

Interview with

HAROLD STEIN

7 August 1952

at the Public Administration Clearing House Office

Room 220 Transportation Building, Washington

Present:

Harvey Mansfield

Rowland Egger (toward the end of the  
interview)

Arnold Miles (formerly of Budget Bureau,  
toward end of interview)

This interview dealt mainly with developments prior to the establishment of ECA, and relates particularly to Budget Bureau and State Department activities, discussions between agencies and with members of Congress, and the work of the Citizen's Committee for the Marshall Plan headed by former Secretary of War Patterson.

1. Things really got snarled up for a while in the Bureau of the Budget. Jack Blandford, as Deputy Director of the Bureau, had ingenious ideas, but was incapable of decisions. He was dealing with Lovett. Al Roseman kept calling Don Stone, who was on another job at the UN for two weeks, asking him to come back, or else the Budget Bureau would lose its grip. It did. Vandenberg and others didn't use the Budget Bureau approach.
2. Bob La Follette had a lot to do with the set-up of, and relations with the interdepartmental committees.
3. It was not originally intended that the Harriman committee would deal with the question of organization. But Vandenberg was interested in organization and looked forward to the Republicans coming in. He got the Harriman committee to working on the question of organization.
4. The committee for the Marshall Plan did a fine publicity job.
5. As to the legislation, we believed we could get it passed. Stalin was taking care of that. (Reference to the Czechoslovakia coup)
6. Vandenberg's choice for the administrator's position was Hoffman. The choice of Hoffman was the price that Vandenberg required for going all out in support of the bill. "Scotty" Reston of the New York Times really knew Vandenberg and his thinking in those days.
7. Bill Elliot and Win Riefler were in on the early talks relating to the Herter committee. Riefler wanted everything on a loan basis; he talked about the "therapeutic process by which loans are made". Ted Geiger knows the Herter committee angles.



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8. The committee for the Marshall Plan included Stimson (Page (?) represented him), Patterson, Acheson, Clark Michelberger, Fred McKee of Pittsburgh, Wasson (?) of the Morgan firm, Governor Lehman, Frank Altschul, and a lot of others. John Ferguson, now with State, was at the New York office, which was the main office. I headed the Washington office.

9. We (the committee for the Marshall Plan) serviced national groups. We wrote testimony for the Farmer's Union (Jim Patton and others) and furnished testimony to other groups. We worked with Chip Bohlen -- who didn't know about Congress. On the whole, we kept rather separate from State and kept the relationship rather quiet, this being a citizen's committee. The committee wound up at the end of March.

10. One of the strong supporting groups was the National Cotton Council. I remember an appointment after their board of directors had voted to go all out on it. They had a delegation in every state who knew the key financial backers of each congressman. "Don't worry", they said, "we'll give it the same treatment that we did Taft-Hartley."

11. To sidetrack the Herter Committee line, we got out some materials which could be quoted. We talked to some congressmen etc. giving them materials which they could use.

12. The Lazaro firm with offices in New York, London and Paris was friendly, although there were no formal connections. Their London man had connections with the Foreign Office.

13. On international legislation, there was an information service run by Wayne Coy's wife. It was a clearing house for women's groups interested in this kind of a legislation. The Marshall Plan committee subsidized them and gave them the line they could use.

14. Most of the lobbying was done by congressmen and senators who were sufficiently informed and sold on the Plan to sell others.

15. The CED and the National Planning Association got out supporting studies.

16. The Harriman Committee's role was important. It really settled minds in Congress. Vandenburg used to say "It's all right,..these are good people" etc.

17. The Marshall Plan Committee was also reassuring. It included a lot of prominent people including Republicans.

18. In fund raising for the Marshall Plan Committee, Harold Oran (?) did a damn good job. He drew on supporters already "chained" in the support of constructive international efforts.



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19. The State Department brought in Lew Douglas to run the show; he didn't do too well.

20. The Marshall Plan Committee helped to direct or straighten out the efforts of other groups. We worked with Michael Straight, women's groups and others.

21. On the whole, State's role was not very satisfactory. Everything seemed to be one dimension too big. The stuff they developed was so elaborate that Fran Wilcox complained that they couldn't leaf through it. The President's message was too long; no impact.

22. The selection of testifiers before the Foreign Relations Committees was done mainly by the committees themselves (Vandenberg and others) and their staffs (Wilcox and the others) -- the committee of the Marshall Plan helped in this.

23. Vandenberg recognized the low esteem in which the State Department was held at that time and wanted a separate agency.

24. On the question of counterpart funds, there were long discussions with the Herter Committee about the idea of American corporations handling the funds. The Marshall Plan Committee killed that one. I personally favored freezing it except for the 5% administrative expenses. Actually it worked out for investments etc. very well, although no one foresaw this at the time.

25. The Czech coup in March really speeded the action on the legislation. It brought in support from quite a few who had been on the left.

26. Acheson really went out on this. At times he got pretty tough. Once he said to a congressman (John Lodge (?)): "If you didn't talk so much and listened more, I think you would understand better what this is all about."

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16 Oct. '52

