

Oral History Interview
with
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Kansas City, Missouri
March 26, 1971
by Richard D. McKinzie and Theodore A. Wilson

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WILSON: One of the things I know you will be able to help us on is to give us some idea of how things looked to you, at the time you were in London, about what was going on in Washington in the period late in the war and in the immediate postwar period. What did you feel they knew about the situation? How much awareness did you think Washington had about the problems?

MCKINZIE: Particularly of England's financial difficulties.

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BLAISDELL: There were a number of problems here. I think that it's only fair to start this comment, really, in Washington before I went to London, because I'd been working in the War Production Board there as a member of the Planning Committee; and then after the big blowup with Nelson and Charlie Wilson, the Planning Committee was abolished, and the question was whether the individuals were going to be abolished too. I landed as chairman of an interdepartmental review committee and director of the Bureau of Orders and Regulations. I became one of the most violated bureaucrats of Washington, because I was responsible for industrial control orders.

But at the end of that period, just before the last few months of the war in Europe, people were beginning to talk about reconversion.

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The Office of War Mobilization and Reconversion was appointed with Jimmy [James F.] Byrnes at the head. A number of people in the War Production Board were going to change positions and I was quickly shifted from the Chief of the Bureau of Orders and Regulations, which were beginning to be out of date then, to be head of the Bureau of Statistics.

Well, that had hardly started, maybe it was a month, when Byrnes and General [Lucius D.] Clay, who was deputy, whom I had worked with in the War Production Board said, "You've got to come over and work with us."

So, I went over there, but in less than 60 days there was another change. This was how fast things were moving. This is important, because many responsible people weren't clear what they were doing. During the Battle of the Bulge they blew hot as to

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supply policy until that battle was over.

This was illustrated by my relation to it. I got up one morning, about the first of March, '45, and picked up the *Washington Post* and read that President Roosevelt had announced that I was appointed as the Chief of the Mission for Economic Affairs in London.

This was the first I had heard of it. I didn't know what was involved, and I had received no notice from the President's office. I called Ed Stettinius, who was the Secretary of State at the time, because this appointment had a certain international importance, though it was not in the Department of State. This was a position that originated with President Roosevelt's appointment of [Averell] Harriman in London, back at the beginning of lend-lease. When Harriman was moved from London to Moscow as Ambassador,

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Phil Reed was made Chief of the Mission for Economic Affairs.

The story, as I recall it, of Harriman was that he arrived in London as head of the mission and instead of consulting [John G.] Winant, he went directly to [Winston] Churchill. (Winant was the Ambassador.) And from then on the Mission for Economic Affairs dealt directly with the Government, not through the Ambassador on all non-military or diplomatic problems.

Harriman, although he had the rank of Minister, which I had later, was the "Ambassador" for working purposes as far as supplies and many other problems were concerned. What the relationship between Harriman and Winant was I never quite knew. Both Harriman and Winant were friends of mine, and this relationship was on a strictly personal basis. We had worked together officially on various things, and

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personally I had great confidence in them. I had worked with Winant when he was Chairman of the Social Security Board and had been able to do a few things that were, I hope, important in that connection; but I felt that I was not going to London without at least Stettinius knowing what I was doing.

So, I called him on the phone and went to talk to him. Stettinius never had a firm hold on the Department of State, but he was a person of great integrity and did have a feel for a lot of things. And he said, "Well, Tom, the story, briefly, was that we didn't have any intention that there should be another Chief of Mission; but apparently it has been decided that there is to be and if there's going to be there's nobody I would rather have than you, because I know you'll work with Winant and I know you'll

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work with Harry Hawkins." Hawkins was the Economic Minister, and when Reed retired, the State Department had agreed with Reed that Hawkins would assume, in addition to his responsibilities as Economic Minister, the direction of the Mission for Economic Affairs.

As I look back on it over the years, that was the right thing to have done at the time. My appointment was a mistake; but I didn't know it then, and the assumption was that if the president said this is what he wanted me to do, well, let's go, and let's do what needs to be done under the circumstances. It's a war. There was another angle to it at the moment, because I had been put in a very difficult position. The UNRRA had recently been established and there's a whole series of other things

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that were in the works at the time.

My wife was an UNRRA officer, in personnel operations, and I watched this develop along with the other postwar agencies that centered around the United Nations, like the Bank, the Fund, and the Food and Agricultural Organization, the World Health Organization, and UNRRA. But the first of these was UNRRA, and it was very clear that there was to be an important operation in

the Far East as well as Europe. The essence of this was that we were nearing the end, and [Herbert H.] Lehman, who was the first head of UNRRA, asked me to become the head of the China mission. He knew that I had had some Far Eastern experiences because in addition to three years spent in China, I had previously had three years experience in India. I was not a neophyte as far as the Far East was concerned,

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but I certainly was no expert. I knew a little bit and I had a little feel for it. For reasons that are complicated, much too long-winded for what we are interested in here, I was still considering this. The Chinese officials that were in Washington were so sure I was to be appointed that they were trying to get me to party this and party that, and I said, "We'll face that when we get to it."

WILSON: You remember saying that to the Chinese Government?

BLAISDELL: Yes. And at this minute, this announcement of what the President had done appeared in the *Washington Post*, and as I said, I called Stettinius, and he indicated that if he had been doing it he wouldn't have appointed anybody, but it was the other way around.

I said, "Well, now, who is responsible

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for this appointment?"

I then learned that apparently it was the people in the Foreign Economic Administration and probably Oscar Cox, who was deputy, because Henry Wallace was out and . . .

WILSON: Leo Crowley.

BLAISDELL: Well, no, Leo Crowley was the head, but Oscar Cox was really running the show, and Stettinius said, "Why don't you call Oscar and he'll probably tell you."

So, I did, I called Oscar and he said, "Well hasn't the White House been in touch with you?"

I said, "No."

He said. "Well, that's surprising."

Anyhow, it was very clear at this time that President Roosevelt had had nothing to do with it, that the "White House" was approving but the President was not being consulted

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except on the most important things, of which this was not one.

WILSON; Now, are you suggesting that he was trying to conserve his strength, that he was too ill?

BLAISDELL: That's my present belief; but at that time he was just--well, see, he had returned from Yalta. He'd gone up to the Congress and testified in a wheelchair, which was the first time he had ever done that, before the Congress. There were stories in the papers that the President's health was not good--always denied of course--but it was reasonably clear that this was the situation, and that was my conviction. So I made no further attempt to consult the "White House" but went directly to Oscar Cox, and said, "If I'm to do this, what am I supposed to do? What am I going over

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there for, because I know something about the problem here of lend-lease from this end, what's involved and what kinds of things are going, the whole military operation which is concerned with the shipment of all kinds of things," and this was all being taken care of. I didn't give two hoots and a hurrah about the accounting, because whatever the accounting was I was convinced at the time that this was the cheapest expenditure for the most return that the United States had ever gotten, because we got flesh and blood for raw materials.

Talk about saving American lives, the saving of American lives by the expenditure of British and Russian blood was the cheapest thing as a nation that we ever got.

WILSON: Can I ask a question, to try to reveal some of the bafflement that we have about

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this problem? There is in this period, this difficulty about British use of lend-lease, and the problems before that. People were saying, "The British are using us, using lend-lease to stockpile food and stockpile goods of all kinds, but that goes far beyond what had been the prewar arrangements for normal imports of those items. And other people from the liberated areas by early '45 were saying, "Let's cut into these British reserves and use some of these for Europe now." How should we approach that, all that business about it?

BLAISDELL: Well, I have little clear memory of this, in any form that I would say was authoritative, because I don't remember the data too well. I have a recollection, though, that to some extent there were stockpiles, more than would have been "normal" in peace-

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time; however, one must remember this in terms of, "this is war." And while it was true that, from '43 on, there were great declines in the amount of shipping sunk, there were still serious questions of whether these supplies would be needed. Would we have another period when submarine warfare was going to be more effective? You've got to think about this, and I don't think that at any time during that period when you speak of British stockpiles--or stockpiles in Britain, is a better way to put it, because this was stockpiles for Europe as well as Britain--that

the British people ever had access to foodstuffs, or other supplies anything like what would have been conceived as normal peacetime adequacies.

WILSON: There wasn't in your view any clear British effort to exploit something we might call a

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"special relationship," that is to say, that they were attempting to argue that we have a particular kind of relationship with the United States, or you shouldn't be too concerned about the kinds of things that are coming into Britain, how we use them? One of the things that comes up in the correspondence that we've seen that has concerned Congress was the particular allocation of lend-lease materials to be used for the war effort. Are we really providing the British with lumber and things like this to rebuild after the war, in a special way that we're not providing other places?

BLAISDELL: Well, I have quite strong feelings about this, because the feeling I got--and this came from very shortly after I arrived--of what the British were trying to do, and they tried to do it without much success, was to make available from British resources, to

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the American troops and American services that were there, something .which they could contribute to us in response for what we were contributing to them.

MCKTNZIE: Reverse lend-lease.

BLAISDELL: Reverse lend-lease. And we were supplying our own troops so generously that the problem was one that was really in reverse in that the real problem was that here were American troops and American civilians working in Europe, being supplied through military channels, who were being supplied so well that the American GI and the American officer was the ideal to the British soldier. Why couldn't the British soldier get that kind of rations? Why couldn't he get this kind of care from his government that the American soldier gets from his government? And this

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wasn't something somebody told me. This was the feeling that I got from association with British troops and seeing the American troops in relationship with the British troops, and it was this kind of thing that gave one the feeling that, "Gee, here's a bunch of plutocrats that are concerned about the people that are on welfare," and whether the welfare people aren't living too well. That's a psychology that is not unknown today.

WILSON: How widespread was this?

BLAISDELL: I think it was very widespread.

WILSON: How about on the part of American representatives, not that they could do very much about it, I suppose? They had made commitments to maintain post exchange privileges and various other kinds of things, not in Britain, but there was a concern that this was going to

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affect the U.S. image?

BLAISDELL: I think there was very little concern on this point. There was very little sensitiveness on this point; not nearly as much sensitiveness as one would expect. I think it's fair to say that when we, as an organized nation, move nationally we take our standards with us. You know, standards are reflected in the military establishment, and having established those standards we accept them as right. If other people can't come up to them, "Gee, that's too bad," rather than it involving any moral judgments of, "This is unfair," or anything like that. That's something that is the other person's reaction rather than ours. I don't think there was very much of this. There are a lot of overtones on this that I can comment on, but I think that you're much more interested in some-

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thing else that I wanted to get at, which is the question of the feeling in London vis-a-vis the immediate postwar relief, basic relief business. This appointment as Chief of Mission, instead of my being able to be briefed and getting a full comprehension of what was going on, was again briefly, almost brutally interrupted, because transportation back and forth between London and the United States, particularly for civilians, was extremely limited. We were shipping military folks by air all the time, and lots of people by ship, jamming them in like sardines during a military movement. And the first question that Cox and the people in FEA faced was, "How are we going to get our new minister over to London?"

That was a stupid question in one way, but from a bureaucratic standpoint very important. From the standpoint of national

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interest it had little importance. And, as I recall, it was about three or four days from the time of this announcement that I had read in the *Post*, that there was another call and this time it was again from Cox, who said, "Hawkins," who was the economic minister in London, "is here in Washington on consultation with the State Department's Phil [Phillip E.] Mosely," who was Winant's consultant on the European something Commission.

WILSON: Yes, European Advisory Commission.

BLAISDELL: European Advisory Commission. "And they are here with the Ambassador's plane and there is an extra place on the plane and we think that you ought to take it, if you're willing, and get to London as quickly as you can get there."

So, with about 24 hours to get a suitcase packed and learn what I could learn, not

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knowing a lot about what I was up to, I landed in London 48 hours later with Hawkins and Phil Mosely, both of whom I had known, but had not known well up to that time.

I got to London and found that as far as the mission itself was concerned, although everybody had great respect for Hawkins, they felt that they didn't have anybody who really had Washington--their Washington--involved in the interest of the mission. Their Washington had been washed out because Hawkins was responsible to another part of Washington, the State Department. And at this stage, I think you can see clearly what not many people saw then, that there were two State Departments in Washington. One was the Foreign Economic Administration and the other was the State Department. We know this is a matter of history, but at the moment it wasn't very clear,

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except in the State Department. And the struggle between what had been Henry Wallace [as former head of FEA] and Cordell Hull as a whole series of issues was strung out and was reflecting itself in this association within the Foreign Economic Administration, which pulled together lend-lease, and the combined boards representing a whole series of civilian agencies. The Chief of Mission of Economic Affairs was the U.S. representative of all of these operations. But the operations that should have headed--by all organizational principles--into the Ambassador, didn't. They headed into the Chief of Mission for Economic Affairs, and the Ambassador's position was just almost impossible to understand because this outfit was housed in his building but not reporting to him in any way.

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WILSON: If I may interrupt again and stop your continuity. This is the most important place for the United States to carry on diplomatic relations; that is the London Embassy has to be the number one Embassy. "How," I suppose, rather than "why?" Is it merely Roosevelt's distaste for the striped-pants boys, his proclivity for getting around normal channels of administration, that brings about something like this? It comes up again and again.

MCKINZIE: Especially in such an important thing as economic affairs where the rebuilding or the re-establishment of Great Britain is the keystone to the postwar health of the world.

BLAISDELL: Well, this is a very tough question. All one can do is indicate his own

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hunches about it, rather than any, certainly any strong feelings that this is the way it was. My feeling has been that Roosevelt felt that although he and Winant were really quite close, and Winant never had any trouble picking up the telephone and talking to Roosevelt, that Winant

somehow or other had one kind of a contribution to make in this U.S.-British relationship, but that he couldn't make the relationship which was involved in getting a major economic operation going. That was the Harriman assignment, that if Winant had been able to do this it would have been done. It wasn't done. Why wasn't it done? Roosevelt didn't know so he let Harriman try it.

And so Harriman hopped over. He didn't even see Winant; he went to see Churchill. He established himself with an instinct for the jugular, so to speak,

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which is one of his great qualities, at least to my judgment. One of my reasons for having great devotion to him is that he gets to the heart of the problem. So that he and Winant, well--the president could put up with this because he talked directly to Winant and Winant had very great contributions to make. Winant had a feel for people down in the street, that when the bombs came over, and the fires were on, who was out there? Winant was there. And everybody knew it. He didn't move out of town, he stayed and took it.

Well, this was something that was worth so much that you can't put a value on it. When it came to his relationship with the military organization, with [Dwight D.] Eisenhower and the military people, Winant had a basic historic grasp of the American Civil War. He knew the literature, he knew the locale, he knew the.

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whole series of military moves, the peninsular campaign, and the valley, the Shenandoah campaign, and the Gettysburg battle. In a sense he was a military expert in this field. And people like Eisenhower and the other military fellows respected and trusted him. This was a relationship that was bolstered by such humane and personal relationships as having a cottage out in the country where over the weekends the generals and the colonels would go out and chew the rag with Winant; and he had good cigars, and this helped. He loved good cigars. I mean it was at that level. But when it came to these other economic things somehow or other it took somebody else to do it.

When I landed I found that the mission chief had a personal relationship with a whole lot of people. And my problem, which I learned

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the hard way after I got there, was simply to find what's going on, and who's responsible.

Fortunately, there was a wonderful executive officer there, named Winthrop Brown, who later went to the State Department. He was just about to return to Washington. Without him I would have been lost. But he knew the ropes. We got along, we got started and I managed to give a little authority to what he was going to do anyhow, and I began to learn and know the people.

Then, I was staying in an apartment near the Embassy with some friends, other fellows in the Embassy, and the guy that brought our tea in the morning, came in and pulled the curtains and said, "Mr. Blaisdell, poor Mr. Roosevelt is dead."

I had been there, I guess. Well, let's see, when was that, the 15th of April?

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WILSON: The 11th of April.

BLAISDELL: The 11th of April? I had been there since the first of March, about six weeks. Well, you can imagine what this all meant to me at that particular point, because President Truman was to take over. None of us knew Truman except as chairman of the Truman Committee in Congress. What a wonderful job he had done there. If anybody had ever been modest as Vice President it certainly was Vice President Truman. What was this going to mean in terms of how we had to operate, in terms of putting things first that are important now. We had gotten through the Battle of the Bulge and all of that terrible business. Troops had moved east. The armies were closing in on Berlin and the bombers that had been coming over London every night no

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longer came over. We did have a few V-2s drop in and that sort of thing. And came early May and V-E Day was there, and everybody was glad that the European fighting was over; and Churchill came around to the Embassy and talked for a few minutes and ended up an hour by saying, "Now we will show the Japs what kind of people we are." So, we began to think of what's going to be next? This was the thing, that we are coming to, that's really important. I want you to get the background and the feeling that one got at that particular time.

So, V-E Day! Where does lend-lease, where does the combined boards, where does the UNRRA, where does all this fit into the new situation? What kind of a picture puzzle do you try to pull together out of this?

This was the kind of thing that was going

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through my mind, and with my British opposite numbers in the various pieces of this particular puzzle. Interestingly enough, nowadays who remembers the combined boards? They weren't very important, except as symbols; but there were a lot of things that were done together that were important, and UNRRA was at a very interesting stage in disguising the picture of the aid operation. I think that I was not a loner on this. I think a great many people had the idea that, come the end of the war, UNRRA is going to be the important agency in Western Europe for the recovery of Western Europe.

MCKINZIE: Some Congressmen, however, had some other ideas. They wanted the relief phase to be very short. Perhaps they feared it internationalized the goals of the New Deal.

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BLAISDELL: That's the kind of picture that appeared, as you say, in certain congressional circles; but I remember the establishment of UNRRA. I was at Atlantic City at the time things were set up, organized. I was interested in an international organization for an international job. I wanted to see what was going on, and to try to keep in touch with it although I had no official responsibility. But I was glad that I had watched it; and the idea that UNRRA was going to function purely as an outpost in Eastern Europe and in the Soviet Union, was something that never occurred to me. That we were to be taking over responsibilities in the Soviet Union and Eastern Europe, just had never occurred to me really.

I hadn't conceived this. This was to be a Western European operation and the lend-

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lease, if you please, on its civilian side could very well merge with UNRRA and move right ahead with these programs. But whether Mr. Roosevelt ever had any ideas along this line or not, I don't know. Whether President Truman ever had any such ideas, I don't know. But it became clear, gradually, over these months between April and June, July, and indeed in the post-Potsdam era, that the people who held the reins of power were the Army, and the Air Force, which was part of the Army at the time--the Navy was busy in the Far East, their war. In this European development, the idea was that UNRRA's function was taking care of DPs. This was something that was new and the Army and other military, who had troops and whose business now was get them to Japan, or shortly thereafter get them home, looked

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around for things that they could dump, and the thing that they could dump most easily on UNRRA was DP camps and repatriation of the Russians. And you came up against this terrific problem of what are you going to do with the Russians that don't want to be repatriated? What about the Eastern Europeans? Suppose they don't want to go back if it's going to be a Commie government that's going to run their country. If they didn't want to continue the revolution. But these were the questions. What about supplies?

So, you get into the relief stage here. The beginnings in Germany, Italy, another story in France, to say nothing about Great Britain. Great Britain was still looked upon as a source of supplies rather than a recipient, and there was a lot of the--I think this was at the root of part of this question that

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you were raising about the Congress and other people in the U.S. thinking, "Well, the British have stocked up quite a store on us and so they can do without." Only a lot of British felt the

same way. "We are still the head of the Empire. The Empire is still important." Churchillian--although the British promptly dumped Churchill--the feeling still was that here is a powerful country instead of a country that had been bled white. The essential group that didn't know they had been bled were the British. They didn't know and the British leadership wasn't sensitive to this. So that this became a very, very strange feeling.

I can't remember very well my own feelings about this, except that I had the feeling that the British weren't nearly as potent as they thought they were. This I was sure of,

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but when one has this kind of feelings he doesn't go around blurting about how the British have gone down the drain or anything like that; because, after all, you look at the British and they had done quite a job and they still had a lot that was useful to themselves as well as us.

MCKINZIE: In July, August, and September, of 1945 when UNRRA began to become something other than what it was anticipated it would become . . .

BLAISDELL: Yes.

MCKINZIE: . . .did you have any sense of apprehension about the immediate future of Britain, since they had evidently been counting upon UNRRA and it obviously wasn't going to deliver? Did it seem to present any kind of immediate economic crisis?

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BLAISDELL: No. No. The feeling I had about this though was very clear. V-E Day in May came really quicker and more abruptly than was expected. I can't date it now, but it would have been after that, but not very long, and here the record should be checked pretty carefully. Will Clayton, who was Under Secretary of State for Economic Affairs, was in London trying to size things up, and the questions were pending in Washington at that moment. What about the future of lend-lease? And Clayton, for whom I have very great respect, had come, and he had talked with Hawkins, and had talked with the Ambassador, and he had talked to people in the Embassy direct, and then he also talked with me, and our people in the Mission for Economic Affairs. And I can remember it as clearly as we three fellows are sitting here. The message that we had had

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was that Byrnes' organization in Washington was considering whether lend-lease shouldn't be terminated.

And that morning Clayton had come in, and we were talking about it and we said there could be nothing more tragic, that this mustn't happen. And Clayton said, in effect, "We must alert Washington on this. We must make it very clear how we feel," and I agreed.

So, we put through a long distance phone call. I don't remember to whom Clayton was talking, whether it was Stettinius or Byrnes or who it was. There probably is a record of it somewhere. Anyhow, Clayton sitting there by my desk and on my phone said, "We can be reasonably sure everything's going to be all right until I get home, because they have agreed they will not act on the cessation of lend-lease until I get there, and I'm

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leaving tomorrow morning."

The next morning we picked up the London *Times* to read that lend-lease would be finished in 60 days.

WILSON: There are all kinds of problems about this, as you know. One school of thought has it that Leo Crowley gave President Truman very bad advice about this; that Crowley didn't really understand what the impact of the stoppage of lend-lease would be. That he was most concerned about the political effects. Congress had been promised that lend-lease would not go on past the end of the war and so forth. Is that how you understood it at the time?

MCKINZIE: It was in the law, I guess. The lend-lease law said that.

WILSON: Yes. Well, there were ways around that.

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BLAISDELL: Well, at the time I have to confess that I didn't think in those terms at all. The one thing I could think in terms of was, "This is the most unbelievable thing I can imagine, because it shows a complete lack of understanding of the kind of problems we're facing."

But there's another important thing to note about this, that this was not limited to Washington. It was also true in London, in the British Government. They, of course, were shocked; but at that point--I have to remember that it was only, oh, a very few weeks before this that I had been talking with various people in the British Treasury about what the U.S. was going to do: what about lend-lease, what about the whole series of relationships that had to do with the new International Bank and the Monetary Fund and

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how these things were going to be interrelated. The British official who was most responsible in this field (I don't remember whether he was within the Treasury or in the Foreign Office. It didn't make any difference, he was in the heart of the operation) was John Maynard Keynes. And I felt keenly enough about this to say, I think I had better talk with Keynes, which I had never done.

Again, the date of this I can't give you offhand. It would have to show in the record. But I arranged for a lunch with Keynes and one of his associates and one of mine, probably Win Brown (I've forgotten). But the one point that I felt very strongly about was that we were sort of

at a point where you had to decide things, and that it was important that strong British representations be made in Washington about what we had been living with

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in England. And I said to Keynes, in effect, "Now is the time to go to Washington and talk hard and tough about what it is that we've got to do. I've said this in Washington and now is the time as far as I'm concerned."

And he said, "No, I have planned to go in September, and this is what I expect to do."

Well, this must have been summer because it was prior to the talks that came up with Clayton, and prior to Clayton's phone call to Washington. I didn't put these things together too closely at that time because they were happening so fast. You do what you can as you see the situation at the moment, and I had sensed that it was important to get Keynes to Washington. I couldn't talk for the British. I could talk for us. But his feeling was, "No, he was going to do it when he got good and ready."

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Well, he didn't go until September. In the meantime the end of lend-lease had been announced. The history of that--I'll have to tell you this. You can put it on the record or off, whichever you want, it's kind of amusing and you'll enjoy it.

I went back in October of '46, and the first thing I did when I got back to Washington for any period of time--I had been back and forth all the time in between--was to get my teeth fixed at the dentist. And the dentist was a great guy. He filled teeth with gold--and he believed in the gold standard--and these fool economists who wanted to get off the gold standard were silly, because all this meant was the price of gold went up. Anyhow, he'd get me there to fix my teeth and read me a lecture on the gold standard. He said, "Mr. Blaisdell, you know Lord Keynes?"

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I said, "Yes, I know him."

"Well, you know, when he was here last time?"

And I said, "Yes, I know, I know very well."

He said, "Well, he has trouble with teeth and continuously failed to fix them. I looked at him and I [the dentist] said, 'Lord Keynes, I think we'd better take this tooth out. It should be extracted. It's causing you trouble.' And Keynes said, "No."

He said, "Well, Lord Keynes, really, it's infected. It's a bad abscess, and I would advise you to have it out."

And Keynes said, "No, please drain it, I will have it taken care of when I get back to London."

Said the dentist, "I told Lord Keynes, 'You let that tooth go and in six weeks you'll

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be dead.' "

And, by golly, in six weeks he was dead. He died of heart failure.

As I say, this is one of the most peculiar things, the accidents in a lifetime that one runs into.

But the important thing there was that in this series of events, it seemed to me it was really very, very significant. We were dealing with a major set of problems that, with all integrity in Washington, were being dealt with without the kind of communication that should have been going on, really taking place; and it was really short-circuited, at least in part, certainly, because of this double representation. It was complicated because much of the economic information was flowing through our office, and here was the State Department dealing on the political

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level, through Winant and his position in the EAC with regard to Berlin and all of these things, which I had nothing to do with at all. Except for this--what I regarded as one attempt to breach the gap by talking with Keynes--the relationships were almost exclusively with the U.S. Treasury and the U.S. Treasury's representative in London. And this man was more independent of Winant than I was. And to this day, the representatives of the Treasury are an independent voice in that galaxy of representatives of the U.S. throughout the world. They handle their own business between the treasuries and the banks in the different parts of the world, and the Secretary of State has little to say about financial affairs.

MCKINZIE: That does have a considerable amount of foreign policy import.

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BLAISDELL: It's unbelievable conduct of foreign policy. It was just as independent as the military was. And the operation and the relationship between the Treasury and the military services are among the most difficult and the most significant which rarely get pulled together. The most tragic case of this kind that I experienced was the handling of exchange rates and the "soft" and "hard" currency relations and the resulting balance of payments in Europe during that whole period. Many American GIs and officers, were dealing in the black market. And this was made possible by a policy of the U.S. Treasury and the U.S. military services which permitted a soldier to sell his wristwatch, any number of gadgets that he could get in the PX, cigarettes, for local currency, take the local currency to the paymaster's office, exchange it for U.S.

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dollars at the going rate, which is the official rate. He had, in effect, sold his stuff for marks, francs, whatever it was, at black market, and then sold his francs back to the paymaster for transfer to United States in currency at the official rate. He was making anywhere from five to ten to one.

My nephew came into my office in London (he was in the Air Force) with a roll of bills, five thousand dollars, in his hand, that he had gotten perfectly legally under the regulations; and this was charged to the Army's account in the Treasury so that it ended up, if my memory of the figures is correct, with the Army owing the Treasury for this account over 300 million dollars. And, after all, General Clay was a tight administrator and he knew what was what. He wasn't going to let the Army get socked with that.

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So, over the years of the occupation, the U.S. Army paid off its indebtedness to the Treasury by the process of requisitioning German assets of one kind or another, such as housing for diplomats and others. Since they were requisitioned, there should have been no charge for them, but they charged for them and the diplomats paid the Army for stuff that cost the Army nothing, and they paid off their indebtedness to the Treasury this way. There's no secret about this. This is all in the published congressional hearings with Clay testifying how it was done.

MCKINZIE: The original decision was independently made through the Army and the Treasury?

BLAISDELL: The original decision was made because the Army was not prepared to make the kind of rigorous exchange controls that the British

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did. The British couldn't do this, because they were protecting their exchange, and the British soldier was allowed to transfer no more than his regular pay.

MCKINZIE: Which wasn't very much.

BLAISDELL: Which was chicken feed. But this claim of independent relationship between the Treasury and the State Department, and the Treasury and the British Treasury--although they had a Cabinet control which we now had--the British Treasury was pretty independent, too. We knew enough about the British Government to know that the British Treasury really runs the British Government.

MCKINZIE: I get that impression.

BLAISDELL: And the Chancellor of the Exchequer handles the budget. The budget is the crucial thing.

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The British civil service is managed by the Treasury. Our Treasury has never had this kind of power. President Roosevelt saw to that. When we tried to establish a budget responsible to the President, it was moved into the Office of the Presidency. And the Budget Bureau was used by President Roosevelt in a way that President Truman never did, as I recall it. Because John Snyder was a pretty independent operator. He had a very, very good staff that Henry Morgenthau had built.

MCKINZIE: Harry Dexter White and that group.

BLAISDELL: Yes. White was a tremendously able person, and there were a lot of other very able people there.

MCKINZIE: There has been, you know, some criticism of the Treasury policy, particularly towards Britain. This fellow E. S. Penrose has written

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a book, *Planning* . . .

BLAISDELL: Penrose was one of Winant's close advisers.

MCKINZIE: Oh, he was? Well, he can't quite forgive the U.S. Treasury for not accepting the British estimate of need. They either needed five billion, as John Maynard Keynes said they needed, or they didn't need it and he seems to think that there should have been some more studies made. Now, it seems to me that Penrose wasn't aware of a lot of studies, because your office made some studies of the actual British need, didn't they? I've seen some of those.

BLAISDELL: Now, the question of need and how you measure it. The five billion was after all a loan, it was not a gift. This was not in the lend-lease category. And the arguments over how much we were going to lend, if it was really

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lending, was, it seemed to me, always rather petty. Here I think the diplomatic question as reflected in the Congress was great, because when all was said and done between the American people on the military side and what the British did militarily during the war, and lend-lease, after all of this, there still underlay within the American Congress, and to a considerable extent with the American people, the feeling "You've got to look out for the Limies or they'll rook you." I mean this was there, and one has to recognize it; and if the State Department and the Treasury hadn't recognized this, I think they would have been short-sighted politically, domestically. This was an important political phenomenon in the States, a carryover from Chicago of Mayor Thompson, and that whole era; but it's still there and there's still some of it there

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today: "You have to look out for the British or they'll sell you down the river."

MCKINZIE: This whole problem, you know, that you're talking about--American public opinion and aid to Britain and the American Congress as a reflection of American public opinion--is a very sticky business, too, particularly as you move into 1946. It seems to me that when the idea of a British loan was proposed that it was proposed with the argument that postwar prosperity both at home, and in England, and in Western Europe, wherever, depended upon reviving England's position in world trade; and it takes money to do that, and that, therefore, in the interest of increasing international trade, which would be mutually beneficial, this loan had ought to be made.

But at the time the actual loan was granted, or the credits were extended--I guess is the

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way it ended up--the rationale wasn't that at all, it was: "Well, by doing this it will keep England afloat and it'll enable her to maintain her military position in the Mediterranean, thereby stopping the Soviet threat."

BLAISDELL: It became part of the Turkish-Greek issue. This I can remember very well from London, when I was in Harry Hawkins' office and because Harry was--and continues to be--a good friend, and we were talking about something, and he said, "Well, it's on our plate now. The British have just said they will no longer make any money available for Greek payments, they haven't got it and they can't do it. Apparently we've got to pick up the tab."

I'm paraphrasing of course, but in substance that's what it amounted to. And, as time went

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on, that's what happened and very shortly. But, this relationship with the Treasury, Penrose did keep track of it, and on this score, as Winant had this intense sympathy and empathy for the British people, I have the feeling that the American Treasury thought Winant was representing the British more than he was the Americans. He was not pressing the American point of view. He was really another ambassador to the United States from Great Britain. I'm pretty sure this was the attitude.

I'm trying to think of the name of the Treasury representative there. He made it a policy to come to my staff meetings, but he would never go to an Embassy staff meeting. He was very careful to steer clear of the Embassy because he was not going to be tied to the tail of their kite. He had his cable connections with the Treasury in Washington.

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The cables were sent through the military system; they were not through the diplomatic channel, and they ran their own business. They were sure it was their business rather than--here I've never been quite sure of Harry White, because he and Keynes were very close intellectually. I've never been through the documents sufficiently; I doubt if I would have my questions answered even if I did go through them. But there was this independent dealing with the Russians on printing plates for the occupation currency. There was what was even a more professionally sloppy job that was done on Chinese monetary policy. In my judgment, professionally sloppy. What the Treasury was trying to do in their dealings with China to this day I don't know and this went back into the Roosevelt era much more than during the Truman era. Because during the Truman era, this

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was a mopping-up operation rather than a positive drive. One could almost say, as I look back on it--even at the time, I had this feeling it was not good--that we really didn't know what we were doing in China; the attempt to regard Chiang Kai-shek and the Nationalist Government as the Government of China when Chiang paid no attention to anything that was said, including in the period of the Marshall mission. And Marshall's attempt to make some sort of order out of this incredible business. As you see it now, one would almost say, "Well, Marshall was trying to carry through a mop-up operation that didn't come off." The failure of Chiang Kai-shek's flying his troops up to Manchuria where they could be easily cut off. The Russians apparently playing a game of support Chiang Kai-shek against those characters they weren't sure of--the Mao Tse-tung group and all of that Communist guff, who were not taking

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orders from them.

MCKINZIE: No.

BLAISDELL: I mean Moscow. If they were Commies they were independent Commies as far as Moscow was concerned. Moscow was preparing to deal with Chiang Kai-shek and his people, whom they had dealt with for many, many years. Way back in the twenties when I was there they were dealing with them. But the Treasury's position there--I've forgotten how many hundred million dollars worth of silver they made available. Do you remember?

MCKINZIE: I want to say 600 million but maybe that's too much. I'm not sure.

BLAISDELL: Well, I haven't looked at the figures for 20 years, I don't remember.

MCKINZIE: It was a tremendous amount of silver.

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BLAISDELL: And how they kept printing money and sending it until it wasn't worth the price of shipping. And this was all done with American backing, and the Treasury's dealing in all this sort of thing. And how they could have thought that this was in the interest either of China or of us, at the time, when--again, if they knew what was going on, and how they could not have known what was going on, is beyond me--the Chinese representatives in Washington were stashing it away in the banks in Geneva, Switzerland; they were playing the black markets, Kung and . . .

MCKINZIE: The Soong family.

BLAISDELL: The Soong family--well Kung was part of it. Married into the family, and today living on Long Island. The whole kit and caboodle, who were really getting rich while China was going

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down the drain. If our Treasury didn't know what they were doing, then they were stupid and shouldn't have been responsible. The other angle on that one was that--and this was in the Roosevelt era rather than during the Truman era--was that Lauchlin Currie was working in the President's office, and was nominally responsible to the President for China affairs. Currie hardly knew where China was.

MCKINZIE: He used to be in the War Production Board, didn't he?

BLAISDELL: No, he was not in the War Production Board, he was in the Federal Reserve. He went from the Federal Reserve where he was one of the assistants to Eccles, who was the chairman of the Federal Reserve.

Currie was a close friend of Eccles. He was sort of Eccles' economic adviser in the

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Federal Reserve, and President Roosevelt took him into the office, the President's office. On financial and monetary policy he was very, very good; but, as I say, he didn't know where China was. He told me in his own words, "All I know about China is the two weeks that I spent out there when I was sent out to see Chiang Kai-shek and try to persuade him to deal with Stilwell." I knew Currie very well in the days before the war; saw a lot of him. He and White were very good friends and the best one can say for him is that he did take John Davies and the China people, the State Department people, seriously and paid attention to them. While within the State Department they had little influence because the State Department had little influence.

MCKINZIE: Evidently.

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BLAISDELL: The Secretary wasn't interested. His interests were in trade policy, which left the foreign field wide open to the Treasury and Henry Wallace and anybody else that would take a hand in it. This lasted, of course, until after Hull died and after Stettinius, and then Byrnes came in. He just ran foreign policy out of his own vest pocket. When Dunn who was his deputy in Austria--in Paris they were trying to negotiate the Moscow treaty and other treaties there on that first trip in '45 after Potsdam--tried to get him to send cables back, describing what was going on just to keep whoever was in Washington informed, Byrnes' position was, "Why should I do that, I'm here."

MCKINZZE: Which was hardly a view for a Secretary of State to take. It didn't work with him,
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obviously, when he got back.

BLAISDELL: "Other people should send me cables, but I shouldn't send cables back to the Department."

I mean that this is what a President has to deal with. Like the whole series of developments there in the takeover by President Truman from President Roosevelt. President Roosevelt had almost been careful not to inform him on what was going on, to keep him out of things. One can't say that it was intentional, but it was intentional in the sense that he never regarded the new Vice President as part of his operational relationships.

MCKINZIE: The same way he evidently didn't regard the Secretary of State.

BLAISDELL: Yes. And when Henry Wallace was chairman of the Board of Economic Warfare, Wallace came

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closer to being a Secretary of State, and the representatives of the Board of Economic Warfare. When that broke down, the Board of Economic Warfare became the Foreign Economic Administration. Then the fight with Jessie Jones over another foreign operation, the RFC and their financing of most of the activities of the Board of Economic Warfare. And this, of course, had nothing to do with the Treasury, because the RFC could operate a separate financing operation independent of the Treasury. And it was set up so it could be operated independent of the Treasury back in the beginning days when Mr. Roosevelt had to find a way to get over "Wee Willie" Wooden and Morgenthau, and the Treasury's inability to see what needed doing in the terms of the expansion of economic activities here, there, and everywhere, the RFC did it, but Treasury wouldn't do it,

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MCKINZIE: Where did the planning break down?

BLAISDELL: Through the war the Office of War Mobilization and Reconversion. In August of '45 there was created that advisory council on international monetary and fiscal affairs, I've forgotten now how all that was put together, a number of--well, the FEA had its own studies, they all had a kind of plan, you know. They all at one time, say, about 1944 seemed to be fairly much in agreement that when the war was over there was going to have to be a short period of relief, probably provided at the U.N. by UNRRA. There would have to be reconstruction, and maybe UNRRA would take care of that. And there would be international financial institutions like the IBRD and the IMF that would take care of those problems. In two years or maybe three, most of these plans seemed to imply, rebuilding would have occurred and there would be reduction of trade barriers, a kind of an unprecedented

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international trade, and over a prolonged period, presumably prosperity.

Well, it was almost certain in most of those agencies that that was what was going to happen. Well, it didn't happen.

MCKINZIE: When did all this planning break down? The people who were doing the planning, of course, lost their jobs as soon as the war was over. Many of them did, anyhow, and their agencies collapsed out from underneath them. But that's not quite a good enough explanation though, is it?

BLAISDELL: No.

MCKINZIE: Well, what is? I'd be interested in your explanation.

BLAISDELL: Well, I think that what happened basically, in regard to postwar planning was that President Roosevelt's point of view was that the State Department ought really to be thinking about

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what's going to go on after the war.

It's got to be international, and so the State Department went to work and thought up the United Nations Conference at Dumbarton Oaks. It was to be separate. The U.N. can deal with diplomatic affairs, but there are a whole lot of other things that are equally important, so you've got to have the Bank and a treasury, hence the IMF. And obviously there's got to be an organization to deal with agriculture, so you needed FAO, and there was UNESCO. The picture that came out was a picture of the U.S. Government on an international scale. I mean this was postwar planning American-style and the European countries--particularly the British, French

(the Germans of course didn't count)--the whole of Western Europe, was so dependent upon the United States that they kind of shrugged their shoulders and said,

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"Well, if the United States wants those things that's okay too, they won't do us any harm. But what power have they got, except the money? Okay, we'll go along with it," they said, and so, you've got Bretton Woods, the Paris meeting, EAO, the first meetings, which started really with the emergency planning there for the food crisis. What was this temporary agency which later became PAO?

MCKINZIE: I'm not aware of any other agency.

BLAISDELL: Fitzgerald was the Secretary General, remember?

MCKINZIE: No, I don't. I can't place the predecessor agency.

BLAISDELL: Well, it was the first thing that happened there in '45, as I recall. Must have, because I went over from London to be

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sure I knew what was going on. The only way I could be sure of it was take a couple of my people along to do some fundamental reporting back to Washington, because I knew nothing else would go back. This was, again, planning by a State Department that was really not going to run any of this. If it was going to be run, the agriculture organization was going to be run by the Department of Agriculture. Health, world health was going to be run by the Surgeon General's office. The IMF was going to be run by the Treasury and the Federal Reserve. Everyone of them was going to be run by its counterpart in the American Government. I mean the American relationships with them. And this is the way it is today. Certainly in the President's office there was no conception that these were a set of agencies that were to be used for wartime reconstruction.

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These were long pull activities. The other thing was that the temporary things to be taken care of were going to be run by somebody else. And this became crystal clear when the 80th Congress came in, and this came on and then the President was reelected. When was the legislation for ECA introduced?

MCKINZIE: ECA was before the election.

BLAISDELL: Yes.

MCKINZIE: It was in the 80th Congress.

BLAISDELL: It was in the 80th Congress, that's right, because--I couldn't put the pieces together for a moment--it had to be on a deal with Senator [Arthur] Vandenberg.

MCKINZIE: That's right.

BLAISDELL: And one of the very important deals

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with Vandenberg was that the Republicans could name the head of ECA, which was Paul Hoffman. And it was General [George C.] Marshall and Paul Hoffman that made this operational. The fact was that it was a Republican Congress and it was going to have nothing to do with those democratically organized international agencies. We had to go it on our own and this was going to be an American ECA, and then the State Department (and the Treasury too), picking up its phase of all this business. By this time I had left London and was back in Washington at the Commerce Department. Harriman had been there and he had taken off for Paris--but, again, the same thing you see. Just as Harriman had operated independently of the State Department in London for lend-lease, he operated independently of the State Department in

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Paris in the ECA.

MCKINZIE: Special representative of the President.

BLAISDELL: Exactly, and everyone of the ECA representatives in the different countries had ambassadorial rank.

MCKINZIE: And reported to Harriman.

BLAISDELL: And reported to Harriman. Not through the State Department. Where was the State Department? Well, they went along, but who had the money? Where did the people in the French Government and the British Government go? Just as they had during the war, they went to lend-lease headquarters. They didn't go to the State Department. Now they went to ECA.

One of the myths that has grown up around ECA was that ECA and the European organization,

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OEEC, managed this whole operation as an international operation. I say, this was a myth, because with all of the activities of Robert Marjolin--who was a wonderful person, and a very able person, and who did a tremendous amount of joint figure collecting, and central planning as much as anybody could--when it came down to actually making agreements as to what was going to be done, every single one was signed as a separate agreement with a separate country. Nothing was ever negotiated in OEEC. The negotiation took place elsewhere.

MCKINZIE: So the OEEC, in your opinion, isn't all that important in the operation of the Marshall plan?

BLAISDELL: It was important but the long pull agreements were country by country, so that what we did was, instead of throwing our weight

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the direction that Hoffman said we wanted to go, and the President had indicated that he wanted to go in terms of an integrated Europe, we did just the opposite.

What we were saying at supertime--the policy is where the action takes place was so clear that it was fantastic. And this business of negotiating until we rebuilt every chancellory in Europe.

MCKINZIE: Perhaps had they negotiated through OEEC, they could have come more nearly achieving the integration that they claimed at least was one of the major objectives of the plan.

BLAISDELL: And the one place where they succeeded in pulling this thing together, strangely enough, was outside OEEC, in the European Payments Union, which was a Treasury deal. Where the British said, "We can't do this. It's impossible, you

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can't put the pound sterling into the common pool." And this time the U.S. Treasury was tough and said, "Well, either you put it in or we're going ahead without you." And the European Payments Union became the one agency through which this group of countries really operated as though it were a common, integrated entity.

MCKINZIE: That's true.

BLAISDELL: And that resulted in the rebuilding of each of the independent currencies around a nominal accounting unit equivalent to the dollar, and this went on until they were all prepared to operate on their own again. I've forgotten whatever became of the 500 million or whatever it was that we put in as capital. I think it still exists as a separate entity, because at the time when the Payments Union

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was wound up, it was, I think, put into the equivalent of escrow to be used in case it was necessary to come back to it sometime. And now we're going through this same old thing all over again with the development of a common unit in the Common Market.

MCKINZIE: It's supposed to be in effect by 1980.

BLAISDELL: Supposed to be in effect in 1980, when we had it in effect in 1945 and '46, and for the next ten years, as I remember.

MCKINZIE: Let me ask you something else. We have run across a couple of things in your files and have never seen them anyplace else, that refer to a European recovery survey which was made in 1946. Do you remember anything about that? This talks in essence about what was needed for recovery. Do you recall working on any such plan?

BLAISDELL: I don't identify it. Let's see if you've got anything that can refresh a bad memory.

MCKINZIE: Now see, these are your files here.

BLAISDELL: Yes, that's my file. That's nothing but the Truman Library file. This must have been in the State Department, and this is one of the few months that officially I was in the State Department. I came back from London in October of '46, and the reason I came back was that I was convinced that as far as I was concerned I had done everything I could do there. Things were in a doldrum and action had moved to Washington--and I was under the illusion that we were going to use these United Nations agencies. I had done my best in London to get the things that were being done by emergency agencies there, the coal . . .

MCKINZIE: Transportation.

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BLAISDELL:; Transport. There were three of them, and then there was a general one, and I didn't think much for those. And Stettinius had urged me on this to use what was to become the European regional United Nations agency, still is, the Economic Commission for Europe. I wanted to see that developed as the substantive working agency.

MCKINZIE: I see. That explains much. I see a lot of that in your papers.

BLAISDELL: And when it became clear to me if this was going to happen it was going to be some time. So I decided to go home. I went home, having technically become a member of the staff of the State Department. I had four, five, or six months of leave that had accumulated. I had never taken any leave, and technically I was on leave; but I had an office in the State

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Department and I was trying to keep track of what was going on, which I did, until Averell Harriman came along and said, "Come on over to the Commerce Department with me." I had some hesitation about that, because I knew the fellows that were in charge of what Averell wanted me to do. These were all friends of Henry Wallace and good friends of mine. I didn't want to throw these guys out. But two or three came over and said, "Tom, we are leaving. We can't go ahead with Harriman. We hope you'll come in because you can save the staff. If we just go out and do nothing--well, it depends on who comes in. We know they trust you and things will go ahead as they should."

So, I then moved over from State to Commerce, and this must have been something that was going on in State, because it's December and that was just before I went over

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with Harriman. You've got the dates and all, but I'm not sure of the dates. This refers to Van Cleveland, Harlan Cleveland's brother, a very brilliant economist, a very able guy in the State Department, and [Hubert] Havlik, who's another one of these, and Willoughby. This document was from Hughes to Havlik.

MCKINZIE: This would have been something in the transition period between the end of your time on the economic mission and the time you went to the Commerce Department. Do you think that the fact that the ECE didn't become the operational agency made any real difference? I'm concerned about timing, because you had obviously some ideas what needed to be done, had an idea about the necessity of the loan. Do you think that the fact that the ECE didn't develop, and that the U.N. organizations didn't turn into operational agencies, or at

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least not effective ones at any rate, had anything to do with the crisis which came by 1947? Was it a matter of simply not enough soon enough which caused the British crisis of '47-'48 and the French crisis of '47-'48? If all developed as you anticipated in, say, mid-1946--which would have to be an educated guess--could it have been somewhat different?

BLAISDELL: Technically, yes. This brings you to the question of the politics. I'm not using politics now in a critical sense at all. I'm using politics in the sense of the relationship between fundamental cultural entities that we call states, that are so fundamental, that were so fundamental in '48 that Harriman had to rebuild them. I say he had to, though I'm not sure that he did; I'm not sure that he was aware of what was going on in this regard.

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Might be worth asking him. When he left the Department of Commerce and Charles Sawyer came in my responsibilities became again--just as they had become in the War Production Board period--pretty technical and highly administrative, dealing with the whole set of problems of export control. We had a Korean war, the licensing powers and I had the administration of that licensing operation. We got ourselves up to our necks in the stupid, again, the China squabble. I think that it might have been possible that we could have avoided the Marshall Plan. Let's put it that way. I think that if we had been more sensitive to the basic problems of Europe and Great Britain. Because in one sense, you know, Baruch wasn't so far wrong. It was the timing that was wrong. That you had to put in--what did it turn out to be, forty or fifty billion dollars

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as seed money, that was going to rebuild this operation (that's what it amounted to). For at least five or six years it was eight billion a year in grants and loans. But again this administrative phenomenon that we're talking about here of the Treasury, of ECA, and the State Department, and the military services. Lucius Clay was running Germany.

MCKINZIE: That's rather clear.

BLAISDELL: Of course, Clay was a very able proconsul, and he was the czar of the American zone of Germany. So much so that, if the British zone was going to buy anything from the American zone, they were going to pay in dollars, hard dollars, none of this sloppy pound sterling. He was as much concerned with the balance of payments of the Army's dollars, as any treasury ever was, and it was his staff who came from the Treasury that were advising him. Our Treasury

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again had its representatives in Paris, with Harriman, not as part of his mission, but as independent operators. Anyone who is really concerned with American foreign policy during that period, and to this day, had better look at the Treasury representatives whenever they are concerned with policy; because time and time and time again the explanation for what happens will grow out of what the Treasury did.

MCKINZIE: Was it possible that the Treasury could have advised General Clay that the problem he found himself in in 1947 and 1948 in Germany couldn't be solved without some kind of integration of economies; of some kind or rebuilding at least of the industrial part of Western Germany? You know, it's not quite clear to me from whom that decision emanated.

BLAISDELL: Well, it emanated eventually from the

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War Department and their decision that they were going to get out of the recovery business. This wasn't a military business. This was a business that should be carried on by the diplomatic representatives, the civil as against the military. And the fellow, I think, who had as much to do with it as anybody else in the War Department was Assistant Secretary Robert Lovett--a marvelous person who kept a broad interest in this whole realm of activities and fought the fight in the early days against Morgenthau and the "goatpasture" policy. Also, as General Clay's associate, General Draper, had great influence. His civilian occupation as an investment banker made him a far-sighted person. But there was widespread debate over the interlocked policies in the War Department, State, Treasury, Agriculture, and Commerce.

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