

Oral History Interview
with

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(Lord Roll of Ipsden)

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London, England
August 18, 1970
by Theodore A. Wilson, University of Kansas

The Harry S. Truman Library
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WILSON: There are two or three questions that I might ask you.

ROLL: Go ahead please.

WILSON: Since you have been suborned before by the Truman Library people dealing with the origins of the Marshall plan, I'm involved in a what I've come to realize is a very ambitious project. That is to try to do a study of all of the economic aid programs of the Truman administration. And you were involved in some very important ones. The

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first question might be to ask how you view after 25 years your role in the food problem? What relation did it bear to the later activities? Did it give you any insight into what might be the United States role, to show that Americans understand or failed to understand the problems, economic problems generally in Europe?

ROLL: You mean in relation to the Marshall plan.

WILSON: Yes, Marshall plan.

ROLL: Of course, I was concerned with food during the war. In the Marshall plan I was concerned with food first and then the more general things after that. This may be merely personal, because I moved on from food per se to start with being an economist, an academic economist by training, but I happened to do my first work in public fields in food and then I went out again, so in a sense food was for me sort of something I passed through. And therefore I'm a little inclined to look upon it more as something

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indicative of and instrumental to other things rather than as a problem in itself. Others may take a different view. For instance I think we overemphasized all of this and overrated the duration of the wartime and immediate postwar food problem. And this is incidentally a fault that academic analysts often make -- the economist perhaps as much as anybody else, compared with practical people, that is to say, people actually in the food trades. For example, I remember vividly they would say after the war, "You just wait and see, you've no idea how quickly these things can change." And if governments think they've got to go in for expensive plans to grow peanuts in Tanganyika (as you know, our famous ground nuts scheme), because there will be a fat shortage forever and ever and ever, they'll soon be disillusioned because within two years heavy demand and high prices are the finest fertilizers there are and food will be running out of our ears and there will be, if anything, surpluses here and there.

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Well, that was exaggerated but nevertheless there was more truth in that attitude than in the attitude we adopted during the Marshall plan while still under the influence of war and relief needs. And we were a little inclined, I think, not to exaggerate the intensity or gravity of the food problem at the time, but rather as to how long it would go on. It was extremely important, because in the Marshall plan food was the great ingredient, certainly for this country, but even for the whole of Europe that was the great missing component. And it happened to fit in very well with United States interests, with the establishment of freer markets. I often wondered whether to some extent the present hostility to the common agricultural policy on the part of the

United States under pressure of its agrarian interests isn't in a sense a sort of reflection of a disappointment with what was thought to be the opening up of a great permanent market for U.S. food in the wake of the Marshall plan. I mean, the interest and

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generosity going hand in hand as they usually do where public affairs are concerned. It's only private people who can be generous without any *arrière-pensée*. Not always they either; but in governmental politics, moral factors, principle, generosity, and interest do tend to go together. That was certainly to some extent the case as far as the agricultural and food aspects were concerned. And you know, you find in the case of the Marshall plan, other examples of what I'm thinking of, such as tobacco.

As you will remember, one of the great methods by which we tried to reduce the claims for assistance under the Marshall plan was to switch import requirements from North and South American sources, dollar sources, to European sources. This was part of the parcel of the self-help principle, that is not to aggravate the balance of payments. Tobacco was a good example, where you got a tremendous criss-cross of interests and conflicts. The Greeks would have loved to

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have sold more of their tobacco (and the Turks too but particularly the Greeks). And they would say, "Here you are, you are constantly telling us, the Greeks, not to import so much from the dollar area. What about your doing the same thing, you, the other Europeans? And instead of buying Virginia and Kentucky tobacco why don't you buy ours." And, of course, the Americans didn't like that, although they were constantly saying switch -- that was the technical phrase -- sources of supply so as to reduce your demands for dollars and therefore the extent to which we have to go and enlarge our Marshall plan program. But in this instance, they would have been only too glad to go on selling tobacco. In Britain particularly we were used to North American tobacco and hated the thought of having to have Greek tobacco. And invented, or at any rate stressed, all kinds of consumer resistance arguments. I remember the Irish were the worst because apparently the Irish cigarettes were traditionally made of 100 percent Virginia

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tobacco. They wouldn't or didn't use any mixture, even Empire tobacco, as it was then called, that is Rhodesian. And they were furious at the thought of having to mix their tobacco. They only wanted what they were used to.

I would generalize from this, to this extent: I would say if you take any one sector or commodity or groups of commodities or sector of industry, you are bound to focus much more on these ancillary problems and interests and conflicts. They loom much larger on an individual front, such as food or tobacco, than they do if you survey the scene of the Marshall plan as a whole. The whole balance of payments problem. There are, of course, things that loom much larger, above all the political aspects, such as the fight against communism, the strengthening of the anti-Communist regimes particularly in France and Italy and so on. All the other things tend to be moved into the background. But once you start picking out machine tools or tobacco or what have you, you begin to get all kinds of other factors to operate.

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WILSON: You would not then -- this is very helpful -- you would not then, do I understand, support the argument which is current in the United States in the last few years that a basic motivation, one basic motivation for the Marshall plan was general concern or fear of an onset of another depression unless the United States...

ROLL: Is this very common now?

WILSON: Yes, it is.

ROLL: It's odd that it should be common now because I remember it must have been 1950 or '51 I spoke at Williams College at a very, very large meeting at which I think Emile Dupres (Professor at Williams at the time), was the moderator, and the two protagonists were Fred Schumann and I. And Fred Schumann produced this idea. This was right in the middle of the Marshall plan. The great argument was that the Marshall plan had nothing to do with generosity. It was partly political, i.e. to prop up a lot of anti-Soviet,

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anti-Communist regimes which would otherwise be swept away by popular movements; and partly to provide an outlet for United States commodities in order to counter the onset of depression. Well, I didn't believe in that at the time and don't believe in it now. I don't know what went on in the heads or breasts of Dean Acheson and General Marshall and maybe President Truman himself or what was said in the most intimate conversations between them. Whether at some point or another somebody might not have dropped the phrase, "Yes, and moreover it will help the redeployment of resources after the war. In the next two or three years we shall probably be faced with great difficulties and slackening demand and therefore it would be very useful to have this outlet, etc., etc." This could have been said or have been in the minds of one or other of the principal policy makers. But the actual facts don't support them. In terms of balance of payments, the United States was a surplus, the only surplus country at the time.

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Therefore, the balance of payments didn't enter into it at all as far as the United States was concerned.

As far as the actual commodity composition of the flow of aid was concerned of which the dollars were the outward financial manifestation (either directly from the United States or from Argentina or Brazil or from Asia or the Middle East which had to be paid for in dollars), I think that with a few exceptions such as cereals perhaps or some other major foodstuff, there are two arguments to be advanced against this thesis. One minor one is that a good many of these dollars were in fact not spent in the United States. One always had some argument about this offshore procurement, which went to the wartime days and lend-lease. I myself was involved in some of these negotiations. For example, the British had bought the whole of the Haitian and Dominican sugar crop. And I had to negotiate with the Lend-Lease Administration that the United States would pay for it. We hadn't got the money to pay for it. Offshore procurement was something the Congress was always looking

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at askance. So this was nothing new. The other argument is that with these few exceptions I've mentioned, mainly cereals, a good many of the commodities the Europeans wanted were in short supply. It wasn't a question of dumping surpluses on the Europeans. No doubt there were some undesirable practices here and there of some lend-lease or some Marshall plan transactions; some ECA mission in some country sort of putting a little pressure on. You can't guard entirely against this kind of thing. For all I know, there may even have been certain individuals who managed to get in on the ground floor with some suppliers and some customers and do a little deal on the side. In a big operation of this kind this could happen. But by and large what the Europeans wanted were commodities which were in world short supply: non-ferrous metals, coal, iron ore and machine tools, for reconstruction which were equally needed for redeployment in the United States. This is certainly the argument I used

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against Fred Schumann 20 years ago. The facts do not support an opposite view.

After the European Recovery Program came "trade not aid," including liberalization. And then we were in a different world. GATT and then NATO came and one thing or another so the opportunity of using the Marshall plan as a kind of safety valve for a coming U.S. depression was in any event very limited. So I wouldn't support that theory -- not out of moral indignation but because I just don't honestly think that this was the case.

WILSON: Yes, yes. I think that's very helpful, because there is this cyclical turn to analysis of this kind and they, based at the time upon not very solid sources, and based now on not very solid reading.

ROLL: No and not very solid sources: the primary inspiration is ideological. Really, it's not a study of the evidence. It's a preconception that

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that's the way capitalist, imperialist societies behave.

WILSON: A corollary of that thesis which you, I think, would answer in the very similar way, which came up on a surprising number of occasions, is this matter of East-West trade -- American policy with regards to East-West trade. The ideological argument being the United States was attempting to prevent Western Europe from reviving traditional Eastern sources, and thus linking Western Europe to America, to American markets. But if you run down the list of materials available from the East...

ROLL: Exactly. Now I'm sure it would be a mistake to say this thought was completely absent from their minds. I mean, there was a constant fight in, what was it called, the COMEGON, You know about extensions of the list and indirectly strategic goods and all that kind of thing. I wasn't directly concerned with that but I knew of course what was going on. And there were always the Americans pressing this way and the Europeans

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pressing the other way. But any idea that trade per se with the Eastern countries could be stopped, that any sensible American official could have thought that the United States could really, in fact, stop this a la longue was impossible to believe. You know, you can sit on those things for a while, but not for very long.

WILSON: I'm sure that there was an emotional factor involved.

ROLL: Well, you see we talk about the Marshall plan. Well, from your point of view and my point of view, that's a sort of finite thing: a policy, a plan, a period, a time, etc. But there are a lot of things that came after; and before the Marshall plan you had the whole inter-Allied supply organization and you had lend-lease and then you had UNRRA. And all the experiences of the Allies and of the East and West in the administration of relief. All the disappointments are there, all the political barnacles, all the

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political admixtures on both sides carried into the Marshall plan period. We were aggravated when Molotov walked out. I was there, when I remember Ernie Bevin ringing up Attlee from the Embassy in Paris to tell him that Molotov had walked out. This obviously was a sort of traumatic experience and was the fact that the Czechs were not allowed to come in. Naturally this made people more aware of all the things that they had already experienced in the way of disappointments working with these countries. But then it all changed. I mean, it doesn't go on forever.

WILSON: The general question I would like to ask you about the OEEC experience is one that has arisen more since I came to Europe and talked particularly with people on the Continent. Almost everyone with whom I have talked has said, has stated that the discussion to have European nations cooperate was an extremely important one in that it brought all sorts of benefits in -- was the foundation of

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OEEC and perhaps of what came later in European cooperation and perhaps even integration. Some people have said, though, this decision also limited the power of the United States to influence the direction of European development, economic developments, particularly integration. And that in a way the United States bound its own hands by this, by this saying you work together and then present a common program and bring it to us and that some people have even said that if the United States was in a position and should have -- that's a moral judgment -- should have exerted blackmail; made use of blackmail to do what was possible then. They talk about everyone being in the same boat; all European nations were poor.

ROLL: You mean poor intellects, or whatever?

WILSON: Yes, yes. And that OEEC might have become much stronger, much more a viable instrument for achieving European integration if the United States had done this sort of thing. Now that,

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of course, raises all sorts of questions.

ROLL: Here of course on this side of the Channel you get probably the mirror image of this; exactly the opposite of this. The British impression all those years was that the United States were only too active in pushing for European integration. In the reports to Congress by Mr. Hoffman and his successors, in all the ECA reports, there was constant harping on the theme of European integration, pushing European integration, putting more and more into the OEEC and urging Europeans to put more and more into the OEEC. Historically there's no denying that the main resistance to this came from the British. The French were, at any rate, pretending to be ready to go along with it. I put it this way because no one can be sure that if the bluff had been called, whether they would have gone along or not. The Dutch we know were very integration minded and so to some extent were the Belgians. The Italians were coasting along; they were not in a position to do anything else.

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So were, to some extent the Germans, who were at the time, of course, not an independent factor. So really the only people on the European front who had any sort of possibility of an independent judgment on this issue and the United States attitude to it, were France and Britain. And as I say, on the whole, France made itself more or less the spokesman for American ideas. It's rather ironical to think that at that time they were pushing in the direction of European integration alongside Paul Hoffman, whereas the British were opposed to closer integration.

This opposition showed itself in all kinds of ways. I remember that we used to go over to the mission from the ECA regularly before the appropriation hearings and before the renewal hearings of the Marshall plan act and we used to see drafts of the ECA's reports to Congress. We always used to try and take out the rather more lurid passages about European integration. We used pragmatic arguments; for example, we would say, "It isn't only that you're

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sticking your neck out, you're giving hostages to fortune and you might not have been able to deliver. If you tell Congress so and so is going to happen and then it doesn't, you'll be in trouble." And much of the British resistance came from skepticism about whether European integration was really going to happen. Why should one put so much money on this card, when one does not know whether it will turn out to be a deuce rather than an ace?

But the suggestion that the Americans were not pushing in this direction, I think, is nonsense. They were pushing; they were pushing very hard. You can see that in all kinds of ways. Take a relatively minor thing, not so much integration but one which would have had great significance in that direction -- the role of OEEC in liberalization of trade. Now the British attitude was very strongly that the OEEC should not concern itself with tariffs but only with quantitative restrictions. And tariffs should be left to GATT. The argument we used, not only to our fellow Europeans but quite openly to

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the Americans, was that when it came to tariff negotiations that was not a European issue; that was a world-wide issue and not particularly concerned with American-European relations. And

the proper place in which to discuss things of that kind therefore was in a world-wide organization such as the GATT. Otherwise (and we said this quite openly), we would be at a disadvantage; we Europeans would be at a disadvantage vis-a-vis the Americans. Admittedly we might, through making tariff reductions among ourselves in the OEEC, succeed in getting a little more discrimination but we were very much afraid if this was done under the tutelage of the Marshall plan and with the Americans sitting in all the time, there wouldn't be all that much discrimination. Our chance of negotiating reciprocal tariff concessions, with the Americans sitting in all the time, wouldn't be all that good. On the other hand, our chance of negotiating reciprocal tariff concessions with the Americans and with a lot of other trading countries around the world that were not European would be

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jeopardized if we did it in OEEC and not in the GATT, because of the most-favored nation clause. We didn't believe that a customs union was possible and this was the only ground on which GATT would have allowed us to make concessions among ourselves in Europe (and when I say ourselves, I mean among ourselves in Europe) and not grant them on the basis of the most-favored nation clause to other countries. We may have been very wrong about this. Probably the subsequent history does show that we were wrong.

WILSON: Yes.

ROLL: You know, because this movement for integration was very strong.

WILSON: Yes. Yes.

ROLL: And if instead of being negative, and skeptical, we had taken part in it, we might have succeeded, not only in being part of it ourselves, but in molding it in a way which would have been more

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helpful all around, including more helpful to us, of course. Whereas by being negative we left the initiative to others and it succeeded -- at least more or less. We've got the Six and in fact now we're trying to get in.

WILSON: Yes.

ROLL: The developments contravened, contradicted, what had been American policy for a very long time: the particular State Department policy of global liberalization -- Cordell Hull's policy. So you couldn't be sure what would be perhaps American policy over the long run.

WILSON: I wonder if you could detect a division between the State Department and ECA on this and also on integration?

ROLL: Oh yes. Oh yes, there was a division of view which came up again and again, and again. It was partly because of the general suspicion on the part of an

old-line agency toward a new one. After all, you see, the State Department saw that what was in many ways the most active area in foreign policy was the concern of another agency.

WILSON: Yes. Yes.

ROLL: Of course, the personality of the Secretary of State has always been of great importance in maintaining the status of the Department. But there was no denying that ECA was much the more active one. That was a sort of general underlying theme which you would get in any bureaucracy. But the second thing was the State Department (and you can never separate how far the fact I've just mentioned influences judgment on specifics); the State Department would take a much more traditional line, rather like the British Foreign Office, and would regard things like integration as something that comes up from time to time. They would say, "Oh well, we've been here before, you know, the League of Nations, U.N., integration." I'm sure in an old

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established institution, particularly in a bureaucracy, we tend to think that there is nothing new under the sun. This is part of it. The other is that the State Department saw some of the difficulties, as did we, the British, about relations with other countries. The ECA was focused on this little corner of the world. The British Foreign Office, probably mistakenly at that time, still thought Britain might have a world role to play and though it no longer was what it had been, nevertheless Britain had interests in Latin America, in the Middle East, and in Asia. And so did the State Department. Therefore, they were much more alert to arguments which would derive from these world-wide considerations of policies. For the ECA Europe loomed so large that the whole of the rest of the world was blotted out. Very often we would have a lot of support from the State Department in fighting the ideas of the ECA!

WILSON: Very good. Well, what you've said has confirmed a number of lines of inquiry.

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ROLL: Oh yes, as I say this is not a question of moral turpitude of the people concerned. I need hardly say I mean this is just trying to analyze how institutions in these circumstances conduct themselves.

WILSON: That's one of the more interesting topics, that there were so many American agencies at least with interests in this area, that dealing with the subject and sorting them out for an historian is most difficult.

ROLL: Some arrogant Britishers even during the war used to say that the main role of the British in Washington was to coordinate the American agencies. And that used to be said also during the Marshall plan. This is, of course, a grotesque statement, a complete caricature, but it illustrates not only the arrogance of some Britishers but also some sort of elemental way in which these things develop as they do in the United States under stress of the crisis of war, or in another

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sense, the Marshall plan. The Americans are -- I think I know the country well enough to say this -- technologically minded. They believe that there's got to be a solution for a problem. And what you do if you have a problem is you go about the fashioning of a tool for this problem. Even though you may have in your workshop a lot of standard tools, you make a new one for this particular problem. And there's a lot to be said for that because then you get on with it. But you do create other problems in the process -- problems of old line and new agencies and all the rest of it. And of course, you expose yourself then to the various foreigners you deal with like the British and the French. If you like, you're not exactly exploiting the situation, but certainly maneuvering because they can't help themselves very often if they have half a dozen agencies to deal with -- Department of Agriculture, the State Department, the Treasury, and the ECA, just to mention four. You know each one -- the Fed even -- concerned with balance of payments and internal financial

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stability and broad foreign policy and the recovery program and Congress and its appropriations committee. It's very difficult sometimes for the people on the other side who necessarily have to deal through a single delegation if you like, through a single point, to know who really has the final say. Who, as the Germans would say, is der massgebende Herr, the fellow who really has the final word?

WILSON: What happens, very often, is that in your analogy of this tool, the tool often is not very flexible when events change the problem.

ROLL: You have to make a new one.

WILSON: Yes, then you make a new one and...

ROLL: But this has happened again and again. It's not only American, it's a human characteristic. It happens in the international field. I remember during the days when there was a tremendous argument about the future of the OEEC, and in what form it should survive, and the British were always looked

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upon with great suspicion by the Americans and by the continentals as to what they really had in mind.

I remember long, long talks with my dear friend, Dick Bissell, who was of course very much involved in this, and Dick said, "Oh, I know how it will obviously end up; you want to kill the OPEC, and already the world is littered with derelict international organizations. Perhaps you don't want to kill it; you just want to take the guts out of it and have another derelict international organization."

Well, this in a sense is true. I mean you create these things for a purpose and then they're no longer adapted to the situation. You have then to change them, as happened reasonably well, in the case of the OPEC. Reasonably well.

WILSON: Well, thank you very much.

ROLL: Well, not at all.

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