Oral History Interview
with
WINTHROP G. BROWN

Served as executive officer, Harriman Mission, U.S. Embassy, London, 1941-43; U.S. Lend-Lease Mission to India, 1943; executive officer, Mission for Economic Affairs, U.S. Embassy, London, 1943-45; chief, Division of Commercial Policy, U.S. Dept. of State, Washington, 1945-48; acting director, Office of International Trade Policy, 1947-48, director, 1948-50; director, Office of International Materials Policy, 1950-52; and deputy to minister for economic affairs, U.S. Embassy, London, 1952-55. In addition to other posts subsequent to the Truman period served as U.S. Ambassador to Laos, 1960-62, and as U.S. Ambassador to Korea, 1964-67.

Washington, D.C.
May 25, 1973
by Richard D. McKinzie, Harry S. Truman Library

The Harry S. Truman Library
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NOTICE

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RESTRICTIONS

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RICHARD D. MCKINZIE: Ambassador Brown, I wonder if you might say something about how you came into Government service, and tell something about the formative forces on your thinking about international economic affairs before you entered the Government?

WINTHROP G. BROWN: I came down to Washington on a temporary assignment in June of 1941. I had been practicing law and was a partner in a law firm in New York. But things got so in the middle of 1941 that just moving money from one guy's pocket to another in New York seemed pretty dull compared to what was going on in the world. And I

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came down to Washington to look for a job, and was recommended to go to Oscar Cox.

Oscar Cox I'd known when he was representing the City of New York, and I was representing the New York Telephone Company and we'd had a litigation together and I gained a great respect for his abilities; and he at that time was Harry Hopkins' lawyer, and was one of the initiators of the lend-lease legislation. I got down there, I think it was just after the Lend-Lease Act was passed. We had the Lend-Lease Act, which was a brief statute, and four people or five people in Oscar's office, and a seven billion dollar appropriation, and the problem was how do you put it to work? And that was when I started out.

After a few months Governor [Averell] Harriman wanted an assistant in London, and I applied for that job and got it, and went over to work with him in November of 1941, and stayed there with his mission and his successors, Philip Reed, and Amory Houghton, and others, until May of 1945 when the war in Europe was over.

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That's a fascinating story in itself.

MCKINZIE: I wonder if you might dwell for a moment on some of your experience in London, particularly anything you might have had to do with the postwar planning that took place between the United States and the British Commonwealth?

BROWN: I had practically nothing to do with that. Harriman's job ostensibly was to coordinate lend-lease operations in shipping and the productive capacity of the different Allied countries to bring the maximum effect on the war. He also, of course, was much more of a direct political contact between Mr. [Franklin D.] Roosevelt, and Mr. Hopkins, and Mr. [Winston] Churchill than Ambassador Winant ever was. Those of us who worked for him (young fellows) didn't know anything about foreign service or anything. We thought we were really pretty superior to these poor old fellows downstairs in the Embassy who just did dull things, and we were really dealing with the problems of the war.

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I'm not an economist -- never have been -- and I was certainly not knowledgeable in finance. So I didn't get into the Bretton Woods complex which was the most important, of course, of the immediate postwar plans. I did hear a lot about plans for the Food and Agriculture Organization.

Some of my friends in the British Government were interested in that, but I really had no direct part in that.

In '45, I guess it was, or late '44 I met a fellow named Harry Hawkins, whom you undoubtedly know about. He was Mr. Cordell Hull's right-hand man in trade agreements. He had a vision of a postwar world in which tariffs and trade barriers would be reduced, and there would be an international institution which would bring order into international trade and provide a forum for settlement of disputes; which would generally aid in international cooperation in trade expansion. I found that a very exciting idea. I had always planned to go back to the practice of the law in New York where I was very

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happy, but this was pretty interesting and Harry got me a job as Chief of the Division of Commercial Policy in the State Department.

MCKINZIE: You met him when he came to London?

BROWN: Yes. He was the economic minister or counselor in the embassy in London, I think, beginning in either late '44 or the beginning of '45. So he got me this job and I was then a bachelor and I accepted it. I went in in June, I think, of 1945, and I didn't know a tariff from a toothbrush at that point. Well, at that time the people in the Division of Commercial Policy, who were really quite a remarkable group of people, had developed an idea, which was very revolutionary, and that was the idea of a multilateral tariff negotiation.

MCKINZIE: Do you happen to know the influence, let's say, of Harry Hawkins upon this idea?

BROWN: Oh, yes. We had about thirty trade agreements.

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The shortest time that it had taken to do a major agreement, say with the British or the Canadians, up to that time was eighteen months. The proposal that Harry and his young assistants -- such people as John Leddy and Leonard Weiss, Marc [Honoré M.] Catudal -- were putting forward involved negotiating with eighteen countries at the same time. And not only that, but having each of them negotiate with each of the other, so that you would have a total of well over a hundred separate bilateral negotiations going at once. This was regarded by many of the experts, and most of the senior old-timers in the different Government agencies besides the Department, as being "nuts, and quite impossible." But Harry didn't think so, and John Leddy didn't think so, and for whatever value a newcomer's opinion had, I didn't think so either. The thing was going along pretty well and that was the first thing that I had to do. I don't know whose idea it was originally, but the real

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moving spirits were Harry Hawkins and John Leddy. And they were supported in that -- I've forgotten who the Secretary was at the time.

MCKINZIE: [Edward R., Jr.] Stettinius. He was Secretary through the San Francisco Conference.

BROWN: Well, anyhow, Harry Hawkins was the senior civil servant who knew about this and he pushed it forward. It was supported upstairs, although there was no great problem about it at first. So, we got started on this thing, and John Leddy and his boys worked out the mechanics of how you do it, and we got the go-ahead from the White House. I was not familiar how that was accomplished or what went on, but anyhow, it was moving when I got there.

My first assignment was to chair the Trade Agreements Committee, which was the committee of the different departments -- Tariff Commission, Commerce Department, Labor Department, Defense Department, Agriculture Department, State

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Department, and the Treasury, which recommended to the President what items in the tariff should be reduced and what requests should be made for reductions by the other countries. So we sat down and we went to work -- organized a group for each of the countries involved, and they all got together to prepare lists. This went along fairly smoothly, and then we put the lists to the Trade Agreements Committee and debated it back and forth, and finally came to an agreement on what should be recommended. What tariffs should be reduced, how much, what tariffs should be bound against increase, and what should have nothing done with them, and then what we should ask for from each of the other countries? Well, it was quite a remarkable activity, because a lot of those agencies, Agriculture and Tariff, were pretty conservative in terms of tariff reduction. This list included almost all the sensitive items that you could possibly have -- wool, and feathers, and turkeys, and lace, and toys, and things of that kind. There were sharp

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differences of opinion. Nevertheless, we came out and at the end of the day, as I remember, we were able to put up to our superiors recommendations which were agreed, except in about twenty-five cases.

MCKINZIE: On twenty-five commodities.

BROWN: Yes. Out of about five thousand that we proposed to reduce, and about eight thousand that we proposed to ask for reduction. When we got the list ready, and before we came to any conclusions, under the law it was our responsibility to hold public hearings. That was one of the reasons why the old-timers said it was impossible to do this, because you simply couldn't have hearings on that number of items which would mean anything all conducted by this one little group of people. I'll never forget, I was sitting at home one Sunday afternoon and Norman Burns, who worked on the stuff, called up, and he said, "I've been working on this public list. For the first time I've got all the

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different parts put together, and," he said, "We just can't publish it. The country won't take it."

And I said, "What do you mean?"

"Well," he said, "let me show you." So he brought these things out to the house, and it was a formidable volume. I mean, there were just pages, and pages, and pages full of items. It really looked as though we were changing damn near the whole tariff law of the United States by this little committee of ours, you know, by executive action. Well, I said, "Norman, can't we do some window dressing? Can't we just have broad categories or have a broad category and then group little things underneath it? Can't we do something that makes it look shorter?" So, he took his hat and he went off, and the experts got to work on it. They worked for about a week on the darn thing, and then they came back and said, "There is no way that you can conceal the fact that we are proposing reductions or bindings in over 80 percent of the whole United

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States tariff, all to be done at once."

So, I said, "Well, look, since we can't hide it let's make a virtue out of it." One of the lists that the experts worked on in the committee was the list in technical tariff terminology. But there was also a Department of Commerce list, which reflected the tariffs and identified imports and in, more or less, comprehensible layman's language.

So, I said, "Let's hide the bulk of this thing by making it even bulkier. Let's publish it in both languages." So we finally put out the list in the technical language, and then, "for the assistance of the reader," the same list in the Commerce Department bulletin language, which was more comprehensible. We still worried about this. The meeting was set for April of '47, and there was an election in there.

MCKINZIE: Well, in November of '46 there was a congressional election.

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BROWN: November '46. We did defer publishing the list until after the election; but then we published it and the reaction was not particularly excited -- everybody was amazed. Then they held the hearings and they went on for a few weeks, and they were just marvelous, they were really very interesting. The lace industry came in and complained that they were essential to the management of defense, because they made the shoulder patches on the soldiers' uniforms. And various other industries -- the human hair industry came in -- all its representatives in luxuriant wigs.

MCKINZIE: Did you preside at many?

BROWN: I presided at most of them. We had some panels. I think they had three panels. I presided at one.

MCKINZIE: So you directly then took the heat from the industries.

BROWN: We found some of the testimony persuasive, and

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some of it just bilge.

Only one industry came in and said, "We won't, we can't take a cut here, or here, or here; but we could, we won't like it, and we hope it won't happen, but we could accept it here." In that case and whenever there was a suggestion of that kind we would adopt it -- go along with it.

MCKINZIE: What industry was that?

BROWN: The shoe industry.

Well, then that was all accomplished and then we had to decide what our recommendations would be. It was at that time that we went over all the cuts and came out with a report that was then sent upstairs which was unanimous except for about 25 items. And at that point -- my chronology is very bad. I can't remember when Mr. Will Clayton became Under Secretary and when Mr. [Dean] Acheson, Assistant Secretary for...

MCKINZIE: Mr. Acheson was Assistant Secretary for

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Economic Affairs until just before the Marshall Plan was passed.

BROWN: '47. Yes. Well, he was there. In this great enterprise we had total support from Dean Acheson and Will Clayton or we couldn't possibly have done all the things we did. I don't think we ever would have got permission to publish the list, if we hadn't had the support of those men.

MCKINZIE: They entered it substantively at that point.

BROWN: They entered it substantively whenever they came in. But I've forgotten -- particularly I've forgotten when Will Clayton was in. But from the moment they got into office they supported this enterprise wholeheartedly. They considered it to be very, very constructive, and without that support, obviously, you never could have done it. I often think how great an influence on public affairs is brought about by some people who will never be known, such as John Leddy, who

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ultimately became Assistant Secretary of the Treasury and Assistant Secretary for European Affairs. He came very much to the top. But some of the others who had this idea, and who worked it out and did it, really made a tremendous contribution.

Well, parallel with all of this in the tariff field with all the other related activity going on, because the tariff is obviously only one of the elements in the control of trade -- there are many other elements which are much more difficult and dangerous than the tariff, such things as quotas. The high tariff you can always jump over it if people are willing to pay the price. But the quota imposes a fixed limit. So that it was quite clear that to have a tariff agreement without anything else is no good -- and all the previous trade agreements had some general provisions. So, at the same time we were doing the tariff reductions we were working out the general provisions -- rules that we'd have to adopt about quotas and subsidies -- all kinds of other things like that.

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MCKINZIE: Was there talk at this time about full employment and that kind of thing?

BROWN: Again, my memory is extremely bad and my chronology is even worse. At the same time, also I think it was pretty much Harry's idea -- I don’t remember -- but, anyhow, we started working on a charter of an international trade organization. The GATT was the tariff part of it, and the other chapters of this five or six chapter document, would have set up a trade organization which would deal not only with tariffs, but also with non-tariff barriers, and international cartels, and commodity agreements. That is about where we would have stopped. But other countries, we knew, were interested in full employment, particularly the Australians and the underdeveloped countries. That, of course, was a subject which would be anathema to the United States Congress because it dealt with internal affairs which they, quite properly, said is no damn business of any other country. But, the underdeveloped countries felt so strongly about the subject that

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we talked with them about it. The underdeveloped countries, and particularly the Australians, were just as much interested in those other provisions as they were in tariff. And, in a sense, the quid pro quo for their agreeing to accept the tariff agreement was that we would be working on the other provisions as well. But it was agreed -- and, again, I can't remember how we did it or what time it was -- it was agreed that since the tariffs were there (and they were very concrete) and everybody wanted to go on with them, that we would proceed with the tariff. That having been done, the relevant provisions of the charter relating to other trade barriers obviously had to be put in effect, otherwise you couldn't give any effect to the tariff reductions. So that, the net result was that chapter four, which the one we cared about, was in fact -- I'm jumping ahead -- was in fact put into effect before any of the other provisions of the ITO. And, as you remember, the ITO eventually floundered, because our Congress

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wouldn't touch it with a ten-foot pole. And in my opinion, looking back on it, I think that was a hell of a good idea because the ITO would have been a mess. It would have been a futile thing. There was no way you could enforce it, really to put it in practical operation, and it would have had a big bureaucracy. But anyhow we didn't think so at the time; we worked hard on it.

MCKINZIE: Could we go back then to after this was presented to President Truman and you received White House approval of these tariff lists?

BROWN: After we got his approval to publish the lists, and had the hearings, then we made our recommendations as to what the cuts should be; and they were substantial, and they were widespread. Well, the conference was set for April 1947 in Geneva and the time came when we were all ready and we had to get President Truman's final approval for the specific offers. We sent the papers over to the White House showing exactly

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what we were proposing and with a covering memorandum, in which I pointed out the twenty to twenty-five politically very sensitive items, like pottery, and glass, and textiles, wool, toys, and turkeys, and several other things. We pointed out that these were likely to cause a great deal of trouble, but we recommended going ahead and doing it. Nevertheless, we thought the President ought to know that he was running a political risk. The day came when the President was ready to see Mr. Clayton and he and Mr. Acheson very, very kindly took me along with them when they went over to the meeting. This is where I really formed my profound admiration for Mr. Truman, because we went into his office, and he'd done his homework. He'd read enough of the papers to know what it was all about. He got the feel of the kind of thing we'd recommended and the way we went about it. He said, "Well, this looks pretty good to me," and we all smiled and said that was grand. And so he said you better go ahead. I don't know

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what got into me, and I probably shouldn't have said this because I was still a pretty junior guy. I said, "Mr. President, I'm sure you realize that if you do approve these offers and if we make these cuts there will be a storm of protest all over a large area of the United States, because of these sensitive items."

Now, the President got up from behind his desk and he came around and he said, "I know. But I think that what you are proposing is right and I'm prepared to fight for it. So you go ahead." You can imagine the morale effect it had on all those at this meeting -- it was really something. And he went on to say, "There's a couple of guys from Missouri in my outer office. I know what they want. They want me to put a quota on lead and zinc. That's ridiculous. We haven't got enough lead and zinc in the country. We need more."

Well, the story of the conference is another long story. I had many exciting moments and enjoyable moments.

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MCKINZIE: You were the chief negotiator?

BROWN: I was the head technical man -- that is to say for the tariff part of it. John Leddy handled the general provisions and Clair Wilcox, head of the Office of International Trade Policy, (a Swarthmore economics professor, absolutely first class) was my immediate superior. Will Clayton, of course, was the head of the delegation. But I was the active head of all the tariff side of it under Mr. Wilcox.

MCKINZIE: Did a big delegation go over on the same ship?

BROWN: No, we flew over. We had not too big a delegation. We had a negotiator for each country, who was from the State Department. Then we had observers from other agencies for many of the principal negotiations, and, of course, the senior members of the Trade Agreements Committee were all there. We had some congressional advisers, as I remember, and Mr. Clayton, head of the delegation.

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Now, I'll give you just one story about the meeting which is not directly relevant to Mr. Truman or to policy, but it shows the kind of thing that happened. Of course, the key to this negotiation was the United States. If we weren't going to produce something meaningful in terms of reduction there was no point in negotiations, and this was a perfectly sound estimate of the situation. We debated long and hard as to how we should handle this. Should we put forward our full offers right away and make a generous impression, or should we start out in the traditional bargaining fashion and put out a small offer, and then come out with more in the course of the bargaining. We decided that since the position of the United States was so crucial, and since our offers were pretty good we, would dispense with any horsing around and do our bargaining in what we asked of other countries. So, we convened, and said we were ready to proceed with tabling our offers, if everybody else was going to proceed

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with tabling not only their offers with us but their offers to each other. They all said, "Oh well, let's go right ahead with you and we'll see how our negotiations with you go, and then we'll think about negotiating with all the other countries."

Mr. Clayton said, "No, that's not what was agreed. What was agreed was that everybody would negotiate with everybody else if they have any substantial volumes of trade, and we have our offers for every country and we expect you to have your offers for every country."

They said, "Oh, God, that can't be, I mean, we aren't ready to do that. It takes a long time to get all our things ready for the other countries. Let's just go on with you."

Mr. Clayton reached down in his briefcase and he pulled out a big, fat document and he said, "These are the United States offers and we're prepared to put them down -- give them to you -- when you're ready to go ahead as we have agreed and not before," and he put them back in

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his briefcase. And they all said, "Oh, it just takes so long, we can't do it."

Mr. Clayton, who had the most radiant smile -- he was a big handsome man -- said, "Well, you know, this is a lovely place here in Geneva and it's April, and we haven't got anything else to do. We're quite prepared to stay here and enjoy it until you are ready." It is amazing how quickly they got ready. Then he did put down our offers and they <u>did</u> make a good impression, and so the conference got off to a very good start. The mechanics of the different negotiations weren't all that difficult, and it all worked out very well.

The most important countries, of course, were the United States, Great Britain, and Canada. Canada was our great supporter. They ran interference, they always took the "Simon Pure" free trade positions and then we would make concessions; but they ran interference, so to speak. They had a remarkable group of people headed by Dana Wilgress, a very great man in my opinion.

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Then the British, of course, were important, and the Australians, who somehow or other became the spokesmen for the underdeveloped world, India, Pakistan, etc. India at the beginning, and I've forgotten what the other countries were, but, anyhow, Australia -- they were the full-employment advocates. They were headed up by a fellow named [Dr. Herbert Cole] Coombs, who was a very tough man and a very good man. As far as the Australians were concerned the whole meeting revolved around wool, and we had made no offer for tariff reduction on wool. Not only that, but shortly after we got to Geneva the Congress put a quota on imports of wool, and at that point the Australians practically walked out of the meeting and they would have been entirely justified in doing so.

MCKINZIE: Had your division tried to head this off in time?

BROWN: Oh, yes. We pointed this out to the President but he figured that later on we'd have

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to make some concessions on it, when the need became apparent. That was a terrible thing and Mr. Clayton went home and talked to the President, and the President vetoed the bill and that was a lot better. We ultimately did make a small concession, a 25 percent reduction. But the President supported the negotiators, vetoed the quota, authorized the final concession, and in every way gave his full power and political support to this effort. This was most crucial to the success of the whole meeting.

One interesting thing happened at the meeting. These negotiations went on in 106 different compartments. And then, just as in the case of putting the lists together, toward the end of the conference we put the results of the negotiations together, and at that point we came to a major disagreement which almost wrecked the conference.

MCKINZIE: Over imperial preferences?

BROWN: Yes. Every tariff cut we got from a

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Commonwealth country reduced the preferences. But Mr. Clayton wanted to get total elimination of all preferences. We civil servants knew it wouldn't be possible to do that. Mr. Clayton at one time really thought that Sir Stafford Cripps had agreed with that and there was a terrible misunderstanding. He was very hard to convince that we had to go ahead even without that total elimination having been agreed. So, we came to this impasse. At that point the boys came in with the total results of the tariff negotiations and each side found that so much had been accomplished that it could not be lost. This total accomplishment just had to be saved somehow.

We signed the agreement and I was privileged to sign it for the United States. Then it was put in effect by most of the countries, but by some with reluctance, because the other ITO rules, such as those relating to commodity agreements had not been agreed upon or put into force.

MCKINZIE: But you still had to live with the other parts of this thing for a while.

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BROWN: Well, then we put the new tariff rates into effect, and then we went on to Havana to negotiate the other part of the agreement, on cartels and so on, full-employment and the structure of the organization. There was an agreement written; but, as I say, Congress wouldn't buy it.

MCKINZIE: Do you remember any of the preparations for that?

BROWN: Yes, although it doesn't have anything to do with Truman.

MCKINZIE: Well, it bears upon the preparations I'm sure.

BROWN: No. I just remember the anguish at the Havana Conference. It was long, and dreary, and by that time everybody was so fed up with the familiar subject matter that had been hashed over, and over, and over, and it was pretty tedious. And by that time most people in Washington had lost interest in it. We'd got what we wanted; what the hell. I can remember an

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anecdote. I remember that at one point I got an anguished call from Clair Wilcox, who was the head of our delegation, saying that they hadn't heard anything from the Department and the

Secretary had never said anything, and they were feeling very lonely and neglected, and morale was bad. So, I went in to see Mr. [Robert A.] Lovett, the Under Secretary, and I told him about this. Mr. Lovett said, "You know General Marshall, he operates as a staff officer operates, and he doesn't interfere or take part in things unless there is some trouble. He hadn't been bothering anybody, so, simply, that means that he is satisfied with the way things are going." And I said, "Well, I'm sorry to have bothered you and thank you very much. This is just what I need to send and I will send it in your name." And I walked out of the office and at the door I turned around to say, "Goodnight" and he was sitting there looking down at the desk, and he looked up at me and said, "Do you want to know what it's like to feel lonely? Just sit up

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here and watch the world going to hell right before your eyes." I turned around and went out of the room my tail between my legs. But that's a personal -- how he felt.

Then I remember vividly Clair Wilcox's story -- he was the head of the ITO delegation at the time -- about being invited to dinner by the Afghans, who for some reason or other was there, and he wondered why. They gave him a drink, and they had had appetizers, and soup, and fish, and meat, and dessert, and coffee, and brandy -- a marvelous meal -- and he kept wondering what this was all about. Finally the leader of the delegation came right out and said, "Mr. Wilcox, may I ask you a question?"

Wilcox said, "Why of course."

He said, "Mr. Wilcox, why are we here?"

MCKINZIE: As if there had been a slip-up.

BROWN: In the event, of course, nobody really laments the passing of the ITO, and the Australians and everybody else realize this.

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MCKINZIE: Do you think in retrospect that it would have been possible to have achieved a multilateral tariff reduction without having tied it originally to such a...

BROWN: I think it would have been very difficult; and actually, even though we didn't have the ITO, we did get an agreement all around the circle on the principles which should govern commodities. That was the thing the other countries cared the most about, the commodity section. Full employment, yes, but the commodity agreement was the number two item of importance; and I've forgotten how it was embodied, but anyhow, it was quite clear that we did have agreement on the basic criteria for commodity agreements and the ones that have been negotiated have all been negotiated in accordance with those principles. The only thing that really lost was the full employment provision, which wouldn't have made any differences anyhow, and something on international cartels, which was of comparatively little importance, and

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the organization. Now we're a heck of a lot better off with the GATT organization than we would have been with an ITO. The GATT organization is very small and is very practical, and a good place for resolving disputes and making complaints. We were fortunate enough to get as the Secretary General of the GATT for many, many years, a fellow named Eric Wyndham White, who was abolutely outstanding and a genius at reconciling differences. He loved the job and did it extremely well. And I think it's probably got about the smallest staff of any of the world organizations we belong to. And we never have dared ask the Congress to create a separate appropriation; it's still financed out of conference funds.

MCKINZIE: Could we talk a little bit about other activities when you were with the Division of Commercial Policy? I think you were the Director of that from about 1948-50, weren't you?

BROWN: Yes, I was head of it during the first part, then I succeeded Wilcox as head of the Trade

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Policy Division. Then I went over to International Materials Policy during the Korean war off and on, and dealt with shortages of raw materials.

MCKINZIE: Did the Division of Commercial Policy get intimately involved with those negotiations which accompanied Marshall Plan agreements in Europe?

BROWN: No. It had nothing to. do with that.

MCKINZIE: Nothing to do whatsoever with those or with the Point IV agreements -- the country agreements that were being made during 1950.

BROWN: No, we did not.

MCKINZIE: Could you talk to me a little bit about your work with the Office of International Materials Policy after the Korean war started? Particularly about the method of stockpiling that was a sensitive topic at the time.

BROWN: Yes. Stockpiling is a very sensitive subject

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because the producing countries welcomed stockpiling purchases but when an item becomes surplus you need to sell it. And when that time comes they feel badly about it. It's never a good time to sell a stockpile. What we always had to do in the Department on these stockpiling cases is to just be sure that they found a method of disposition of the stock to get a minimum adverse

effect on the supplying countries, and then to hold their hand at the time. That's all that I've ever had to do on that.

MCKINZIE: Generally, how did you go about trying to secure an adequate supply of materials during the critical years of the Korean war?

BROWN: Well, in that period we weren't stockpiling then, really, we were scratching around to get what we absolutely needed; and we ran into the familiar complaint from the producing countries that at the time when there's a shortage we are anxious to keep the price down, and at times when there is a surplus we really don't

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give a damn what happens to it. The main problems I remember getting involved in were, first of all, simply the question of price. Bolivian tin was a great problem; but I don't really know much about stockpiling. I'm really not qualified to talk about that. What we tried to do was to find some solution in all our cases during that post-Korean period, and we had a moderate success. I don't remember the details.

MCKINZIE: I gather that you have looked recently at President Truman's *Memoirs*, and that you have some feeling about his coverage of the economic foreign policy.

BROWN: No. I really haven't done it, but I should have; but I looked up trade agreements and that kind of thing we have just been talking about -- no references at all in it, except that he simply supported the extension of the act, and that it was a good idea and generally we had a liberal policy, which is true. That was a great help, because if the White House will back you on these

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things you can get away with it. And the lobbyists are very powerful, and very persistent, and they obviously have the easiest side of the case.

MCKINZIE: On the whole were you pleased with the way economic foreign policy went between 1945 and 1953?

BROWN: Very much, very much. We made a lot of progress. We still haven't even begun to tackle the problem of international trade in agriculture, because we have been dealing with it on the same basis as industrial products and raw materials and that doesn't work. It's all affected by internal policies, subsidies, and price supports, and things of that kind. The next big problem for. commercial policy is how do you deal internationally with agricultural commodities?

MCKINZIE: Well, that question was raised, of course, in the post-World War II period and you saw, and the people you worked with saw, no real way

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to break through that problem.

BROWN: No. Well, we hit it only in terms of the tariff, the quotas, and the subsidies, and we established an abolition of quotas, and moderate tariffs, and certain criteria for subsidies which would limit their size. And the only sanction was if you didn't like what the other fellow was doing and you went to the GATT, you complained about it, and that had moral effect; and then you withdrew some concessions you'd given to him which you felt was of roughly the equivalent size -- which happened two or three times. It's something nobody likes to do, but it was done.

MCKINZIE: But it was what could be done at that time.

BROWN: What could be done.

MCKINZIE: No more than that could have been done realistically?

BROWN: But just to show you the kind of flexibility that is possible in the GATT, and the

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way in which you can deal with a problem with which you can't go on, without it resulting in serious retaliation. It was a question of quotas on agricultural products. Now, the rule of GATT, as I said before, was that quotas are not permissible, because they constitute an absolute limit on imports. We agreed to that. On the other hand we had quotas on products which were subject to domestic price supports under S22 of the Agricultural Adjustment Act. We were challenged in the GATT on these quotas which clearly violated our commitment against quotas. On the other hand everybody knew that it was simply impossible for any American government to maintain a commodity in world trade above the world market price without some limitation on imports. Otherwise the U.S. government would simply have to buy the world's production.

In 1954 we went to Geneva again, just seven years after the GATT, for a revision of the GATT. The Australians and the other underdeveloped

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countries were particularly anxious to see that something was introduced on commodities, and which would sanctify them and which would help the problem of the one commodity countries. And, also, they were, as I have said, complaining against the quotas which we maintained under Section 22, on price-supported commodities. Our instructions were to get everybody to reiterate the agreement on the abolition of quotas, in the agreements they had already signed, and at the same time to get total freedom for us to use quotas under the Agricultural Adjustment Act any time we wanted. Now those instructions were just about as nutty as the instructions that we were always sent at the beginning of the negotiation. We resolved the problem like this: we all solemnly reaffirmed the ban on quotas, including us. And then the U. S. asked for a waiver of that rule in the case of these commodities where everybody knew we had had quotas. It didn't make any sense not to. And so the others

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agreed that we could have the quotas under certain conditions: Number one, only where you have price supports. Number two, quotas should be no smaller than the average level of trade in a representative period. Number three, quotas should be progressively decreased as international trade expanded. Number four, we would have to report every year, or maybe twice a year, to the GATT on what quotas were being maintained and what if anything was being done to reduce or eliminate them. There were a couple of other conditions which kept our feet to the fire.

So that there you had the rule maintained, the practical reality recognized, and a solution which gave some hope over time of improving the situation. That's the kind of thing you could do in the GATT. Also, as I remember at that time, one or two countries were authorized to withdraw some concessions they had made to us, because the effect of the quota even under these new rules was really

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very hard on them. Nobody likes to be in the position of withdrawing concessions, but that has been used occasionally.

I complained bitterly to the South African delegate once when he made a speech attacking our whole commercial policy -- and pointed out to him we always had enough violations of the rules so that we were vulnerable in each case, but they are never very big. Actually our market is a hell of a lot easier to get into than any other market in the world. And his answer was, "Yes, I know that's true, but the responsibility for greatness is very great," and we just had to be held to higher standards than other people.

Now, another interesting thing: This was all done in 1947, and at that time one absolutely fixed element in the world trade situation was the shortage of dollars in countries and all around the world. The rules of the GATT were designed to cope with that problem. Only a few years later things turned

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around the other way and it was the U.S. which had a balance of payments problem. No one, however, was very enthusiastic trying to find ways to help our problem the way we tried to deal with theirs. This illustrates vividly how dramatically conditions can change. Well, that's about all I can think of in general, policy-wise.

MCKINZIE: Thank you, Mr. Ambassador.

If you don't mind saying again what you said about the signing and so on?

BROWN: I remember one of the things that shows how much importance other countries attached to the position of the United States. When I came back to my seat after signing the

GATT thing, the head of one of the Scandinavian delegations -- a small one -- either Norway or Denmark appeared on the point of tears. He said, "At last, the United States is committed." He felt that the agreement had assured cooperation by the United States in international

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trade.

When we went to Geneva in 1954 to revise the GATT or rather to see whether it did need revision, and if so in what respects, the thing that struck me was how very little revision was even suggested. The attention was far more on expanding it by putting in something on commodities, and perhaps some of the other chapters of the old ITO, than it was to make any substantive changes of significance in the text of the GATT or the trade rules themselves. So it has stood the test of time. And interestingly -- actually, when you think of the GATT just as a legal document it is a most remarkable piece of craftsmanship. When you think that it was drawn up by a group of more than twenty countries and yet has this beautiful legal structure, it's really quite remarkable. That is due largely to John Leddy.

MCKINZIE: You mean his original concept.

BROWN: His original concept; his original drafting;

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his uncanny capacity for finding a form of words which would come nearest to meeting conflicting issues without sacrificing substance, and his personal persuasiveness in negotiation; his infinite patience. He did the original draft of the whole thing and he held it all the way, through Geneva, and all the way through Havana, and at the '54 conference as well -- I'm not sure about '54 -- certainly in those two.

If you want to get the best complete analysis of the GATT, it's in the testimony I gave before the Senate Finance Committee at the next trade agreements renewal after the GATT meeting. I spent ten days, six hours a day, testifying before Senator [Eugene D.] Millikin on the GATT. He read each sentence and said, "Now, Brown, what does that mean?" And we went through the whole damn agreement on that basis. And it was very interesting, because Senator Millikin, of course, was deeply opposed to the GATT. He thought it was a pernicious document. But he was also a lawyer of considerable ability, and

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he had become so fascinated by the document and the way it was constructed and what it meant, that he would forget the fact that he was so opposed to it from time to time. He'd go along for an hour then he'd suddenly remember, "Well, gee, I'm against this thing," and he'd have to bring something critical out. That's all there in the record. The reason why things were said this way rather than that way, or why a certain provision was there, is set forth in that analysis.

MCKINZIE: Could you tell me a little bit about your relationships with Congress then?

BROWN: Oh, yes. I was the chief technical witness at all the trade agreement renewals hearings between '45 and '51. There were two or three, I've forgotten which. And, as I say, I testified before Senator Millikin. The way he would do it, he would read a sentence and say, "What does this mean?" and I would tell him. He'd say, "In other words," then he would twist what

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I had said.

And I'd say, "No, sir."

"All right, now what does it mean?" Then I would tell him again.

"What you mean to say is," and then he'd twist it again.

I'd say, "No, sir."

"Now, Brown, look, here is what it says, what does that mean?"

And I'd say it again, and this would go on as long as he wanted to do it. And after about three days of this -- you know, the Senate Finance Committee sits up on the top of a dais in a horseshoe shape. The witness is down in the curve of the horseshoe at a lower level than the committee -- and they brought him a glass of milk; and he looked down at me and said, "They bring me this, Brown, to keep you from giving me ulcers," and at that point I realized he was a pretty good friend.

And he said to me -- in apropos of Watergate -- they always wanted to know what the votes in the

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Trade Agreements Committee were, so they could get after the individual or get after the Department, and we would never tell them. On one occasion he asked me what the votes were. I said, "This is a matter just for the President's advisers and the important thing is what was the decision, and if that was it, I'll tell you what the decision was." And he looked down at me and he said, "Do you mean to say, Brown, that Senator [Walter F.] George, the most distinguished member of the Senate, and Senator [Edward] Martin, whose breast is covered with decorations won in the service of his country, and Senator [Robert S.] Kerr, and Senator So and So, are not to be trusted with the secrets of your miserable little committee?"

MCKINZIE: How long did these sessions last?

BROWN: Oh, this particular one in which we analyzed the GATT lasted ten days -- both morning and night. The other hearings my testimony might be up to an hour or two. And they'd say the most terrible

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things, and then they would come down and put their arms around you and say, "You know, this is just for the record."

MCKINZIE: Even Senator Millikin?

BROWN: Senator Millikin never did it quite that way. No, he never said anything personally disagreeable. He didn't call me a traitor as some people in the House Committee did on one occasion.

MCKINZIE: Is it a fair question to ask, if people who were involved in these kind of international efforts found themselves subject to the [Joseph R.] McCarthy probes?

BROWN: I was happily in London during the McCarthy period so I didn't have any of that. I was never in any trouble, And the Trade Agreements Act is not in <u>that</u> sense a question of loyalty or disloyalty of any kind.

Millikin was a very smart fellow and a very good lawyer, very shrewd politician, and had a

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good sense of humor. He went out to make a speech in Ohio once and fainted as he was walking toward the platform -- fell down on the floor -- and when he was revived he said, "I'd expected to see the audience rolling in the aisles, not me." He was a formidable adversary, but he never quite succeeded in overcoming Senator George, who was even more formidable. That man had tremendous respect in Congress (and rightly so), and he is a great supporter of the Trade Agreements Act; and time after time he finally would override the opposing forces and lead the measure through. But that program survived -- you know, you think of it as an established part of American policy, one of our "Rocks of Gibraltar" -- but that program survived on a number of occasions by one vote, or even the Vice President breaking a tie. Never the final vote, but on the crucial amendments. Two or three times when I was there there was only one vote difference. So, the appearance of solidity and permanence of this as a matter of policy,

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doesn't give any idea of how precarious the situation really was. But I think there's been progress in political attitudes. Certainly I never would have imagined that we would have been able to get the authority we got in the Kennedy round. But it looks now as though we were going to get into a situation where they get around the rules in other ways, like voluntary agreements and that kind of thing.

MCKINZIE: Of course, the situation is considerably changed now.

BROWN: Tremendously changed, yes, because until last month our trade had a big deficit. But I must say, with all its pain, and all its clumsiness, and all its difficulty, I think that the legislative process that we go through here is pretty good. If you are testifying before a congressional committee you have to be very well prepared. The arguments pro and con are very well ventilated, and they are all there as a matter of record. And to a historian I should think they'd be a source of unending

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information. And on the whole my experience has been, in the limited field where I've dealt with them, that if you can produce a good case and are prepared to defend it vigorously, the Congress will go along with it. And I think that they are a pretty sensible bunch of guys on the whole.

My experience as an Ambassador with "confronting" visiting Congressmen has been that most of them have been seriously interested in finding out what was going on in that country -- what the problems were? And there were very few of them that were just having fun. Well, of course, I served in India, and Laos, and Korea, so the men who came there were likely to be more serious than the guys who went to the night clubs in Paris. And I think that we, particularly in this administration, have treated them very shabbily, and haven't told them lots of things they were fully entitled to know, and I think they would have cooperated a lot more if they had been taken into our confidence.

MCKINZIE: Do you think that Congressmen in 1947 were relatively more taken into confidence than they are in 1973? That's not really a very good question is it?

BROWN: Who passed the Lend-Lease Act and the NATO Treaty -- them?

MCKINZIE: It's true -- of course it is -- Marshall Plan, too.

BROWN: Marshall Plan. These men are very important people. You really ought to treat them as such and accept them as such. Not just in being scared of them the way we -- we are much too scared of them in the State Department; and they are very often arrogant, and demanding, and sometimes rude, but not if you go to see them. In their own offices they are almost always extremely courteous and very much interested and with good questions. When you get out into the arena you've got to just toughen up your skin and be ready to take what comes along. And, of course, trade policy is not as controversial

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as the war and Vietnam and that kind of thing.

MCKINZIE: Thank you.

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