

## The Reminiscences of William Lockart Clayton<sup>i</sup>

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William L. Clayton arrives for Potsdam Conference  
July 24, 1945

Clayton: [D]uring the negotiations in Geneva,<sup>ii</sup> I had an opportunity to learn of the financial difficulties of some of the countries in the West, as for example, particularly for example, Italy and France. I saw, of course, at Geneva, members of the governments of those countries, and particularly people interested in the economic aspects of those countries, people from the Treasury and so on.

Jean Monnet<sup>iii</sup> came down to Geneva several times during that period to see me. I saw him in France. There was no question but what the financial and economic situation in those countries was deteriorating very fast. That, and a drought, very little rain, and the wheat crops of those countries were very poor. The system of the division of labor— the farmer selling his wheat and getting manufactured products such as he needed, farm machinery, clothing, furniture, things like that — had broken down. Many of the factories had not been able to start up, and the farmers were not too much interested in taking their produce to town and selling it because they got paper money for it, which they didn’t believe in, and the paper money wouldn’t buy the things that they needed.

So, as time went on, it developed that particularly France and Italy had to import large quantities of wheat, and their treasuries had got down to the point where they just didn't have the money to pay for it. The situation was so serious that it looked as if hunger would develop in those countries to a dangerous degree within a short time.

Q: Mr. Acheson<sup>iv</sup> says, I believe, in his interview, that you presented this whole problem so vividly to the State Department in Washington— you called it a threatened breakdown of the whole social fabric of those nations. Is that memo of record?

Clayton: Yes, it is. I think it was dated May 25, 1947.<sup>v</sup> I composed it on the airplane coming over. Unfortunately, I was taken ill and had to go to bed soon after I got here, from a very bad cold that I had contracted in Geneva which threatened to go into pneumonia and the doctor ordered me to go to bed, and the presentation of the memorandum was delayed on that account. But I did detail these facts in that memorandum, and handed it to Secretary Marshall. I believe that it is the basis of his speech before Harvard University on June 5, 1947.<sup>vi</sup> I think it was based on that memorandum.

Q: His speech was the actual pronouncement of the Marshall Plan, was it not?

Clayton: It was the beginning – I don't know that we could say that it was really the beginning, because Dean Acheson had made a speech in Mississippi.<sup>vii</sup> I've forgotten the town, but he spoke in Mississippi some time the latter part of April, 1947, and in this speech he said that it might develop that the United States would have to provide very substantial help to its European partners, or Western Europe, in order to see them through this very trying time. So he introduced the subject, I think, in the latter part of April.

Q: He introduced it publicly. Mrs. Garwood in her book<sup>viii</sup> quotes another memo of yours which was entirely, I think for your own record, written in 5 March 1947, and in this particular memo you said many of the things that you said later in May.<sup>ix</sup>

Clayton: Yes, that was written on my way out to a ranch in Arizona, where I went for a short vacation, in March, 1947. It was written really in connection with this so-called Truman Doctrine,<sup>x</sup> which had to do with Greece and Turkey,<sup>xi</sup> and it was quite evident at that time that the Soviets were using the economic difficulties and food difficulties of the Western countries to endeavor to the inside to influence them toward Communism. It was very much discussed in Washington, and in our country as a whole really, at that time, as to what the future of Western Europe would be, and the fear was expressed that the Communists might make great headway there; and indeed they did.

So I felt that something akin to the Marshall Plan would have to be developed by our country in order to save Western Europe. I wrote this memorandum on my way out to Arizona, but I did not make use of it at that time. I felt that I would do so, and discuss it with Secretary Marshall,

when I got back to Washington, but he left almost at the same time for Moscow to the International Conference<sup>xii</sup> and I didn't have an opportunity to go over it with him.

Q: Mr. Acheson says that as a preliminary to this memo which you just talked about, that in February of that year Britain had made it known to us that she could no longer do very much in the Middle Eastern area, and that if we wanted to save that area from Communism we had to step in and do something.

Clayton: That's right, I'd forgotten about that, but Britain had notified us that she had gone her limit and wouldn't be able to continue helping in that area.

Q: Acheson goes on to say that as a result, there was an intensive period of two weeks when people in the State Department and in our government in Washington were making a study of the situation in Greece and Turkey, and that you were at the very center of all this.

Clayton: Yes, we were. We sent a commission to Greece, headed by Paul Porter<sup>xiii</sup>, I believe. We did make an intensive study of that. Of course, financial assistance was given to Greece, and help in resisting the Communist invasion, and similar help also was extended to Turkey.

Q: What personal role did you play in this particular situation, Greece and Turkey and the resulting Truman Doctrine?

Clayton: The Commission to Greece was formed under my direction and department, and reported to me. I had numerous conferences with President Truman regarding it, and generally was very much interested in it, and assisted in it.

Q: The immediate result was the request of the President to Congress, in March, for 400 million dollars.

Clayton: Yes.

Q: Did you have to go and testify and engage in a program of education then?

Clayton: I don't recall that I did. I think that the need was so immediate and so great and so well understood that we had no doubt but what the request would be granted by Congress.

Q: Later in your memo, in the private memo of March 5, you do say that unless United States took appropriate action, in appropriating 5 billions to help in the situation in Europe that we might lead directly to World War III. You felt that we could be moved to action only by shocking our people into the realization of the stakes.

Clayton: Right. I did feel that very much. I think I should now, looking back on it, I should have perhaps delayed my trip until I could go over that matter with Secretary Marshall. But I thought about it a great deal on the plane going out to Arizona, and then after I got out there. I

really wasn't very well. I'd been working very hard and had had very little relaxation and rest, and also wasn't as young as I'd been previously.

Q: In the memo which got to Secretary Marshall 27 May, you made one statement which perhaps you'd like to comment on: that the United States must run this show, that it must not be another UNRRA.<sup>xiv</sup>

Clayton: Well, in UNRRA – I've forgotten just exactly what the set-up was, but it certainly was by vote, and we had the countries that were recipients of great financial aid voting, and I felt, after I got into UNRRA, which I did soon after coming into the Department of State, that the whole thing was run on a very extravagant basis, and of course the U.S. was paying the lion's share of the bill. This was the feeling also in Congress, and I had a good deal of difficulty in getting the last appropriation of a billion dollars or more from Congress, and only was able to get it by definitely promising Congress that UNRRA would cease to exist on a certain date, and that we would not come back for any more money.

I felt that if we put up the lion's share of the money, that in any other undertaking the United States would have to have a much closer control over the whole situation than they'd had in UNRRA previously.

Q: You also said in that memo that you thought any relief organized under a so-called Marshall Plan should be organized on the basis of the Benelux Customs Union.<sup>xv</sup>

Clayton: I believed at that time, and said often in discussing the matter with representatives of Western European countries, that something similar to what we now have in the Common Market should be adopted by Western European countries. I discussed this at considerable length with Jean Monnet, on his trips to Geneva and when I saw him in Paris in the summer of 1947, and he always took the position that the Western European countries were too weak financially to so change their whole economic relationship with the rest of the world, in such a revolutionary way as setting up a Common Market or Customs Union, like Benelux for example; that they would not be able to start on such a venture at that time; that they would have to get a little more fat on their bones, and get a little further into peacetime operation, before they could do it. He convinced me that he was right, and looking back on it, I'm sure he was right.

Q: You admire Jean Monnet?

Clayton: Oh, I admire him greatly, yes. I think he has come honestly by the title that has been given to him, of Mr. Europe.

Q: Mr. Collado says that you felt that we should concentrate on reconstruction in Western Europe because there we could make the greatest progress, and that you were somewhat dubious about what we could accomplish in the underdeveloped nations of the world.

Clayton: Well, I felt that the Number 1 priority was Western Europe, and that if we could restore Western Europe economically, the underdeveloped nations of the world would follow to some extent. Western Europe was the important thing.

Q: How do you look upon the development of underdeveloped nations now?

Clayton: I think that it's highly important that something be done, and done quickly, to open up to them markets, bigger markets, both in volume and in value, price, for their principal products. I think that this can be done by taking off tariffs and other impediments to the trade from them.

For example, take our own situation here in the United States. We have quotas on lead, zinc, petroleum, sugar. We have an export subsidy, a big one, on the export of raw cotton, and to some extent on wheat. All of these commodities are produced in Latin America. They produce a great deal of sugar. They produce, of course, from Venezuela, petroleum. When we put on the import quota on petroleum, Venezuela was hurt and hurt badly. When we put on the import quota on lead and zinc, Mexico and Peru particularly were hurt and hurt badly. The Prime Minister of Peru made the public statement that our action would cause 15,000 men to lose their jobs in Peru. I don't know how true this was, but anyway that was the public statement that he made.

So I think the underdeveloped countries have got to greatly increase both the volume and the value of their exports, in order to provide a decent standard of living for their people. And I think that certainly the first way in which this can be accomplished will be for the developed countries – the Western countries, the United States, Canada, Western Europe – to take off the impediments that they now have to the receipt of imports from these underdeveloped countries.

For example, Germany still has a big tariff on the importation of coffee from Brazil or Latin America. It is done to favor African coffee. Other Western European countries have devices of that kind, where imports of a certain country are taxed in order to favor imports from a certain other country.

Q: Well, that's only a variant on the Commonwealth system, is it not?

Clayton: Right. It is. That's the reason I have felt always that the Commonwealth system in time would have to disappear, and I believe it very much today. I think it's against the interests of the rest of the world, and I think that the technological revolution through which we're passing has so telescoped the world into such a small area, that things like that have got to disappear. I think the European Common Market is the entering wedge to make them disappear. These countries that belong to the European Market, the six countries in particular will enjoy such a great advantage in their own area, which is composed of 170 million people, that they're going to force other countries to come into the club. So we are fast going in the direction of free world trade.

Q: Mr. Clayton, in the case of some of these so-called underdeveloped nations, you have a purely agricultural economy. The new African nations, I'm thinking about, especially. How do they fit into the picture? They are on a different level from the Latin American nations, where there is some manufacturing.

Clayton: Yes. Well, the African countries – all of these under developed countries, as a matter of fact, depend for eventual industrialization on free trade. For example, take a country like the Central American countries, Guatemala, Nicaragua, Honduras and so on – a few million people in each one, how can they industrialize? They can't, with the present world system of international trade, with our tariffs and with the Western European tariffs. They simply are unable to build mass production industries that can compete with the big industries in the United States and Western Europe and all industrialized countries. They will be unable to do that until we get freer trade in the world, so that they will have bigger markets that are open to them.

If, for example, we had in the world complete free trade, no government impediments to the international movement of goods, then you might have giant industries built in any one of these little countries, because they'd have the whole world as their market. Today, you can only get a giant industry built in a great industrial country like the United States with 185 million people. They've got a whole market of 185 million people to start on. Because of that sure market, at home, they can build giant industries which have a very low unit cost of production of any item. But when you take a little country that can only figure 5 or 10 or 15 or 20 million people as a home market, they have great difficulty in building giant industries.

There are some exceptions. Take Switzerland, for example: because of centuries of training and producing almost one commodity, like watches and high precision instruments of all kinds, they have reached a degree of perfection there in those particular things, so that they ship to all parts of the world. But the exception just proves the rule, really. We can't industrialize under the present world trading system, which I think is fast being broken down by the Common Market's example.

We can't industrialize small countries with 5, 10, 15 or 20 million people only, as a home market; it can't be done until the present world trading system changes.

Q: Where does nationalism fit into the picture? Carleton Hayes used to talk about our era as one in which we witness the rise of nationalism. This would seem to de-emphasize nationalism.

Clayton: It would, but extreme nationalism, certainly economic nationalism, is opposed by the technological revolution through which we're passing. That revolution, as I said a moment ago, has drawn the free world so close together that we have now, throughout the free world, where restraints are not maintained against information, nothing of importance can happen in any part of that free world that isn't known the next day by almost anyone in every other part of the world. We can go from almost any part of the free world today to any other part of the free world in 24 hours. That has changed the old situation in the world, and according to my view – and I think

the European Common Market is the beginning of it – it means that in the end we’re going to have industries placed in different parts of the world, without any reference whatsoever to government protection and government help, government subsidies, government price fixing and so on.

Q: Since we very often and commonly assign nationalism as such, as a cause of provoking war, do you then see the elimination of this danger, with the growth of this idea?

Clayton: I do. I think that most wars, if you look back in history and search out the origins, you will find that most great wars have originated in economic considerations.

Take World War II, for example. I don’t think it ever would have happened if, in Versailles, following World War I, the vanquished had been treated the same way as the vanquished were treated in this war. Just consider what we did in Germany following this war. If the same thing had been done with the Germany following the First World War – if it hadn’t been for Lloyd George’s <sup>xvi</sup> and Clemenceau’s <sup>xvii</sup> hatred of Germany, and their preoccupation with punishing Germany – if it hadn’t been for that, assessing reparations in such huge amounts that they knew that even if they gave free trade to German products Germany couldn’t pay those reparations, but knowing also that their countries and other countries would put up impediments to receipt of enough German goods to pay them, -- if it hadn’t been for the onerous and terribly serious conditions of the Versailles Treaty, I don’t think Hitler ever would have emerged to direct Germany into paths of destruction. So that World War II certainly grew out of economic considerations.

Q: Reverting to the discussion of the Marshall Plan as such – in June of ’47, you were back in London, to attend the Conference on the Relaxation of Trade Barriers, but also some notation says that you arrived there at the climax of British efforts to win Russian cooperation in the Marshall Plan.

Clayton: I think that that is a mistake, Mr. Mason. I remember so well, I arrived in London – I don’t recall the exact date, but it was sometime around the 20<sup>th</sup> of June, and I had numerous conferences with Foreign Secretary Bevin, and several conferences with the entire Cabinet, with reference to the Marshall Plan, because it had just been announced by Secretary Marshall in his June 5 speech at Harvard: our willingness to go into such an operation.

Mr. Molotov <sup>xviii</sup> was to meet Foreign Secretary Bevin, <sup>xix</sup> and Mr. Bidault <sup>xx</sup> I think was then Foreign Secretary of France – he was to meet them in Paris within a few days after I first arrived in London. There was certainly no intention, so far as I can recollect and could discern at the time, certainly no intention on the part of Mr Bevin or the British Cabinet to try to win Russia to the Marshall Plan. Mr. Bevin was going to Paris to meet with Mr. Molotov, as I have said, on a certain date in June, and discuss it with him and try to answer his questions. Mr. Bevin told me afterwards that Molotov kept asking, “Well, this fellow Clayton has been in London and you’ve talked with him, and what did he say about this and that?” [In connection with the Marshall Plan]

When it was made clear to Mr. Molotov that a committee would have to be set up, under one of the prime conditions that we made in connection with the Marshall Plan – a committee of the recipient countries would have to be set up to discuss their problems among themselves and to pass on the amounts that were requested and so on, discuss trade and attempt to cooperate among themselves in international economic relationships and so on – when Mr. Molotov learned of that, he and his delegation (which was very large, about 50 people in Paris) just walked out on the whole business, and insisted on Poland and Czechoslovakia, which had temporarily advised Washington that they would come into the arrangement, should withdraw, which they did. Of course, under the direction of Moscow. Mr. Molotov walked out, and I've always been glad that he did.

Q: It seems to me that perhaps Russia simply had to be opposed to the workings of the Marshall Plan, because it attempted to achieve what she didn't desire.

Clayton: Indeed. Molotov always said – (I was not there, I kept away from Paris on purpose) – Molotov always said let each country figure out its needs and present them to the United States and let the United States fill those needs and that's that. He was very definitely opposed to any kind of an organization which would pass on these matters, and discuss their economic relationships, try to increase their trade and so on. He was not only opposed to any such organization being formed, but he was very much opposed, violently opposed, to any continuance of it after the Marshall Plan was finished. We had insisted on that, and we found a certain amount of dissent as to that on the part of the recipients of the Marshall Plan aid. It looked one time as if the negotiations would break down in Paris.

The OEEC was informally organized, even at that time, under the chairmanship of Sir Oliver Franks,<sup>xxi</sup> who was later ambassador from Britain to the United States. It was not formally organized until later on. But it was necessary in the discussions of the Marshall Plan to bring all these countries together in some kind of an organization, and they themselves, at our suggestion, organized and started the OEEC at that time, Organization for European Economic Cooperation.<sup>xxii</sup> I met with them numerous times in Paris. One of the things that they objected to was this condition that the OEEC should not only be organized to discuss all these different questions that I have mentioned, but that they should continue after the Marshall Plan was finished, and continue to work together and discuss their economic problems and relationships, and do everything that they could to promote trade between them.

Of course, what we were hoping for was some very substantial reductions in their tariffs. That was discussed, but as I say, Jean Monnet had convinced me that most of the countries, particularly the ones that needed the help the greatest, were really too weak to go immediately to free trade.

Well, during those discussions that we had with them in July, 1947, throughout July and August, it developed that some of them, not being used to organizations of that kind, were very skeptical



as to whether, to begin with, they could really go into any such organization. Some of them even spoke up in the sense that they believed that rather than agree to go into such an organization, they'd forego the Marshall Plan. These were countries that didn't need it so greatly as France and Italy.

But we insisted upon it. I was helped by Ambassador Lew Douglas, our ambassador to Great Britain,<sup>xxiii</sup> and Jefferson Caffery, our Ambassador to France.<sup>xxiv</sup> They attended all the meetings with me and we insisted that this would have to be agreed upon. We adjourned one Thursday, so that three countries – (I wouldn't like to mention their names) – that felt that this condition would probably prevent their going into it, we adjourned one Thursday so that they could go back home and talk with their governments, and come back and tell us what the answer was.

We met again on Monday morning, and they were back, and all three of them said that their governments had said, all right. So we got over that hurdle.

I was advised, during the negotiations, by Sir Oliver Frank that he thought that if we insisted on that condition, it would break up the whole business. But we did insist upon it, and in the end, everybody agreed.

Q: It must have been an awfully difficult position for you to take.

Clayton: It was an extremely difficult position. Of course, I did it with the Department's foreknowledge and concurrence.

Q: But it was your conviction.

Clayton: It was my conviction, indeed. And as it has proved, it was a very wise condition, because it has continued and it has led to one organization after another. Of course, now it's OECD, with 20 countries belonging to it, United States and Canada, and has great significance in connection with international economic relationships, and political, for that matter.

Q: The perplexities that some of these countries had, back in 1947, put one in mind of Britain's difficulty with the Common Market at the present time.

Clayton: Yes, indeed. All these things proceed by tortuous and sometimes fateful, hurtful feelings.

As I have said, it looked for a time as if it might break up the whole thing. I remember the remark of one of these countries, that had to go back home and get instructions from his government – one of these countries said, "We are not just used to – here in Europe – to looking over our neighbor's back fence to see what he's doing in his back yard. We can't agree to anything like that."

I just said, "Well, perhaps the whole enterprise is ill-advised, and perhaps we'd better forget about it all."

Q: That was a kind of a good poker game you were playing.

Clayton: I don't know poker but I guess that's right.

Q: The stakes were awfully high.

Clayton: They were very high.

Q: Did you feel any personal animosities directed --?

Clayton: Oh, none at all, none at all. There weren't any. It was just that these European countries, as this particular man said, they just hadn't been used to close cooperation such as we were demanding, in this condition.

Q: This must point up the wisdom of your insistence that this not be just another UNRRA type of thing, because you couldn't have achieved this end.

Clayton: No, we wouldn't, no.

Q: You have to have a certain club.

Clayton: We did. Of course, one of the first conditions that we imposed, after that was settled, was that these countries bring up estimates of what their requirements would be, and the first total figure that we had was a way out of line and a way beyond anything that we could possibly agree to.

Q: It was something like 20 billion?

Clayton: Oh, it was more than that. I've forgotten the exact figure, but it was between 30 and 40 billion dollars.

Q: Great alacrity in presenting their needs?

Clayton: Well, we told them that that was just something that we couldn't present to the Department of State, and something that the American people would never agree to, and that they'd have to go back and take another look. Well, finally, by negotiation, we got it down to the right figure, the figure that's somewhere about what was finally disbursed.

Q: You envisioned this plan with a time limit on it? Putting this into effect, it was to cover only a certain number of years?

Clayton: Oh, yes. I don't think agreement was made at that time, as to how many years it would cover, but that was worked out. Of course, it took the Department of State several months afterwards to work out the details of the whole plan and to present it to Congress. That was done under the able leadership of Ambassador Douglas, who came over here, just left his post in London and came here at that time, for the necessary time in doing it.

We had, of course, the usual difficulties in connection with Congress, but never anything very serious. It was quite clear, right from the beginning, that while there might be some changes in the details of the plan, nevertheless it would be adopted by Congress.

Q: Mr. Clayton, you said in an article which I believe you wrote for the *Saturday Evening Post*, in November 1947 – an article with the intriguing title, “Is the Marshall Plan Operation a Rat Hole?” -- you said we must not only send food and raw materials, but we must give them something of ourselves, and then you quoted James Russell Lowell, “the gift without the giver is bare.” Do you want to comment on that?

Clayton: Well, I think that what I said at that time is very true, and I think that we did give them something of ourselves. Of course, Prime Minister Churchill I think made a statement that this Marshall Plan was – I’ve forgotten the exact words, but he said something like this Marshall Plan was the greatest demonstration of international good will that had ever happened in the world.

I think the administration of the Marshall Plan was good. It was even excellent. And I think that it established a feeling, an element of good will, between the United States and the recipient countries that will last for many years.

Q: You feel then that the good will was the giving of self, as well as the material things?

Clayton: I think so.

Q: Has there not been a little disillusionment on the part of Americans who suddenly realized that in many parts of the world, they are not as popular as they thought they were?

Clayton: Very likely, but Latin America didn’t get the Marshall Plan, and I’m afraid that we have lost more in the last ten or fifteen years in influence and, to use a common expression, popularity, prestige, in Latin America, than we have perhaps in any other part of the world.

Q: So the element of gratitude, which is so often mentioned, wasn’t involved.

Clayton: I don’t think it was involved at all. After all, people of Europe have to be guided by their own interests, regardless of Marshall Plans. They have shown, I think, in more ways than one, gratitude about the Marshall Plan, but that can’t really go on forever. After all, they have to regard the present day circumstances with present day problems. They have to regard their own interests.

Q: Mr. Clayton, reviewing the developments following the Marshall Plan, and looking back as far as 1944 when you entered the State Department and began pushing in this direction, so far as trade and so forth goes, is it not in large part true to say that you are the father of the Marshall Plan?

Clayton: I wouldn’t say that at all. As with inventions, the idea occurred simultaneously, I think, to several people. It certainly was in Dean Acheson’s mind when he made that speech in

April in Mississippi, and when I got back here in the latter part of May, 1947, it was certainly in the minds of people high up in the Department of State. It had been discussed I think before that with Secretary Marshall. I just came from the seat of action with fresh facts, and presented them to Secretary Marshall, and it may have had something to do with his final decision in connection with it. It certainly had something to do with his speech at Harvard.

Q: Well, it fell to your lot to implement and develop the provisions of the Marshall Plan, by virtue of your position in the State Department, did it not?

Clayton: Well, it certainly fell to my lot to express the broad outlines of it, and to present them to the Secretary of State, and I did that as soon as I was able, after my return from Europe.

Q: It's not really sufficient to say that it fell to your lot to do this – since it was such a strong conviction of yours, at the same time.

Clayton: Indeed it was. I felt that the future of freedom really depended upon it, because I saw the great danger and saw it at first hand, that these great countries of Western Europe might fall to Communist influence and power, if they had to go hungry, if there wasn't something could be done to relieve their pressing needs, which were extremely pressing at that time.

Q: Well, one couldn't justifiably say that all men of power in the State Department at that time held that large point of view.

Clayton: Well, you see, not only is it a question of having that large point of view, it's a question of being in intimate touch with the circumstances and the details. The Geneva Conference gave me the opportunity of doing this. As I've said, not only was I thrown in contact with people of all these countries that were involved in the Marshall Plan, and particularly people from the economic sections and the Treasuries of those countries and so on. But I had the benefit of an acquaintance and friendship with Jean Monnet, and I met him in Geneva and Paris several times and discussed these matters with him, and I was influenced a good deal by his judgment and his opinions.

I was just fortunate, in a sense, in being so close to the circumstances involved that it almost became a part of me. In that respect, I was more fortunate than other members of the Department of State who, if they had been in my place, would probably have acted in the same way.

Q: During all this time, you got the utmost sympathy and cooperation from President Truman?

Clayton: Yes. I saw him several times and discussed some of the details with him, and he was always – he always backed us up, in matters of that kind. He never failed to take all the responsibility. As he had a way of saying, pointing to his desk, "The buck stops here."

He never tried to sidestep anything. He was always – I remember so well, when we started for Geneva, going to him with this great big book of all the different commodities that we were going to negotiate on, that we were going to be prepared to reduce the duties on. We looked over it, took quite some time to take a look at it, but he obviously couldn't examine it in any great detail, and he just had no hesitation in putting his initials on it. That meant that we could go ahead. Without it, the whole thing would have been stymied.

Q: You really had great admiration for him?

Clayton: Indeed I have. I think he will go down in history as one of the great Presidents in history.

Q: And that opinion is based on what, in his character?

Clayton: It's based on the fact that he didn't hesitate to take the responsibility in some great actions. For example, in Korea. In the British loans. In the Marshall Plan. He never stopped to think about political aspects, he would always act, as I understood it and believed, on the principle of what is best for the country, what is best for the world. He never hemmed and hawed and tried to sidestep or anything of that kind.

I think Elmo Roper expressed it pretty well, in his book of different men, President Truman and Secretary Marshall and others, I've forgotten all of them. In the end of his chapter on President Truman, he said that he thought he might sum it all up by saying that some of the little things, President Truman did wrong, but most of the big things, he did right. I think that sums up really the man's character.

Q: This decisiveness which you admire so greatly in President Truman, did you find it in large degree in anybody else in public life during your governmental career?

Clayton: In less degree – I can't recall anyone in public life that acted as quickly and acted with a little thought of possible political consequences, adverse political consequences, as President Truman. He seemed to me, certainly in the things that I presented to him that he had to act on, he certainly seemed to me to have in mind only the good of the country and the good of the world. He didn't hesitate when he made up his mind that those things were involved, he didn't hesitate in what action he should take.

I think one of the greatest examples I've already spoken of in this record: his veto of the Wool Bill,<sup>xxv</sup> when he understood from what I presented to him that if this bill became law, it would wreck the Geneva Conference and we might as well all fold our tents and come home. When he understood that, he didn't hesitate to veto it.

Q: You think that this decisiveness in part is related to personal humility, perhaps?

Clayton: I don't know. That aspect of it had never occurred to me. I doubt if you can connect the two, very closely.

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i William L. "Will" Clayton was the first person to hold the position of Under Secretary of State for Economic Affairs and one of the architects of the Marshall Plan. Clayton's "dire report [on conditions in Europe] convinced Marshall to issue both an offer and a challenge: In return for U.S. assistance, European nations would be urged to work together to design a recovery plan that the U.S. could fund."

Source: Challenge and Response <http://www.state.gov/documents/organization/50312.pdf>

ii First rounds of negotiations on the General Agreement on Tariff and Trade, Geneva. Switzerland. April - October 1947

iii French economist and diplomat. Appointed commissioner general for planning in 1947, he created and directed the successful Monnet Plan to rebuild and modernize France's economy.

iv Under-Secretary of State 1945-1947 and Secretary of State from 1949 – 1953

v The May 27, 1947 memorandum, "The European Crisis," reviewed the conditions in Europe and stated, "Millions of people in the cities are slowly starving. More consumer goods and restored confidence in the local currency are absolutely necessary if the peasant is again to supply food in normal quantities to the cities. If the [standard of living] should be lowered, there will be revolution." To read the full text of the memorandum, see: United States Department of State *Foreign relations of the United States, 1947. The British Commonwealth; Europe* (1947): pages 230-232, <http://tinyurl.com/4536ebs>

vi The Marshall Plan Speech was remarks delivered by the Honorable George C. Marshall, Secretary of State, at Harvard University on June 5, 1947 at 2:50 PM in the Harvard Yard. To listen to the audio of the speech, read the transcripts of the speech, and view images of the presentation copy of the speech, see The George C. Marshall Foundation webpage: [http://www.marshallfoundation.org/library/index\\_av.html](http://www.marshallfoundation.org/library/index_av.html)

vii The address, "The Requirements of Reconstruction," before the Delta Council in Cleveland, Mississippi, May 8, 1947 was described by President Truman as "the prologue to the Marshall Plan." The full text of the address is published in, Joseph M. Jones, *The Fifteen Week: February 21-June 5, 1947* (New York, Harcourt, Brace, & World, 1964). Joseph Jones helped draft Acheson's address. The address "described in broad context Europe's acute dollar deficit, its desperate need for food, clothing, coal, steel, and machinery for relief and reconstruction purposes, the probable inability of the American economy operating at near-capacity to sustain further substantial increase in the total volume of exports of these commodities, and what 'these facts of international life mean for the United States and United States foreign policy.' (Ibid, page 219)

viii Ellen Garwood, *Will Clayton: A Short Biography* (Austin: University of Texas Press, 1958)

ix "Memorandum on the Creation of a National Council of Defense." In the memo Clayton wrote, "I am deeply disturbed by the present world picture, and its implications for our country. The reins of world leadership ~ will be picked up by either the United States or by Russia. If by Russia, there will almost certainly be war in the next decade or so, with the odds against us. If by the United States, war can almost certainly be prevented." Clayton further stated that the United States would not take world leadership unless the American people "are shocked into doing so." *Selected Papers of Will Clayton*, edited by Frederick J. Dobney (The Johns Hopkins Press, 1971), pages 198-199.

x The Truman Doctrine "established that the United States would provide political, military and economic assistance to all democratic nations under threat from external or internal authoritarian forces. The Truman Doctrine effectively reoriented U.S. foreign policy, away from its usual stance of withdrawal from regional conflicts

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not directly involving the United States, to one of possible intervention in far away conflicts.” Milestones 1945-1952: The Truman Doctrine 1947; U.S. Department of State Office of the Historian, [http://history.state.gov/milestones/1945-1952/Truman\\_Doctrine](http://history.state.gov/milestones/1945-1952/Truman_Doctrine)

xi On Friday, February 21, 1947, the British Embassy informed the U.S. State Department officials that Great Britain could no longer provide financial aid to the governments of Greece and Turkey.

xii Fourth Meeting of the Council of Foreign Ministers, Moscow, March 10 – April 24, 1947. After returning from the meeting Secretary of State Marshall in a radio address on April 28, 1947 stated, “The recovery of Europe has been far slower than had been expected. Disintegrating forces are becoming evident. The patient is sinking while the doctors deliberate ~ Whatever action is possible to meet these pressing problems must be taken without delay.” George C. Marshall Radio Address on Returning from Moscow Conference, 1947 April 28 (reading copy), George C. Marshall Papers, Box 157, folder 12, Marshall Library, Lexington, Virginia.

xiii Chief, Economic Cooperation Administration Mission to Greece, 1949-50. Truman Library Oral Interview: <http://www.trumanlibrary.org/oralhist/porterpr.htm>

xiv United Nations Relief and Rehabilitation Administration – The mission of UNRR was, “to plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the United Nations through the provision of food, fuel, clothing, shelter and other basic necessities, medical and other essential services; and to facilitate in such areas, so far as necessary to the adequate provision of relief, the production and transportation of these articles and the furnishing of these services.” Source: Pamphlet No. 4, *PILLARS OF PEACE*; Documents Pertaining To American Interest In Establishing A Lasting World Peace: January 1941-February 1946; Published by the Book Department, Army Information School, Carlisle Barracks, Pa., May 1946

xv Belgium, the Netherlands, and Luxembourg

xvi David Lloyd George, British Prime Minister (1916-1922)

xvii Georges Clemenceau, French Prime Minister (1917-1920)

xviii Vyacheslav M. Molotov, Soviet Foreign Minister (1939-1949)

xix Ernest Bevin, British Foreign Secretary (1945-1951)

xx Georges Bidault, French Minister of Foreign Affairs (1947-1948)

xxi Sir Oliver Franks British Ambassador to the United States (1948-1952)

xxii The Organization for European Economic Co-operation emerged from the Marshall Plan and came into being in April 1948 to establish a permanent organization to supervise the distribution of Marshall Plan aid and continue the work on a joint European recovery program.

xxiii Lewis W. Douglas, Ambassador to Great Britain (1947-1950)

xxiv Jefferson Caffery, Ambassador to France (1944-1949)

xxv The wool bill passed Congress and Clayton knew the only chance of preventing it from becoming law was to persuade President Truman to veto the bill. Clayton, in a meeting with the President stated, “unless we were in a position to make some concession in the wool tariff, the Geneva Conference would be a failure.” The President,

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who had earlier vetoed the bill, initialed a memorandum giving Clayton the authority to make a concession in the wool tariff of 25 per cent. Clayton said of the President's veto, that it "was the greatest act of political courage that I have ever witnessed." Dobney, Pages 214-215