that did appreciate its magnitude would probably have realistically recalled it as a mixture of idealism and enlightened self-interest. In this connection he mentioned the *Times*, the *Manchester Guardian*, and so forth. He said that only the lunatic fringe would say that it was entirely a matter of enlightened self-interest. Sir Edmund's discussion

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of people was rather extensive, although he began by saying he didn't know enough about President Truman to comment on him.

He had expressed admiration of Bevin throughout his discussion. As to Bidault, Sir Edmund said that he was a Sorbonnaire, not an Oxford or Cambridge graduate, and thus had somewhat different ideas from some Englishmen. [Bidault, however, he said had the right ideas, but was not morally strong enough to control French opinion or to get effective support of many of the French leaders, and that Bidault was not good at finishing an operation that took standing up to the opposition. He said that Robert Schumann was much stronger.]

He described Will Clayton, Lew Douglas, and Paul Hoffman, as all essential keys. Clayton was not as closely linked to the Marshall Plan as Hoffman and Douglas, but was very close to the British. He didn't have the long background in

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government that some people did and worked as if he were a cotton broker, but when he knew the facts of political life on a given issue, he'd make up his mind and fight for it.

Sir Edmund said that he worked as an opposite member to Harriman since Harriman was the chief representative of the United States and he, Hall-Patch, was the U.K. representative. He spoke of a time in apparently 1948 when up to less than 24 hours before the crucial first division of aid, the Europeans expected that they were going to be told that they'd be given on a national basis. Harriman called together a few of them in an afternoon -- perhaps this was only Hall-Patch and Hammerskjold -- and told them that the United States was going to announce the next day that the distribution of aid would be a European determination rather than a handout by the United States. He felt that Harriman spoke on this as if it were his own idea that had official support at Washington. [Previous to that he said he had had some difficulties with

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Harriman and he spoke of a time when Harriman told the other representatives at Paris, that there had to be a complete revealing of financial position on the part of the cooperating government, and that this was an unrealistic thing to expect. Hall-Patch told Harriman that he couldn't accept the relation of banker to client (in which a client reveals his whole financial position to the banker). Hall-Patch and Hammerskjold had previously told Harriman, that for God's sake not to do anything that would cow the Europeans, because their confidence was already shaken and they needed to have it bolstered up. Harriman's statement to the executive committee the afternoon before his announcement on the distribution of aid, was a radical change.] From then on, no American was more determined or more effective in working things out than Harriman. He often stayed up until 4 a.m. working with committees and deserved great credit, in Hall-Patch's

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views.[Harriman was the key figure in Europe, and inclined to be a little vain. He liked to deal directly with ministers rather than the representatives at lower levels when firm agreements were to be made. On the whole, however, he said that Harriman was very effective.]

Sir Edmund talked at length about Marjolin as one of the best Frenchmen that he ever dealt with and said that Marjolin could not really be understood without a knowledge of his background. He said that Marjolin was not an "inspecteur de finance" such as the French would normally send to an important economic meeting or organization. Marjolin, he said, [never went to a secondary school, as he came of very modest parents and did not have the opportunity. For that reason, he could not pass the baccalaureate for entrance into a university, but he worked on his own until he was twenty-three, and then took a general examination that was usually meant for university

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graduates. Marjolin passed it and went on to take his doctorate, a number of special fellowships, and to a brilliant career. As a result of this experience, he] had a better understanding of life as a whole than many [educated] Frenchmen. He said the most significant thing about Marjolin was that he had complete reliability [which not all Frenchmen have.]

He said that Marjolin and Baron Snoy had the confidence of all the other delegations and in the basic operations were able to work out agreements referring back to the subcommittees that worked up the statements of need before each division of aid. He said that the executive committee gave Marjolin and Snoy the responsibility for taking the reports, sometimes not

completely worked out, of the subcommittees and adding their own recommendations to arrive at conclusions. He referred to Marjolin as wholly internationally minded, with passion but also with understanding.

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He said that Snoy also had the complete confidence of the other countries and great ability and understanding. He was not as influential as Marjolin, mainly because he was a representative of a small power. Snoy couldn't be as wholly international as Marjolin, because he was the Belgian representative as well as being an important official of OEEC.

Hall-Patch made a very definite statement that without Hammerskjold, Snoy, and Marjolin the operation could not have been carried off. He did not say a great deal about Hammerskjold but at various points in the conversation, expressed the highest regard for him.

[Sir Edmund said that Herve Alphand was defending French interests and engaged in real battles with Marjolin, who was representing the international interests, but that Marjolin was like a rock.]

This was the conclusion of Sir Edmund's remarks which took about two hours.

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