

# Sisyphus' Palace

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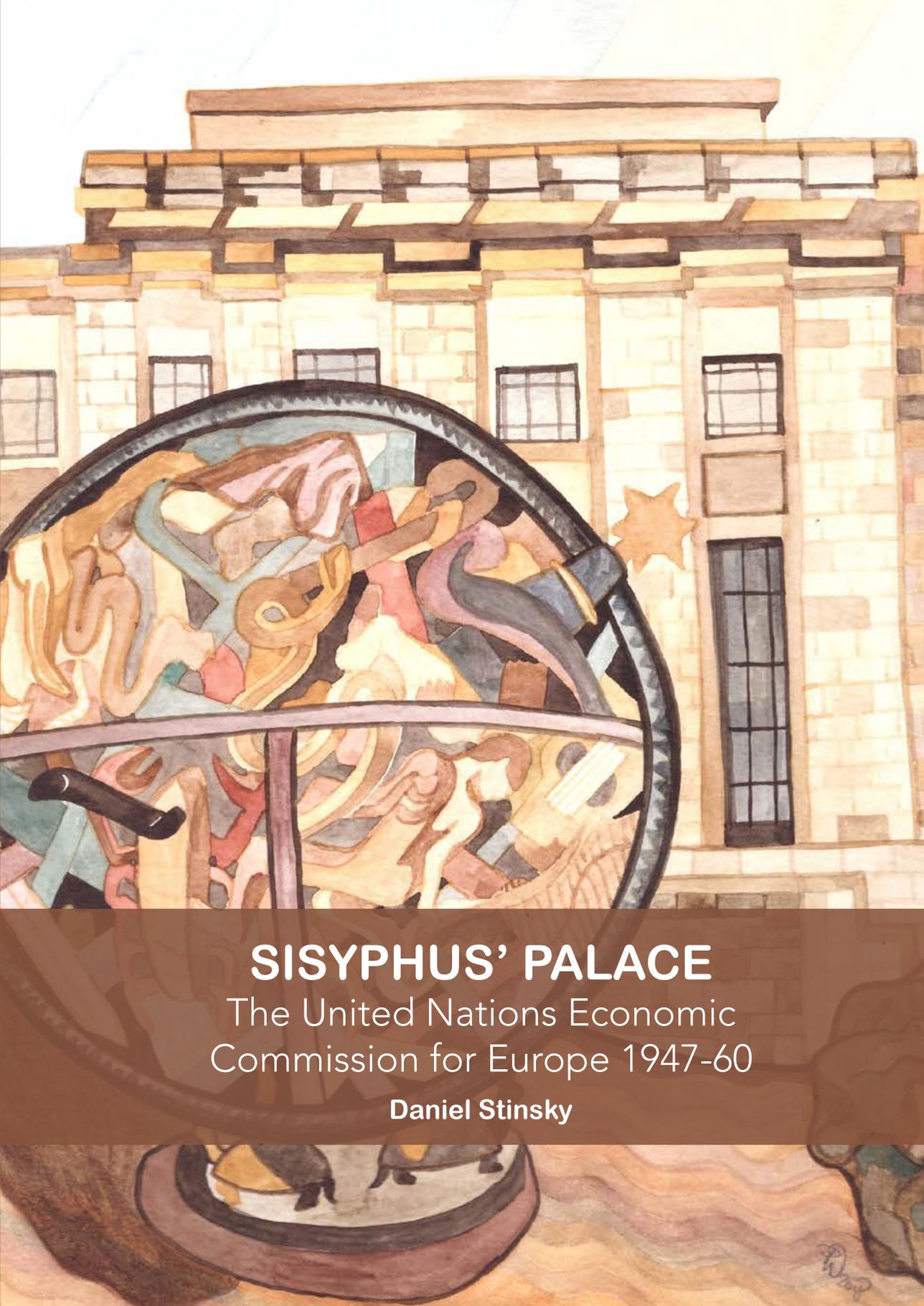
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# SISYPHUS' PALACE

The United Nations Economic  
Commission for Europe 1947-60

Daniel Stinsky

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# Sisyphus' Palace

The United Nations Economic Commission for Europe,  
1947-60

## DISSERTATION

TO OBTAIN THE DEGREE OF DOCTOR AT MAASTRICHT UNIVERSITY,  
ON THE AUTHORITY OF THE RECTOR MAGNIFICUS, PROF. DR. RIANNE M. LETSCHERT  
IN ACCORDANCE WITH THE DECISION OF THE BOARD OF DEANS,  
TO BE DEFENDED IN PUBLIC ON FRIDAY, MAY 17, 2019, AT 12:00 HOURS.

BY

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Dr. Karin van Leeuwen

Dr. Raf de Bont

*“As an old-fashioned social scientist of rather conservative bent, it is my habit when addressing myself to a problem of analysis to begin by stating my value premises. [...] I do believe it necessary to make it clear that by the term 'Europe' I do not mean any little Europe or part of Europe or narrow idea of Europe but the geographical, the wider Europe. In fact, the abuse of the term 'Europe' to mean something small and ideological betrays a value premise which is not often explicitly stated or thought through and which, in my view, is particularly dangerous. It frequently is used to mean a Europe excluding those who are not willing to accept a certain doctrine, usually the doctrine of supra-nationality, but sometimes also a doctrine of a cultural or political nature, and this it seems to me is not only an abuse of the term, [...] but is a formula for division. The Economic Commission for Europe was created by the United Nations on the precise understanding that Europe was to be defined in its widest sense rather than in a narrow sense, that it was not meant to be an exclusive concept, but rather an inclusive one.”*

Gunnar Myrdal, "The Europe of the Future" (Draft speech), 1967.<sup>1</sup>

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<sup>1</sup> UNOG Archives ARR 14/1360, Box 65, Folder 'Statements by G. Myrdal'.

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A Dutchman, a Frenchman, and a German walk into a bar. Five years later, all three have PhDs in history.

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Last but not least, I want to thank my parents, Gerhard and Christel Stinsky, for their invaluable support. Dedicating this thesis to them is the least I can do to show my gratitude.

Daniel Stinsky

Hamburg, December 2018

## GLOSSARY OF INTERNATIONAL ORGANIZATIONS

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CEEC	Conference on European Economic Cooperation
CMEA/COMECON	Council for Mutual Economic Assistance
CoCom	Coordinating Committee for Multilateral Export Controls
Cominform	Communist Information Bureau
CSCE	Conference on Security and Cooperation in Europe
EC	European Communities
ECA	Economic Commission for Africa
ECAFE	Economic Commission for Asia and the Far East; since 1974 Economic and Social Commission for Asia and the Pacific (ESCAP)
ECE	Economic Commission for Europe
ECITO	European Central Inland Transport Organization
ECLA	Economic Commission for Latin America; since 1984 for Latin America and the Caribbean (ECLAC)
ECO	European Coal Organization
ECOSOC	Economic and Social Council
ECSC	European Coal and Steel Community
ECWA	Economic Commission for Western Asia; since 1985 Economic and Social Commission for Western Asia (ESCWA)
EEC	European Economic Community
EECE	Emergency Economic Committee for Europe
EPU	European Payments Union
ERP	European Recovery Program
EU	European Union
GATT	General Agreement on Tariffs and Trade
IAR	International Authority for the Ruhr
ILO	International Labor Organization
ITO	International Trade Organization (never ratified)
ITU	International Telegraphic Union
NATO	North Atlantic Treaty Organization
OEEC	Organization for European Economic Cooperation; since 1961 Organization for Economic Cooperation and Development (OECD)
OSCE	Organization for Security and Cooperation in Europe
UEFA	Union des Associations Européennes de Football
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNESCO	UN Educational, Scientific and Cultural Organization
UNFPA	UN Population Fund
UNHQ	UN Headquarters
UNICEF	UN International Children's Emergency Fund
UNIDO	UN Industrial Development Organization
UNRRA	UN Relief and Rehabilitation Agency

# PART I: INTRODUCTION

---

This thesis is about a United Nations (UN) agency that stylized itself as the champion of East-West cooperation in Europe during the early Cold War, the UN Economic Commission for Europe (ECE). Founded in 1947, ECE was the first permanent international organization (IO) with the express purpose of promoting economic cooperation in Europe. As a UN organization, it included not just Western European countries, like the Marshall Plan organization (Organization for European Economic Cooperation, OEEC) or the predecessor organizations of the European Union (EU) did. While the emerging Cold War divided the continent into two opposing camps, ECE was one of the thin threads that held it together. ECE was an all-European organization, including both the Soviet Union and the United States, together with their respective European allies, and neutral countries. ECE's composition thus mirrored the European Cold War, and the effects of geopolitical tension or détente were felt directly in the Commission. The Cold War was a global phenomenon, and the UN arena was one of its many theatres. Yet the origins of two world wars were primarily European, and the European continent's division into East and West could easily create the sparks that would ignite a third. Hence, maintaining global peace was a regional, European problem as well. Global and regional frameworks converged at ECE, the global UN's regional commission for Europe.

ECE was the largest UN organization housed in the Palais des Nations in Geneva, the palace originally built for the League of Nations. The League, founded in 1920 as a result of the Versailles Peace Conference after World War I, was the first IO with the express purpose of maintaining global peace. The Palais' construction was completed in 1938, and the League used it only briefly as a conferencing venue and office building. The Palais was, and still is, a massive building crammed with art and heavy symbolism. Outside, on the lakeside, stands the Celestial Sphere, a gift by the Woodrow Wilson Foundation. The metal sculpture commemorates the US President who had famously championed the idea of the League, but failed to secure his own country's membership in it. To a cynical mind, the Celestial Sphere epitomizes the doom of interwar internationalism: the beautifully crafted, four meter wide sculpture was meant to spin and revolve like the heavens it depicted, but its small motor broke frequently, and rain and cold Swiss winters caused its foundation to crack. Moreover, it arrived in Geneva only in 1939, and its unceremonial inauguration took place when Hitler's attack on Poland was already under way.<sup>1</sup> The League had to abandon its beautiful new headquarters soon after, and was ultimately dissolved in 1946. When the newly founded UN established its European offices there, the grandiose palace had become an unintended monument to the failure of interwar internationalism. For the ECE officials who worked there while the Cold War was unfolding, the building itself was a constant reminder of how their predecessors had been unable to prevent a second world war.

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<sup>1</sup> Evelina Rioukhina and Christian David, "The Celestial Sphere - Woodrow Wilson Memorial," *UN Special*, no. 699 (2010).



**Fig. I.1** *Strollers walk past the Palais des Nations' library wing in 1951. The Celestial Sphere, a stark reminder of the pride before the fall, on the left.*<sup>2</sup>

Despite prevailing geopolitical tension, ECE tried to maintain a bridge between East and West. ECE was an economic organization, not a security organization like the UN Security Council or the Organization for Security and Cooperation in Europe (OSCE). Economic cooperation between governments, this was the hope, would help to defuse political tension. “Even relatively small successes in the direction of economic co-operation“, physicist Albert Einstein wrote in an open letter to the first UN Secretary-General Trygve Lie in 1950, “should soon improve and stabilize the political and emotional situation“.<sup>3</sup> Against the backdrop of the unfolding Cold War, the argument that security and economic cooperation should go hand in hand thus carried considerable weight, and economic IOs were imagined as central building blocks in the architecture of peace. “[T]he cold war has given special importance to the work in ECE“, a booklet published on ECE’s ten-year anniversary in 1957 stated; “The Commission has been, and is, unique in this respect: as a contact, indeed as a broad system of contacts, between the two parts of our divided continent.”<sup>4</sup> Immediately after its foundation, however, ECE was haunted by severe setbacks. Bloc formation challenged its very existence, as Eastern governments began to

<sup>2</sup> UN Photo, Photo # 143031.

<sup>3</sup> UNHQ Department of Public Information, Professor Albert Einstein sends personal message to Trygve Lie wishing him luck and success. Press Release M/640, 21.04.1950. UNOG Archives ARR 14/1360 - Box 64.

<sup>4</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

boycott its technical committees, and Western governments created a series of alternative, competing venues for economic cooperation. ECE's efforts to reestablish trade links between East and West produced few tangible results until the death of Stalin in 1953.

The history of ECE is thus not a success story. But neither is it a story of failure. ECE survived the early Cold War, in spite of overwhelming odds stacked against it by the absence of Socialist governments and the weighty competition by Western organizations.<sup>5</sup> "ECE gained support from the European reaction against [...] the cold war which gave it an importance above and beyond its practical achievements" a British scholar wrote in 1957; "it seemed to be one of the few remaining bridges between east and west."<sup>6</sup> While ECE never became the ambitious, all-European forum for the coordination of economic policy it was originally projected to be, it was still able to blossom in the milder, post-Stalinist climate. "ECE's whole history is indeed a history of a determined and not altogether unsuccessful effort to accomplish economic co-operation in spite of the political split of Europe and the tension of the cold war", the ten-year anniversary booklet summarized.<sup>7</sup>

Its mandate, adopted on April 3, 1947, requested ECE to be two things: A permanent intergovernmental conference for the international coordination of economic policy, and a technocratic think-tank collecting, analyzing, and disseminating knowledge about economic and technical problems.<sup>8</sup> Like other IOs, ECE was thus both a forum where delegates convened and through which member states acted, and an actor in its own right, an international bureaucracy with research functions. ECE's approach was necessarily one of small steps. "Even in the best event, I am not looking forward to rapid and spectacular accomplishments", Gunnar Myrdal, ECE's first Executive Secretary, said in 1953. "The maximum hope I have is that [...] it will be possible gradually to change a situation which is not good to a situation which is somewhat better."<sup>9</sup> This piecemeal policy resulted in non-binding negotiations over technical issues. Member states were free to participate, could join ongoing consultations or adopt agreements even at a later stage. ECE pursued a broad range of activities as a technical agency. Among other things, ECE initiated negotiations to facilitate border-crossing and simplify trade procedures, to design a network of roads and railroads across the divided continent, to harmonize traffic signals and improve road safety, to reduce air and water pollution, to minimize the number of industrial accidents, to improve the quality of perishable goods, to manage gas storage, and so on and so forth. Many of ECE's conventions and norms have since become part of the EU's *acquis*

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<sup>5</sup> Evgeny Chossudovsky and Jean Siotis, "Organized all-European Co-operation: The Role of Existing Institutions," in *Beyond Détente: Prospects for East-West Co-operation and Security in Europe*, ed. Nils Andréén and Karl E. Birnbaum (Leiden: A.W. Sijthoff, 1976), 161.

<sup>6</sup> David Wightman, "East-West Cooperation and the United Nations Economic Commission for Europe," *International Organization* 11, no. 1 (1957): 2.

<sup>7</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960. Original emphasis.

<sup>8</sup> Yves Berthelot, ed. *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*, United Nations Intellectual History Project (Bloomington: Indiana University Press, 2004), 15-17.

<sup>9</sup> Gunnar Myrdal's speech to the Economic and Social Council, 8 July, 1953. UNOG Box 83, ECE Debate at 9th Session.

*communautaire* and thus continue to influence EU legislation.<sup>10</sup> Several ECE norms and conventions were extended to countries outside the ECE region or have even become global.<sup>11</sup> In technical cooperation, ECE found a niche that it continues to fill even today – in parallel to the much more publicized work of the EU institutions.

This thesis is thus not only about the Cold War, or about ECE in isolation. It is also about Europe, or, more precisely, the Europe of IOs. IOs are more than diplomatic venues and bureaucracies. Big organizations like the UN or the EU serve as projection screens for human emotions, ranging from enthusiasm and hope to anger, fear, and frustration. Today, the by far most visible and most influential European organization is the EU. The EU today is much more than an IO. It has formed institutions – the European Parliament, European Commission, the European Central Bank, and the more than 40 EU agencies – that go far beyond the intergovernmental councils and assemblies of other IOs. The EU's far-reaching legislative competences are the subject of much hotheaded debate. But if there is one thing that Europhiles and Europhobes can agree on, it is that the EU is exceptional – a shining city on a hill, or a distant bureaucratic Moloch. This understanding of the EU as something that, for better or worse, is truly exceptional shapes the way we think about the past, present, and future of Europe.<sup>12</sup> The suggestion that the EU, due to its allegedly innovative, supranational features, is a beast of its own making, a political conception *sui generis*, is also deeply ingrained in the theory of European integration. But if we take a step back and look at the wider canvas of IOs active on the European continent, we can see that the EU is part, albeit a very important part, of a much broader system of international governance. Historically, the EU developed against the background of a broader trend toward regional and global convergence, and should be seen as such. European IOs – not just the EU and its predecessors – defined and produced different notions of what “Europe” was supposed to mean after the collapse of civilization in two world wars originating on European soil. The Europe of IOs allowed multiple conceptions of Europe – Pan-Europe, Western Europe, the Europe of People's Democracies, the Europe of the Inner Six and the Outer Seven – to co-exist in a complex system of competition and interdependence.<sup>13</sup>

In this developing landscape of European IOs, ECE was an important player that, so far, has received too little attention. In historiography and in public perception, ECE's role today is marginal at best. Yet as both the oldest and the geographically broadest of postwar European IOs, ECE's very existence challenges conventional assumptions about the history of European integration and the Cold War: Postwar European cooperation did not start with the European Coal and Steel Community (ECSC) and the “Original Six” member states France, West Germany, Italy, and the Benelux. The first attempt to create an IO for European economic cooperation took place within the global UN framework, and did involve Socialist countries. As a sub-organ to the UN's Economic and Social Council (ECOSOC), ECE linked European regionalism and UN universalism. The UN and the Bretton Woods organizations, founded in the final years and the immediate aftermath of

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<sup>10</sup> Yves Berthelot, “Unity and Diversity of Development: The Regional Commissions' Experience,” in *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*, ed. Yves Berthelot (Bloomington, IN: Indiana University Press, 2004), 20-21.

<sup>11</sup> *Ibid.*, 7.

<sup>12</sup> Kiran Klaus Patel, *Projekt Europa. Eine kritische Geschichte* (Munich: C.H. Beck, 2018).

<sup>13</sup> Kiran Klaus Patel and Wolfram Kaiser, “Multiple Connections in European Co-operation: International Organizations, Policy Ideas, Practices and Transfers 1967-92,” *European Review of History* 24, no. 3 (2017).

World War II, had initially rejected regionalism in favor of a universal setup. ECE and its East Asian sister organization ECAFE were the first permanent postwar IOs on a regional level. “Europe” was a compromise formula, allowing to incorporate neutral countries and former enemies of the wartime coalition at the core of the UN. But ECE’s monopoly on economic cooperation in Europe was probed just a few weeks after its inception with the Marshall Plan’s announcement, and the subsequent formation of a Western European alternative to ECE’s model of all-European economic cooperation. The Marshall Plan’s “Western Europe” thus emerged as a concurrent, overlapping framework to ECE’s “Europe” - a pattern that would later be repeated when ECSC’s “Europe of the Six” challenged “Western Europe” from within.

This thesis aims to put ECE on the map of Cold War historians, Europeanists, and UN scholars alike. It is a historical study, arguing that ECE’s role as an organ of European economic cooperation in the Cold War context was threefold. First, it remained one of the few institutional settings where East and West continued to meet on economic issues, even during the acute geopolitical tension of the Korean War. “ECE has been one of the most effective agents for the maintenance and development of the few ‘bridges’ between East and West [...] when the division was taken for granted and viewed by many as a permanent feature of the European system”, as Genevan scholar Jean Siotis wrote in 1967.<sup>14</sup> Second, ECE carried out important work as a technical agency in the fields of infrastructure development, norms, and technical standards. The practical achievements of its technical committees continue today to impact the everyday lives of millions on the European continent and beyond. This focus on technical cooperation was, partially, a result of the geopolitical deadlock during the Cold War. At the 1953 Commission session, just days after Stalin’s death, Myrdal called the organization “a ‘reserve’ for the future day when the East-West rift is healed [...]. In the meantime [...] the continuation of the Commission had to be justified by the work of its technical committees”.<sup>15</sup> Third, ECE was an important, hitherto under-researched player in post-WWII economic cooperation in Europe. It was part of a system of international governance that saw the coexistence, cooperation, and competition of multiple European IOs representing different and often overlapping geographical and institutional conceptions of “Europe”.

This thesis studies the entangled histories of IOs concerned with general economic policy in Europe from the perspective of ECE, the oldest and geographically broadest of the European IOs. It includes ECE’s superior bodies, the UN and ECOSOC; its direct predecessors, the UN Rehabilitation and Relief Administration (UNRRA) and the three emergency or e-organizations; its main competitor, the Marshall Plan organization OEEC; and the EU’s first direct predecessor ECSC. The central difference between these organizations was not their inner workings, nor whether they were inter-governmental or supranational organizations, but their geographical scope. The history of European integration is conventionally told as a story of continuous expansion, from the “Original Six” to today’s over 25 member states. But a different picture emerges once we look at the wider landscape of economic IOs: What constituted “Europe” first got a lot narrower very quickly before the European Communities (EC) slowly began to expand.

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<sup>14</sup> Jean Siotis, “ECE in the emerging European System,” *International Conciliation*, no. 561 (1967): 6.

<sup>15</sup> Summary of Proceedings of the Eighth Session of the ECE, 12 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

In terms of membership, the IOs discussed here resemble Russian nesting dolls. Bigger dolls contain the smaller ones, with the oldest being the biggest and the youngest the smallest. The UN (1945) was not yet today's truly global organization, but nevertheless the biggest; ECE (1947) embodied a broad definition of "Europe", including the Soviet Union and the United States; OEEC (1948) introduced "Western Europe" as an economic area; ECSC (1952) consisted of merely six states within the Western bloc. In this story of what we might call Matryoshka-Europe, Western European cooperation was a conscious move away from existing forms of all-European cooperation, and toward intra-mural economic integration.

Postwar IOs like ECE thus constitute more than footnotes in a history of European integration understood as the success story of the EU. They are "suppressed historical alternatives" to both the bi-polar logic of the Cold War and to a deterministic understanding of European integration.<sup>16</sup> Kiran Klaus Patel has argued that historiography and interdisciplinary scholarship on European integration have remained too narrowly focused on the EU and its immediate predecessors, and pleaded to "provincialize" the EC/EU within historical research.<sup>17</sup> By applying this perspective to other IOs active in the economic field, interaction and competition between IOs emerge as a process of reconstructing as well as negotiating Europe. The competition between different models for an economic postwar order, like ECE, OEEC, and ECSC, was not a Darwinist survival of the fittest, although it did nurture a form of evolution. Importantly, these organizations did not die.<sup>18</sup> They transformed and adjusted to changing circumstances, and continued to have a significant impact on political and economic developments, albeit rarely in the way that was originally intended.

Its all-European scope made ECE unique within the postwar system of IOs. It was neither a universal IO like the majority of UN agencies, nor an exclusively Western IO like the majority of European IOs. To find an IO with a comparable, all-European membership founded around the same time, one has to turn to the realm of sports: UEFA - the *Union des Associations Européennes de Football* - was founded in 1954.<sup>19</sup> ECE's mandate even provided for the participation of non-UN members in a consultative capacity. After the first ECE session, all European countries with the exceptions of Franco-Spain and occupied Germany were invited to participate in ECE sessions. Spain was not invited until it became a UN member state in 1955. But several states became members of ECE even before becoming a UN member. The most extreme case was Switzerland, which joined ECE in a consultative capacity in 1947, became a full member in 1972, but waited until 2002 to join the UN. Germany was initially represented by the four occupying powers Britain, France, USA, and USSR. In practice, experts from Germany were regularly attached to the occupying powers' delegations, and participated in the activities of ECE's subsidiary bodies, but not in the plenary Commission sessions. The Federal Republic of Germany

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<sup>16</sup> Barrington Moore, *Injustice: The Social Bases of Obedience and Revolt* (New York, NY: M. E. Sharpe, 1978), 376.

<sup>17</sup> Kiran Klaus Patel, "Provincialising European Union: Co-operation and Integration in Europe in a Historical Perspective," *Contemporary European History* 22, no. 04 (2013).

<sup>18</sup> Susan Strange, "Why Do International Organizations Never Die?," in *Autonomous Policy Making by International Organisations*, ed. Bob Reinalda and Bertjan Verbeek (Routledge, 1998).

<sup>19</sup> Jürgen Mittag and Phillippe Vonnard, "The Role of Societal Actors in Shaping a Pan-European Consciousness. UEFA and the Overcoming of Cold War Tensions, 1954-1959," *Sport in History* 37, no. 3 (2017).

(FRG) became a full member of ECE in February 1956, before becoming a UN member.<sup>20</sup> The German Democratic Republic (GDR) did not become a full ECE member until 1972.<sup>21</sup> ECE's representation of Europe was thus more inclusive than others, but it was not all-encompassing.

**Fig. I.2 ECE Founding member states<sup>22</sup>**

<p><b>UN member states &amp; full founding members of ECE:</b></p> <p>Belgium, Byelorussia, Czechoslovakia, Denmark, France, Greece, Iceland, Luxembourg, Netherlands, Norway, Poland, Sweden, Turkey, United Kingdom, United States, Ukraine, USSR, Yugoslavia</p>
<p><b>Non-UN members in 1947, admitted to ECE in a consultative capacity:</b></p> <p>Albania, Austria, Bulgaria, Finland, Hungary, Ireland, Italy, Portugal, Romania, Switzerland</p>

ECE belonged to a particular type of IOs founded in the 1940s with an institutional setup that was different from its European competitors. Importantly, ECE did not possess money it could distribute, like the Marshall Plan did, or the power to create legislation, like the EU does. It was financed through the UN budget, and responsible to its superior body ECOSOC. It was thus firmly embedded into the UN framework. ECE consisted of three main organizational units: the Commission, the committees, and the Secretariat. The Commission was ECE's highest decision-making organ. Its annual plenary sessions, usually held for two weeks in or around April/May, reviewed the work of the committees and the Secretariat during the previous year and set an agenda for the next. The Commission was empowered to create sub-organs like committees or working groups, charge the Secretariat with certain tasks (usually research work), and call upon other UN organs to consider particular issues. ECE's organizational structure and mode of policy coordination was thus different from the EU predecessor organizations. "ECE is not a supra-national body", the organization emphasized in 1957, distinguishing itself from ECSC and the planned European Economic Community (EEC);

*"It provides a means for the solution of economic problems that governments choose to deal with in its framework. [...] ECE is an instrument for reaching multilateral inter-state agreements. The practical day-to-day work of the ECE is carried out entirely through its Committees and other sub-organs. These organs are, in their separate sectors of the European economy, inter-state consultative and administrative bodies. Although they are without federal or supra-state*

<sup>20</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>21</sup> Melvin M. Fagen, "Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe," *Coexistence* 25(1988): 428.

<sup>22</sup> W. Hoo, A note on the background and plans for the immediate organization of the Economic Commission for Europe, 31 March 1947. UNOG Archives ARR 14/1360 - Box 72.

*powers, they provide a matrix for what is, in reality, collective deliberations and decisions of interested governments, aiming at the harmonization of State policies and in some cases even joint undertakings”.*<sup>23</sup>

ECE’s mode of international cooperation was thus technocratic and strictly intergovernmental. It belonged to a type of IO pioneered by UNRRA, the first civilian UN agency, in 1943. This type of IO combined the League of Nations’ liberal internationalism with a preoccupation with hands-on, technical problems, and a strong bureaucracy.

The developing landscape of European IOs was inextricably linked to the Cold War, and the geopolitical division it introduced. During the late 1940s and 1950s, however, the Cold War’s demarcation lines were “hard to see for those who had grown up with a more diverse Europe, where division lines between east and west did not readily exist”, as Odd Arne Westad writes in his recent world history of the Cold War.<sup>24</sup> ECE explicitly subscribed to this view of an older Europe not cut in half by the Iron Curtain. The aforementioned booklet on ECE’s ten-year anniversary observed that

*“the political split of Europe has become increasingly entrenched, institutionally and spiritually. What is, in fact, unnatural, and what ten years ago was commonly understood and felt to be unnatural, has gradually become natural to a great number of people. Fewer and fewer people are thinking in terms of one continent: more and more people are talking about ‘Europe’ and meaning only their own part of it.”*<sup>25</sup>

ECE’s first Executive Secretary was the Nobel Prize-winning Swedish economist Gunnar Myrdal. He refused to accept Europe’s split into East and West as a lasting geopolitical reality, repeatedly calling it “abnormal” and “perverse”. “Among the older generation which has memories from the prewar time”, Myrdal, who was born in 1898, wrote in 1967,

*“Europe was understood to be, and felt to be, the more inclusive area, having close historical, cultural, economic, and even political connections. To a Swede of that generation Poland is as much a neighbor state as, say, the Netherlands and very much more so than, say, Spain, Greece, or Turkey. In the present situation this change in attitudes is one of the most important obstacles to our strivings for all-European cooperation.”*<sup>26</sup>

For Myrdal, the application of the term “European” to organizations covering only a subsection of the continent was not an act of uniting Europe, but of cementing the continent’s division. “[A]ll the Western organizations – it seems without sensing the aggressiveness implied – have called themselves simply ‘European’”, Myrdal once

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<sup>23</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>24</sup> Odd Arne Westad, *The Cold War. A World History* (New York: Basic Books, 2017), 89.

<sup>25</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>26</sup> Gunnar Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," *International Organization* 22(1968): 626-27.

complained to an American audience.<sup>27</sup> From the vantage point of the all-European ECE, he had witnessed bloc formation and the emergence of several intra-mural integrations along the Cold War boundaries. By unearthing this particular perspective of an organization that is still significantly understudied, this thesis seeks to show how deeply both phenomena – European integration and the Cold War – were interlinked.

As a UN organization, moreover, ECE's history was intimately connected with that of the post-1945 international order that had the UN at its – real or imagined – center. In May 1954, UN Secretary-General Dag Hammarskjöld gave an extraordinary address at Berkeley about the UN's role in defusing Cold War tension. Hammarskjöld's speech was remarkable for its pessimism. Far from preaching international cooperation in fair-weather platitudes, the Secretary-General described it as a tedious, yet necessary ordeal. "Those in the Governments and Delegations, or in the Secretariat", Hammarskjöld said, "who pursue the day-to-day operations [...] must devote themselves wholly to the effort regardless of any hopes of reaping and rewards of success".<sup>28</sup> Trying to keep international cooperation alive at a time when a third world war seemed imminent, and was prevented only by a shaky nuclear stalemate, meant that failure would be catastrophic, whereas success would yield little to no reward. For Hammarskjöld, it took certain personal qualities to pursue this ungrateful task. "[T]he first thing required is patience", he said,

*"But we need more than patience in the passive sense. We need perseverance, of the kind that equips us not to take defeats to heart, in the knowledge that defeats are unavoidable [...]. It is one of those conditions in spite of which and against which we must keep trying to develop co-operation. [...] It has been said that the United Nations was not created in order to bring us to heaven, but in order to save us from hell. I think that sums up as well as anything I have heard both the essential role of the United Nations and the attitude of mind that we should bring to its support."*

In Hammarskjöld's understanding of international organization, the diplomats, UN officials, and technical experts in the UN's many agencies pursued a task that was both existential and near impossible. Their task was indeed similar to that of the mythological Sisyphus. Punished for the hubristic belief that his own cleverness surpassed that of Zeus himself, Sisyphus was forced to roll an immense boulder up a hill, only to watch it roll back down after reaching the peak, repeating this meaningless action for eternity. In *The Myth of Sisyphus* (1942), French philosopher Albert Camus invoked the mythological figure to introduce his philosophy of the absurd.<sup>29</sup> In this essay, Camus posits that the world is unintelligible, devoid of meaning, clarity, and purpose. Existence, therefore, is fundamentally absurd - like Sisyphus' meaningless task. Camus argues that the appropriate reaction to the realization of the absurd is not despair, but revolt. "The struggle [...] itself is enough to fill a man's heart. One must imagine Sisyphus happy."

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<sup>27</sup> "Political factors affecting East-West trade in Europe," *Coexistence*, no. 5 (1968): 142.

<sup>28</sup> Address by Secretary-General Dag Hammarskjöld at University of California Convocation Berkeley, 13 May 1954. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960. Original emphasis.

<sup>29</sup> Albert Camus, *The Myth of Sisyphus and Other Essays* (New York: Vintage Books, 1991 [1941]).

Like Camus' Sisyphus, Hammarskjöld's UN officials had to work against and in spite of devastatingly adverse conditions. Like Sisyphus, those who sought to develop international cooperation at a time when Cold War tension permeated almost every aspect of life had to deal with constant setbacks. Like Sisyphus, they had to keep trying, despite the apparent futility of their doing. In trying to pursue an agenda of peace and international cooperation despite overwhelming Cold War tension, they displayed what Slovenian philosopher Slavoj Žižek has recently called *The Courage of Hopelessness* (2018): only once the complete hopelessness of a situation is admitted – that the light at the end of the tunnel is indeed the headlight of an approaching train – can fundamental change be brought about.<sup>30</sup>

The struggle of Camus' Sisyphus against such a hopeless situation is a metaphor that describes the story told in this thesis: that of an IO struggling to pursue all-European cooperation at a time when the continent was undergoing a deep geopolitical split into two adversarial blocs. ECE was housed in the Palais des Nations in Geneva, the palace built in the interwar period for the League of Nations. The League had died after it failed to prevent a second world war. Its grandiose palace reminded ECE officials daily that pride came before the fall. ECE's history is a story of pursuing a cooperative ideal despite bleak-looking prospects, and of continuing important work in the face of frustrating futility. It is the story of Sisyphus' palace.

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<sup>30</sup> Slavoj Žižek, *The Courage of Hopelessness. A Year of Acting Dangerously* (Brooklyn, NY: Melville House Publishing, 2018).

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 I.1 RESEARCH DESIGN
 

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This thesis shows that ECE was an important player in postwar European politics that is still significantly under-researched. The first research objective is therefore to contextualize this elusive organization: *What was ECE's role within the context of the Cold War and of European economic cooperation?* The thesis argues that ECE functioned as a hub in a system of contacts between the Eastern and Western halves of the divided continent, allowing continuous, although limited economic and technical cooperation.

The period under study begins with the plans for a postwar system of IOs developed during World War II and ends with the UN's marked reorientation toward the developing world in the 1960s. The main focus is on the early Cold War period, from the end of World War II to the death of Stalin in 1953. This period saw the inception of the global UN; the breakdown of East-West relations; the beginning of the nuclear stalemate; the creation of a Western bloc through the Marshall Plan and the North Atlantic Treaty Organization (NATO), and of an Eastern bloc through the Council for Mutual Economic Assistance (CMEA) and the Warsaw Pact; a direct confrontation between Western and Communist soldiers in Korea; and the creation of ECSC, the first direct predecessor of today's EU. The geopolitical trend during that time was clearly one of bloc formation and intra-mural integration. At first glance, the all-European ECE might seem like an anomaly in this context, a relic of wartime deliberations, representing the old demarcation lines of World War II (ECE initially excluded occupied Germany and Fascist Spain) in a Cold War world.

On closer inspection, however, a different picture emerges. ECE was very much a Cold War organization. As a *forum*, it saw regular confrontations between Eastern and Western delegates. IOs like ECE were venues where bloc discipline in the Cold War was established and enforced, as Sandrine Kott has emphasized.<sup>31</sup> But as an *actor*, ECE was part of the European reaction *against* the Cold War. Its Secretariat developed a remarkable degree of autonomy from the member governments, using its crucial position as agenda setter to keep the option of East-West reconciliation on the table. This applied particularly, although not exclusively, to trade. ECE officials described East-West trade as their "Big Idea", the key issue defining the organization.<sup>32</sup> Although policy action by both blocs furthered the decline of commercial exchange, ECE could build on a sustained interest in a revival of trade connections on both sides of the Iron Curtain. During the critical years between the Czechoslovak coup in 1948 and Stalin's death in 1953, its Western member states and the Secretariat agreed to keep ECE alive as a reserve organization – an instrument standing ready for an undisclosed point in the future when détente would materialize, and a return to the conference table was possible. In the words of Gunnar Myrdal, a bridge "must be built,

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<sup>31</sup> Sandrine Kott, "International Organizations - A Field of Research for a Global History," *Zeithistorische Forschungen / Studies in Contemporary History*, online edition 8, no. 3 (2011); "Par-delà la guerre froide. Les organisations internationales et les circulations Est-Ouest (1947-1973)," *Vingtième Siècle. Revue d'histoire* 109, no. 1 (2011).

<sup>32</sup> Yves Berthelot and Paul Rayment, "The ECE: A Bridge between East and West," in *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*, ed. Yves Berthelot (Bloomington, IN: Indiana University Press, 2004), 64.

even if no-one crosses it for the time being”.<sup>33</sup> ECE thus had a distinct role to play in the Cold War context, that of a bridge between East and West.<sup>34</sup>

This special status of ECE in the East-West conflict underlies the second research question: *How and why was this “bridge” maintained throughout the peak of Cold War tensions 1948-1953?*

The status of a reserve organization was clearly not sufficient to justify the operating expenses of ECE and the effort of delegations regularly travelling to Geneva. What kept ECE alive was its entrenchment as an expert organization in various intergovernmental, economic, and technopolitical functions. The Secretariat took the research tasks bestowed upon it by ECE’s mandate very seriously, and regularly and independently published economic analyses and statistical information about broad trends in the European economies. In its technical committees on coal, steel, timber, or housing problems, experts – rather than diplomats – convened to find international solutions to hands-on, technical problems. ECE had a crucial role in infrastructure development, most notably in inland transport and electricity connections.<sup>35</sup> As a technical agency, ECE was a key site for what historians of technology have labeled the “hidden integration” of Europe through technology and standardization.<sup>36</sup> ECE’s focus on technical problems was partly a legacy of its predecessors: the postwar emergency or e-organizations, the humanitarian relief agency UNRRA, and the technical bodies of the interwar League of Nations. It was also a result of the mid-20<sup>th</sup> century enthusiasm for economic planning. ECE was founded to be an all-European forum for the coordination of reconstruction plans. When the onset of the Cold War curtailed these ambitions, planners and planning agencies refocused on smaller, technical problems.

But ECE was not alone in dealing with such problems. In Europe in particular, IOs were operating on an increasingly crowded stage. ECE’s special status as an agency of the global UN dedicated to regional, all-European issues put it into a position where it had to engage with a multitude of IOs sharing similar, often overlapping responsibilities. The third question for this thesis is thus about ECE’s relationship to these other IOs – especially its superior UN bodies, the Marshall Plan Organization OEEC, the Eastern European CMEA, and the EU’s first predecessor ECSC. *Confronted with such prominent competitors, why did ECE survive, and how was it able to carve out a niche for itself?*

ECE stood in a complex relationship of competition and interdependence to other, similar expert organizations. Besides its contributions to “hidden integration”, this ambivalent interrelation with other economic IOs is what most defines ECE’s role in the history of

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<sup>33</sup> Quoted in Anika de la Grandville to Václav Kostecký, 28 April 1980. ARBARK, Václav Kosteckýs arkiv, 3332/4/3/5 Övriga handlingar rörande ECE.

<sup>34</sup> Daniel Stinsky, "A Bridge between East and West? Gunnar Myrdal and the UN Economic Commission for Europe, 1947-1957," in *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*, ed. Sandrine Kott, Michel Christian, and Ondřej Matějka (Berlin: de Gruyter, 2018).

<sup>35</sup> Vincent Lagendijk, *Electrifying Europe. The power of Europe in the construction of electricity networks* (Amsterdam: Aksant Academic Publishers, 2008); Frank Schipper, *Driving Europe: Building Europe on Roads in the Twentieth Century* (Amsterdam: Amsterdam University Press, 2008).

<sup>36</sup> Thomas J. Misa and Johan Schot, "Inventing Europe: Technology and the Hidden Integration of Europe," *History and Technology* 21, no. 1 (2005).

(Western) European integration. OEEC was ECE's biggest competitor, particularly before 1953, when Eastern European delegations were boycotting ECE's technical committees. During that time, the committees of ECE and OEEC were effectively Western organizations with overlapping membership and similar portfolios. Yet the two IOs also depended upon each other; while OEEC made extensive use of ECE's research apparatus and expertise, particularly in coal allocation and inland transport, ECE's own goals were furthered greatly by the OEEC-orchestrated European Payments Union (EPU) and the Marshall Plan's financial power. ECE's relationship with ECSC was less competitive, but there is a shared history between the IOs. Before 1950, ECE was the forum where the allocation of large quantities of Ruhr coal was organized internationally. When Yugoslavia left the Soviet bloc in 1948/49, ECE helped to keep Tito afloat by allocating German coal to Yugoslavia – coal that would otherwise have gone to the big importers in Western Europe. The French government announced the Schuman Plan when the ECE allocations system was scheduled to run out. In this way, French privileged access to Ruhr coal was safeguarded against further geopolitical changes in the Cold War context. Several ECE officials from the Secretariat and national delegations were involved in the planning process for ECSC, and later took up positions at its High Authority. By the time ECSC was established, it could thus build on an already existing class of technocratic internationalists.

Unlike OEEC or ECSC, ECE was never limited to Western Europe. A key interest in current research on Cold War history is on so-called loopholes in the Iron Curtain, instances where cooperation across the camps was possible. The fourth and final question for this thesis is thus: *Did ECE provide a loophole in the Iron Curtain, particularly after Eastern European participation was restored after Stalin's death in 1953?*

The strategy of keeping ECE alive as a reserve organization finally paid off in 1953. In the context of the Soviet peace offensive, ECE convened an extraordinary consultation on East-West trade that, largely outside of public attention, produced a remarkable breakthrough. Eastern European governments returned to ECE's technical committees. While the first phase of cold war détente following Stalin's death reached its peak with the Geneva Summit of 1955, and phased out with the dual crises in Suez and Hungary in 1956, contacts established on the work floor level remained in place. 1956 saw no repetition of the complete breakdown of East-West relations at ECE in 1948. Regular discussions on technical issues, norms, and standards, as well as shared infrastructure projects between East and West were now possible at ECE. By then, however, ECE was firmly established as a technical agency, and the UN in general had shifted the focus of its attention away from Europe and toward the developing world. Further efforts at political reconciliation in Europe were thus relegated to other venues. Moreover, Germany's re-emergence as an actor on the European scene proved difficult for ECE, as its all-European premise conflicted with the Federal Republic's inclusion and the exclusion of the GDR. Ultimately, the Conference on Security and Cooperation in Europe (CSCE), erected on a similarly broad geographical premise, in 1975 took over the political mission of ECE.

### I.1.1 ARCHIVES AND SOURCES

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Studying the history of IOs is a heuristic challenge. On the one hand, there is an abundance of potentially relevant sources available. Most IOs publish widely. There are plenty of documents, reports, and protocols. Many of these international agreements and statements of intent, however, require a detailed understanding of technical questions, e.g. on forestry or coal type classification. Moreover, published materials usually present the outcome of a long process of policy deliberations, without providing insights into the process itself. The archives of member states can help to provide these insights, as they usually include instructions delegations received from their ministries, and correspondences between the delegation at the IO and the government in the capital. This is where the abundance of sources becomes problematic. Not only does one risk getting lost in the nitty-gritty detail of international deliberations; gathering insights from *all* member state archives is simply not possible for individual scholars. Researchers therefore have to select their sources, accepting that by doing so they adopt the perspectives of some governments while omitting others.

On the other hand, available sources can be surprisingly scarce on certain questions. The records kept in government archives are usually those kept by delegations – experts going to meetings with a particular discussion in mind, and otherwise absent from the IO. These government files tell us very little about an organization’s internal dynamics. What they say about others’ opinions and positions is often little more than speculation and hearsay. Any selection of sources based on published sources and national archives alone is therefore insufficient to understand IOs. Historical research on IOs must therefore not only be multi-archival, but also include sites and actors beyond the go-to sources of classic diplomatic history.

The obvious counter to this problem is to incorporate the files produced within the bureaucracies attached to IOs. Sandrine Kott has emphasized how important it is, when researching IOs, to “reevaluate the work of the Secretariats, commissions, and technical agencies, on the basis of the documents produced by the officials and experts who worked there”.<sup>37</sup> Patricia Clavin in her study on the League of Nations has decided to “work outwards from Geneva towards the nation states”.<sup>38</sup> While this approach provides researchers with a clear agenda and starting point, the addition of these records increases the problem of abundance. Secretariats are big organizations, with dozens, sometimes hundreds of individuals working there, resulting in large archives. Moreover, Secretariat files reveal links to the outside world – for instance, to other IOs, to academia, think tanks, NGOs, or lobby groups – that can become crucial to understanding a particular IO, but further complicate the selection of sources.

With these considerations in mind, this thesis builds on research in multiple archives. It is based primarily on archival sources originating in the ECE Secretariat, with selected government archives, private papers, files from other IOs, and foundation records supplementing additional perspectives. Most ECE Secretariat records are kept at the UN Offices at Geneva (UNOG). They were tackled following a top-down approach: The vast

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<sup>37</sup> Kott, "International Organizations - A Field of Research for a Global History."

<sup>38</sup> Patricia Clavin, *Securing the World Economy. The Reinvention of the League of Nations, 1920-1946* (Oxford: Oxford University Press, 2013), 4.

majority of ECE files evaluated for this thesis belong to the Executive Secretary's central office. The Geneva files do not contain all material produced in the central office, however. Important documents from the period of Gunnar Myrdal's time as Executive Secretary (1947-57), the focus period of this thesis, are stored with Myrdal's papers at the Swedish Labour Movement's Archives (*Arbetarrörelsens arkiv och bibliotek*, ARBARK) in Stockholm. These are mostly correspondences with actors outside ECE, among them many academics, some politicians, and former ECE actors. Gunnar and Alva Myrdal's collection at ARBARK is very large, containing approximately 120,000 letters from the 1920s until the 1980s.<sup>39</sup> It also includes Václav Kostelecký's large collection of ECE-related files.<sup>40</sup> Kostelecký spent most of his professional life at ECE, where he was special assistant to the Executive Secretary from 1948 until 1977. After his retirement, Kostelecký set out to write a history of ECE. Until his death in 1982, Kostelecký collected plenty of material for this undertaking – his own files, notes on archival visits, and documents he received in copy. His collection also includes correspondences and tape-recorded interviews with former Secretariat members and delegates. The recordings, about 28 hours of audio material, have been digitized and are available at the Swedish Royal Library (*Kungliga biblioteket*, KB).<sup>41</sup> Kostelecký died before he was able to turn this wealth of source material into a book, but the few chapters he did finish have been published.<sup>42</sup> While this thesis is not the book Kostelecký would have written, it builds on the groundwork he did in his collection of material. Together, the UNOG and ARBARK files form the major part of the empirical basis for this thesis.

Additionally, government files from East and West Germany, the United Kingdom, and the United States have been incorporated. The US files stored at the National Archives and Records Administration (NARA) in College Park, MD, proved particularly valuable. Because of Washington DC's geographical distance, the United States maintained a large permanent delegation in Geneva, rather than sending delegations to various ECE meetings on an ad-hoc basis like most European governments did. This US resident delegation has left a large collection of files pertaining to all fields of ECE activity, supplemented with cable messages from Washington and from the network of US embassies worldwide. Moreover, since the ECE Secretariat kept no minutes on meetings of the subcommittees, the US delegation's intelligence reports were often the only record on the subcommittees' internal machinations.<sup>43</sup> British government files from The National Archives (TNA) in Kew have provided important insights on the constitutive politics of ECE at the UN, and on the relationship between ECE and the Marshall Plan organization OEEC. East German files, particularly those of the *Planungskommission* stored at the Bundesarchiv (BArch) in Berlin-Lichterfelde, have helped to gain an understanding of the Soviet bloc perspective on ECE, and on the limited contacts between ECE and CMEA. The West German Foreign

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<sup>39</sup> Stellan Andersson, "An International Network of Contacts in the Archives of Alva and Gunnar Myrdal," in *The World in the Basement. International Material in Archives and Collections*, ed. Martin Grass, Gunilla Litzell, and Klaus Misgeld (Stockholm: Labour Movement Archives and Library, 2002).

<sup>40</sup> Kostelecký's collection at ARBARK is described in Arne Högström, "Václav Kostelecký: Gunnar Myrdals trogne vapendragare," *Arbetarhistoria* 146(2013).

<sup>41</sup> Audiovisuella samlingar hos Kungliga biblioteket. See <https://smdb.kb.se/> [accessed 14/02/18]

<sup>42</sup> Václav Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History* (Göteborg: Graphic Systems, 1989).

<sup>43</sup> Ernest Chase, "The Intelligence Yield from ECE," *Studies in Intelligence* 7(1963).

Office (*Auswärtiges Amt*) has kept valuable files on ECE's East-West trade conferences at its *Politisches Archiv*.

Additional archival sources were used to supplement Secretariat records and government files. They are the private papers of Swedish key actors at the UN and ECE<sup>44</sup>; files from UNHQ in New York stored at the UN Archives and Records Management Service (UNARMS); some of the collections of OEEC and ECSC at the Historical Archives of the European Union (HAEU) in Florence<sup>45</sup>; and private donors' records at the Rockefeller Foundation Archives in Sleepy Hollow, NY.<sup>46</sup>

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<sup>44</sup> KB stores the papers of UN Secretary-General Dag Hammarskjöld and of Karin Kock, Swedish head delegate to ECE and long-serving chairwoman of the commission and ECE's special meetings on East-West trade.

<sup>45</sup> At HAEU, I have employed files produced at OEEC, ECSC's High Authority, and Oral History interviews conducted with some crucial actors, like US diplomat Miriam Camps and British ECE delegate Lord Derek Ezra.

<sup>46</sup> The Rockefeller Foundation was an active supporter of Myrdal's academic career and, later on, ECE's research apparatus. Among other things, it financed an In-Service Training Scheme aimed at Eastern European economists for training directly at ECE.

### I.1.2 RESEARCHING THE HISTORY OF INTERNATIONAL ORGANIZATIONS

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When ECE insiders first discussed the possibility of a book on ECE's history – merely two and a half years after the organization's creation – Executive Secretary Myrdal wished for “an institutional study in this no-man's land between diplomatic history, descriptive economy and political science”.<sup>47</sup> Although this thesis is certainly not the book Myrdal would have wanted, the description still fits: This is an institutional history, taking cues from the history of ideas, cultural history, and the history of economic expertise. It includes elements of descriptive economics and addresses some theoretical questions of political science with a historical case study. As such, it is a broadened history of IOs. It goes beyond classic diplomatic history by bringing in actors beyond the Foreign Offices, like IO officials and technical experts. While this thesis' focus is on ECE, its aim is to understand ECE as part of a wider context – that of the Cold War confrontation and the developing landscape of IOs in Europe and beyond.

IOs today are ubiquitous in world politics. More than 230 IOs are currently at work on every imaginable global issue.<sup>48</sup> Their influence has grown considerably over the last century.<sup>49</sup> “[I]f there is no third world war” Myrdal told ECOSOC in 1956, “our presently weak international organizations are bound in the long run to become the future form of diplomacy”.<sup>50</sup> While traditional bi- or multilateral diplomacy between nation states was never replaced, today's EU, UN, OECD, OSCE and others all have a crucial role in international affairs. Modern IOs do much more than executing international agreements between states. Their decisions affect domestic governance issues, and they are deeply involved with matters that used to be the prerogatives of states. The European Central Bank (ECB), for instance, now administers monetary policy for one of the world's largest currency areas. The North Atlantic Treaty Organization (NATO) has a far-reaching influence on the composition and deployment of its member states' militaries. Scholarly interest in IOs has grown with their political importance. IOs today are the subject of a dynamic field of research from multiple disciplines, including political science, sociology, law, economics, and even anthropology.<sup>51</sup> In the historical literature, IOs occupy an

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<sup>47</sup> Gunnar Myrdal to Walt and Elspeth Rostow, 3 October 1949. UNOG Archives ARR 14/1360, Box 69, Folder 'W.W. Rostow'.

<sup>48</sup> Michael N. Barnett and Martha Finnemore, *Rules for the World: International Organizations in Global Politics* (Ithaca, NY: Cornell University Press, 2004).

<sup>49</sup> Akira Iriye in his book on Non-Governmental Organizations (NGOs) even goes so far as to suggest that the central influence on the international scene in the last 50 years was not the Cold War, but rather a deepening web of international interactions expressed in IOs and NGOs. Akira Iriye, *Global Community: The Role of International Organizations in the Making of the Contemporary World* (Berkeley, CA: University of California Press, 2002).

<sup>50</sup> Statement by Gunnar Myrdal to the 22<sup>nd</sup> session of the Economic and Social Council on 19 July 1956. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>51</sup> Ronald Niezen and Maria Sapignoli, eds., *Palaces of Hope. The Anthropology of Global Organizations* (Cambridge: Cambridge University Press, 2017).

increasingly prominent role. Investigating the history of IOs is, however, still a substantial research agenda.<sup>52</sup>

In historicizing IOs, it is crucial to understand them as both an *actor* and a *forum*.<sup>53</sup> IOs do not have clear-cut interests in the same way that governments do. But neither are they selfless institutions solely at the service of their member states. In diplomatic history, the focus is usually on state-to-state relations, i.e. the “forum”-aspect of IOs. This focus has to some extent obscured IO’s role as autonomous diplomatic actors.<sup>54</sup> Their internal decision-making processes, debates, and the people involved in them did not feature as prominently.<sup>55</sup> Corinna R. Unger sees two main reasons for this neglect in the literature. Firstly, the archives of many IOs “were designed more for storage than for historical research”, rendering their accessibility limited. Secondly, since diplomatic and international history were traditionally concerned with the relations between nations and with processes within national governments, they neglected actors outside the nation state framework.<sup>56</sup> Along with the debate on transnational history, historians’ interest in the international stage has grown in recent years.<sup>57</sup> Research on IOs has benefitted from the study of related phenomena, such as the history of economic development<sup>58</sup>, human rights<sup>59</sup>, or internationalism<sup>60</sup>. Moreover, many IOs have themselves taken a greater interest in their own past, improved the accessibility of their archives, and sponsored or supported the

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<sup>52</sup> Madeleine Herren, ed. *Networking the International System: Global Histories of International Organizations* (Springer International Publishing, 2014); David Mackenzie, *A world beyond borders: An Introduction to the History of International Organizations* (Toronto: Toronto University Press, 2010); Bob Reinalda, *Routledge History of International Organizations: From 1815 to the Present Day* (London and New York: Routledge, 2009).

<sup>53</sup> Matthias Schmelzer pursues a similar approach in historicizing OEEC/OECD. Matthias Schmelzer, *The Hegemony of Growth. The OECD and the Making of the Economic Growth Paradigm* (Cambridge: Cambridge University Press, 2016), 16. See also Alanna O'Malley, *The diplomacy of decolonisation. America, Britain and the United Nations during the Congo crisis, 1960-1964* (Manchester: Manchester University Press, 2018).

<sup>54</sup> David Webster, "Development Advisors in a Time of Cold War and Decolonization: The United Nations Technical Assistance Administration, 1950–59," *Journal of Global History* 6, no. 2 (2011): 271.

<sup>55</sup> Widely cited grand narratives of 20th century history barely mention IOs like the UN or the EC/EU; e.g. Eric Hobsbawm, *The Age of Extremes. The Short Twentieth Century, 1914-1991* (London: Abacus, 1994); Tony Judt, *Postwar. A History of Europe since 1945* (New York: Penguin Books, 2005). More recently, Konrad H. Jarausch has given a more prominent role to both the UN and the EU as results of Europe’s learning from the catastrophe: Konrad H. Jarausch, *Out of Ashes. A New History of Europe in the Twentieth Century* (Princeton: Princeton University Press, 2015).

<sup>56</sup> Corinna R. Unger, "Present at the Creation: The Role of American Foundations in the International Development Arena, 1950s and 1960s," *Comparativ* 24, no. 1 (2014).

<sup>57</sup> Kiran Klaus Patel, "An Emperor without Clothes? The Debate about Transnational History Twenty-five Years On," *Histoire@Politique* 26 (2015).

<sup>58</sup> Amy Staples, *The Birth of Development. How the World Bank, Food and Agriculture Organization and the World Health Organization Changed the World, 1945–1965* (Kent, OH: Kent State University Press, 2006). David C. Engerman, "The Romance of Economic Development and New Histories of the Cold War," *Diplomatic History* 28, no. 1 (2004).

<sup>59</sup> Samuel Moyn, *The Last Utopia. Human Rights in History* (Cambridge, MA: Harvard University Press, 2010).

<sup>60</sup> Glenda Sluga, *Internationalism in the Age of Nationalism* (Philadelphia: University of Pennsylvania Press, 2013).

publication of institutional histories.<sup>61</sup> These changes have greatly improved our understanding of IOs. IOs are increasingly portrayed as complex and active historical actors, with their own agendas and characteristics.

In order to unpack IOs as complex historical agents, it is necessary to see them not only as forums where national delegates convene. IOs are bureaucracies as well.<sup>62</sup> Recognizing IO as actors in their own right does not mean that states do not wield strong influence on IO behavior. In fact, changes in IO behavior are often not least due to changes in member state behavior. But while the debates of government representatives in the plenary sessions are central to IO activity, the work of the experts and international civil servants in the Secretariats is equally important.<sup>63</sup> Their fluctuating careers in IOs, governments, and academia are crucial to understanding the role of IOs not only in politics, but also in the production of knowledge. Scholarly interest in international bureaucracies is not limited to history. Similarly, scholars in the fields of law and political science have paid particular attention to the role of administrations in governance, and to administrators' activities of agenda setting, policy formulation and implementation, for instance in the EU's system of multilevel governance.<sup>64</sup> The concept of "administrative governance" was developed to describe the EU specifically; similar phenomena, however, can be observed at UN agencies and other IOs as well.

On a theoretical level, understanding IOs as complex historical agents breaks with assumptions of realist scholarship. In International Relations (IR) theory, the Anglophone debate on IOs has long been dominated by the question whether or not IOs can be considered as full-fledged international actors. Realist scholars assumed that the work of IOs was the sum or outcome of national interests.<sup>65</sup> Recent work on the history of IOs, however, suggests that IOs should be interpreted as relatively independent actors with their own agendas.<sup>66</sup> There are good reasons to be skeptical of IO autonomy: IOs are created by states, funded by states, and designed by states to give control to states. Yet IOs would not be able to execute their functions if they were not able to act autonomously. If in IR theory, IOs are seen primarily as structures through which states act, and less as actors in their own right, this is because IR theories predominantly seek to explain state behavior. They assume that states create IOs to solve specific problems, and that IOs do what states want – if they did not, states would intervene or withdraw completely. This assumption tends to lead

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<sup>61</sup> The European Commission has sponsored oral history interviews into its own institutional history: see [https://archives.eui.eu/en/oral\\_history/](https://archives.eui.eu/en/oral_history/) [accessed 14/02/18]. An edited volume on the history of OEEC resulted from its successor organization OECD's decision to open its archives, and was also published by OECD: Richard T. Griffiths, ed. *Explorations in OEEC History*, OECD Historical Series (Paris: OECD Publications Service, 1997). Similarly, the Council of Europe has published on its own institutional history: Birte Wassenberg, *History of the Council of Europe* (Strasbourg: Council of Europe Publishing, 2013).

<sup>62</sup> Michael N. Barnett and Martha Finnemore, "The Politics, Power, and Pathologies of International Organizations," *International Organization* 53, no. 4 (1999).

<sup>63</sup> Schmelzer, *The Hegemony of Growth. The OECD and the Making of the Economic Growth Paradigm*, 24.

<sup>64</sup> Herwig Hofmann and Alexander Türk, eds., *EU Administrative Governance* (Cheltenham: Elgar, 2006).

<sup>65</sup> John J. Mearsheimer, "The False Promise of International Institutions," *International Security* 19, no. 3 (1994).

<sup>66</sup> Vincent Legendijk, "The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975," *Comparativ* 24, no. 1 (2014). For a more eclectic approach, see Kiran Klaus Patel, "Who Was Saving Whom? The European Community and the Cold War, 1960s–1970s," *The British Journal of Politics and International Relations* 19, no. 1 (2017): 31.

scholars' attention to the question why states create IOs to fulfill certain functions, rather than the question whether, and how, IOs actually do fulfill these functions. However, the assumption that IOs do what states want them to do quickly runs afoul, as IOs tend to develop their own ideas and follow their own agendas. Matthieu Leimgruber and Matthias Schmelzer have shown for the case of OEEC/OECD how frequent transformation is indeed a key characteristic of IOs.<sup>67</sup> Organizations (not just IOs) routinely behave in ways not anticipated by their creators, and sometimes even opposed by their members, as Michael Barnett and Martha Finnemore have pointed out.<sup>68</sup> Or, as Myrdal wrote in one of his confidential letters to UNHQ: "Institutions, when they are once created, live their own life".<sup>69</sup>

Historicizing IOs thus helps to understand IO behavior. A genuinely historical, i.e. source-based and actor-centric approach to IOs highlights change over time, and explains why there is so often a contrast between what IOs are meant to do and what they actually do. Evaluating the founding moment of an IO is therefore important: It provides insights on the intentions, stated policy goals, predecessors, and institutional and intellectual precedence involved in creating an IO. But the early years of an IO's existence are equally, if not more, formative to its long-term trajectory. There are good reasons for this, as Yves Berthelot has pointed out.<sup>70</sup> Firstly, many of the fundamental problems an IO is dealing with are never "finally" solved—instead they constantly resurface in one form or another. Secondly, by acquiring comparative advantages in certain areas of expertise, Secretariats specialize – and these specializations are usually reinforced over time. Thirdly, institutional memory involves the transmission of intellectual attitudes and approaches from one generation of professionals to the next, very often implicitly. For these reasons, it is often very difficult to separate an institution's ideology or mindset from its own history.

Moreover, it is key to understand IOs as parts of a wider landscape of international governance. IOs rubbed shoulders in many areas – fields of expertise, membership, even personnel. In a recent article on IOs in Europe, Kiran Klaus Patel and Wolfram Kaiser have criticized the dominant focus in the literature on "the history of a *single IO*": They argue that researching one IO at a time does not suffice to understand broader phenomena like, for instance, economic cooperation in Europe; a focus must be on the exchange, cooperation, and competition among IOs.<sup>71</sup> However, researching IOs also requires the availability of studies focused on particular organizations, not least for the purpose of comparison. Researching the history of a single IO is hence not futile. But in order to properly understand IOs as part of a broader phenomenon, it is necessary to take the competition and interplay with other, similar organizations into account.<sup>72</sup> Understanding a

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<sup>67</sup> Mathieu Leimgruber and Matthias Schmelzer, "From the Marshall Plan to Global Governance: Historical Transformations of the OEEC/OECD, 1948 to Present," ed. Matthieu Leimgruber and Matthias Schmelzer, *The OECD and the International Political Economy Since 1948* (Cham: Palgrave Macmillan, 2017).

<sup>68</sup> Barnett and Finnemore, *Rules for the World: International Organizations in Global Politics*, 1-2.

<sup>69</sup> Gunnar Myrdal, Two Notes on ERP and East-West Trade, December 1949. UNOG Archives ARR 14/1360, Box 71.

<sup>70</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions' Experience," 4.

<sup>71</sup> Patel and Kaiser, "Multiple Connections in European Co-operation: International Organizations, Policy Ideas, Practices and Transfers 1967-92," 342.

<sup>72</sup> This is exemplary done in Matthieu Leimgruber and Matthias Schmelzer, eds., *The OECD and the International Political Economy Since 1948* (Cham: Palgrave Macmillan, 2017).

particular IO as a lens to look at others rather than as a self-contained subject can illuminate these interrelations, as well as broader historical developments.

The late 1940s were a particularly fertile time for IOs, which mushroomed after World War II. Globally, some one hundred IOs were newly created between 1945 and 1948.<sup>73</sup> Following the collapse of the interwar period's international architecture, which was based predominately on law, the 1940s saw the rise of an alternative universalizing ideology of expertise, science, and technical knowledge.<sup>74</sup> Economic IOs, such as ECE, were complementary to those preoccupied with law and security. Some of the earliest postwar organizations, like the UN or the Council of Europe, even encompassed both political and economic objectives. Daniel Speich Chassé has identified at least 22 IOs "founded during the first 15 years after the Second World War that had a certain proximity to economic knowledge and expertise and were active on the European continent".<sup>75</sup>

At that time, active economic cooperation between governments was still a relatively new phenomenon. International economic cooperation was very limited before 1914, and became increasingly important only during World War I and in the interwar period.<sup>76</sup> The global reaction to the Great Depression, World War II, and the post-1945 emergency resulted in a widespread consensus on Keynesian macroeconomic policy, further extending the scope of government activities in the economic sphere. The trend toward economic planning in the context of postwar reconstruction further encouraged the creation of economic IOs.<sup>77</sup> "The state's role was much bigger, everywhere", Mark Mazower writes on European reconstruction; "After all, the war's generation saw that the state worked. It was national states that mobilized for war, and international agencies emerged as specialist agencies to assist them".<sup>78</sup> After the war, IOs gained an important role in safeguarding the future welfare of citizens. ECOSOC was instituted as a global forum for economic and technical negotiations, but was soon accompanied by a plethora of other newly founded economic organizations in- and outside the UN.<sup>79</sup> The failure to set up an International Trade Organization, regional concerns, and the neglect of production in the Bretton Woods institutions, left plenty of room for different institutionalized approaches to international

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<sup>73</sup> Patel, "Provincialising European Union: Co-operation and Integration in Europe in a Historical Perspective," 652.

<sup>74</sup> Martti Koskenniemi, *The Gentle Civiliser of Nations: The Rise and Fall of International Law 1870-1960*, Hersch Lauterpacht Memorial Lectures (Cambridge: Cambridge University Press, 2001).

<sup>75</sup> Daniel Speich Chassé, "Towards a global history of the Marshall Plan. European post-war reconstruction and the rise of development economic expertise," in *Industrial Policy in Europe after 1945. Wealth, Power and Economic Development in the Cold War*, ed. Christian Grabas and Alexander Nützenadel (New York: Palgrave Macmillan, 2014).

<sup>76</sup> Clavin, *Securing the World Economy. The Reinvention of the League of Nations, 1920-1946*; Daniel Laqua, ed. *Internationalism Reconfigured: Transnational Ideas and Movements between the World Wars* (London: Tauris Academic Studies, 2011).

<sup>77</sup> Sandrine Kott, Ondřej Matějka, and Michel Christian, eds., *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*, Rethinking the Cold War (Berlin: De Gruyter, forthcoming).

<sup>78</sup> Mark Mazower, "Reconstruction: The Historiographical Issues," *Past and Present Supplement* 6(2011): 24.

<sup>79</sup> Daniel Speich Chassé, "Technical Internationalism and Economic Development at the Founding Moment of the UN System," in *International Organizations and Development, 1945-1990*, ed. Marc Frey, Sören Kunkel, and Corinna R. Unger (New York: Palgrave Macmillan, 2014), 32.

economic cooperation. Europe, and in particular Western Europe, turned into the world's most crowded space for IOs.

The rise of economic IOs like ECE is thus intimately connected to the rise of economic expertise, an important phenomenon of the 20<sup>th</sup> century. Economic IOs are expert organizations, and have been since the beginning. A key function of IOs is to gather, analyze, and publicize information, tasks that require expert knowledge.<sup>80</sup> IOs today tend to take for granted that they share strong interconnections with academic economics, and that the vast majority of problems they observe are framed in economists' terminology - "development" and "growth" being the prime examples. Any historical study should keep in mind, however, that such concepts themselves have a history, and are not self-evident descriptions of the perceivable world.<sup>81</sup> Under the term "scientization of the social", an influential strand of research has discussed the application of social scientific knowledge to ever-widening areas of social and political life as a key feature of modern societies.<sup>82</sup> Economics had a central role in this process.<sup>83</sup> From the 1930s onwards, economics increasingly took the place of law in national and international administrations. It transformed from "just one of several 'arm-chair' sciences within the family of the social sciences" to "a crucial source in global political discourse", writes Speich Chassé.<sup>84</sup> Many, if not most, of the postwar era's most influential economists also worked in government or IOs for part of their careers. Economic expertise promised not only the capability to fix severe social problems like unemployment, but also the capacity to forecast and predict future developments. Along with the rise of economists into key government positions and international bureaucracies thus went the construction of comparative statistical and analytical tools and perspectives.<sup>85</sup>

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<sup>80</sup> Ernst B. Haas, Mary Pat Williams, and Don Babai, eds., *The Uses of Technical Knowledge in International Organizations* (Berkeley, CA: University of California Press, 1977).

<sup>81</sup> See, for instance, Matthias Schmelzer's study on the making of the growth paradigm, and Hans Schouwenburg's work on the genesis of "sustainable development". Schmelzer, *The Hegemony of Growth. The OECD and the Making of the Economic Growth Paradigm*. Hans Schouwenburg, "Strategies to Save the Earth: Nature Conservation, Experts and Sustainable Development, 1980-2000 (PhD Thesis)" (Maastricht University, 2017).

<sup>82</sup> Lutz Raphael, "Die Verwissenschaftlichung des Sozialen als methodische und konzeptionelle Herausforderung für eine Sozialgeschichte des 20. Jahrhunderts," *Geschichte und Gesellschaft* 22, no. 2 (1996); Benjamin Ziemann et al., eds., *Engineering Society: The Role of the Human and Social Sciences in Modern Societies, 1880-1980* (Basingstoke: Palgrave Macmillan, 2012).

<sup>83</sup> Alexander Nützenadel, *Stunde der Ökonomen: Wissenschaft, Politik und Expertenkultur in der Bundesrepublik 1949 - 1974* (Göttingen: Vandenhoeck & Ruprecht, 2005).

<sup>84</sup> Speich Chassé, "Towards a global history of the Marshall Plan. European post-war reconstruction and the rise of development economic expertise," 189.

<sup>85</sup> Marion Fourcade, *Economists and Societies: Discipline and Profession in the United States, Britain, and France, 1890s to 1990s* (Princeton: Princeton University Press, 2009); "The Construction of a Global Profession: The Transnationalization of Economics," *American Journal of Sociology* 112, no. 1 (2006); Michael Ward, *Quantifying the World: UN Ideas and Statistics* United Nations Intellectual History Project (Bloomington, IN: Indiana University Press, 2004).

Any institutional history runs the danger of getting lost in nitty-gritty detail, or of overplaying the importance of an institution.<sup>86</sup> To avoid these pitfalls, institutional history needs to be embedded in the broader context of political and economic history. European economic IOs – the subject of this thesis – should be seen against the backdrop of several interlinked, transnational phenomena in the mid-20<sup>th</sup> century. The system of international relations that emerged after 1945 was not one of peaceful cooperation. It was characterized by the “extreme heterogeneity of its diverse elements and their ensuing interaction, if not inter-dependence”, Jean Siotis wrote already in 1967.<sup>87</sup> The opposition between ideologies, political and economic systems expressed in the East-West divide was just one source of conflict. The inequality between great powers and smaller countries, and the drastic differences in economic development marked additional conflicts, all of which increasingly played out on the scene of IOs.

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<sup>86</sup> The argument that institutional history needs to be context-sensitive is presented in a much more elaborate way by Stefanie Middendorf, Ulrike Schulz, and Corinna R. Unger, "Institutional History Rediscovered: Observing Organizations' Behavior in Times of Change," *Comparativ* 24(2014).

<sup>87</sup> Jean Siotis, *Essai sur le secrétariat international*, Publications de l'Institut Universitaire de Hautes Études Internationales (Geneva: Librairie Droz, 1963), 8-10.

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## I.2 HISTORIOGRAPHY

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The main gap this thesis addresses is, perhaps unsurprisingly, the lack of historical literature dedicated specifically to ECE. The fact that ECE is understudied has historical reasons in itself. The relative success of the Marshall Plan and of Western European cooperation have overshadowed ECE's work, in public perception as well as in historiography.<sup>88</sup> Moreover, ECE officials often deliberately avoided seeking public attention for their work, so as to allow expert delegations greater room for maneuver. This underpublicized, predominately technical nature of ECE work has had long-lasting repercussions on the historical literature. Professional historians have only recently begun to reevaluate ECE.<sup>89</sup> Their work shows that ECE fulfilled several important roles, even though it did not always live up to its own ambitions.

More surprising, perhaps, is the focus not just on the UN and the Cold War, but also on European integration. ECE is not one of the EU's direct predecessors, and hence not part of a strictly defined history of European integration. Despite being the first postwar IO dedicated to economic cooperation in Europe, ECE is hence barely even mentioned in the textbook literature on European integration. But this is because most scholars adopt an overly narrow definition of European integration. Mark Gilbert, for instance, defines it as "the historical process whereby European nation-states have been willing to transfer, or more usually pool, their sovereign powers in a collective enterprise".<sup>90</sup> This focus on the pooling of sovereignty is borrowed from functionalist international relations theory.<sup>91</sup> From a historical perspective, however, it is impractical, because it automatically assumes a teleological outlook that ignores alternatives. In historical sources, particularly from the 1950s, the term "European integration" is used much more loosely. There, it usually means the reduction of economic barriers and the construction of some form of collective political decision-making. In such a broadly understood process of European integration, ECE and other IOs played an important part. They were alternatives and supplements to the EC/EU model of integration, but also active agents of cooperation and market integration. What this thesis proposes is not another narrow definition or grand narrative of European integration. Instead, it seeks to demonstrate through the case of ECE that there is value in a historiography of European cooperation exploring a much broader set of actors and perspectives.<sup>92</sup>

Existing literature relevant to the study of ECE falls into four broad categories: Literature from a perspective on the history of technology; literature on UN history; literature on the

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<sup>88</sup> Many existing accounts on ECE's history were written by former ECE actors, such as Berthelot and Rayment, "The ECE: A Bridge between East and West"; Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History*; Myrdal, "Twenty Years of the United Nations Economic Commission for Europe."

<sup>89</sup> Örjan Appelqvist, "Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery," *Cold War History* 8, no. 3 (2008); Sandrine Kott, "Global Labor and the ILO (1947-1973). A Post-Cold War Perspective," (2011); Legendijk, "The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975."

<sup>90</sup> Mark Gilbert, *European Integration. A Concise History* (Plymouth: Rowman & Littlefield Publishers, 2012), 1.

<sup>91</sup> Ernst B. Haas, *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957* (Stanford: Stanford University Press, 1958).

<sup>92</sup> A similar point is made by Appelqvist, "Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery," 348.

Cold War; and literature on the history of European integration. The following sections review the literature, identifying existing lacunae.

### 1.2.1 HIDDEN INTEGRATION AND TECHNOCRATIC INTERNATIONALISM

Some of the richest existing literature on ECE comes from historians of technology.<sup>93</sup> ECE stood in a tradition of technocratic internationalism, of technical experts using diplomatic modes of conferencing for the coordination of technopolitics across national borders. The practice can be traced back to the mid-19<sup>th</sup> century, but the strongest continuity was between the interwar League of Nations and the UN's European office in Geneva. ECE's organizational set-up and working methods reveal a high degree of continuity from the League's technical work, embodying, as Wolfram Kaiser and Johan Schot put it, "the technocratic internationalist approach during the Cold War".<sup>94</sup>

While focusing on the political dimension of ECE's history, this thesis emphasizes the organization's role as a technical agency. The vast majority of ECE's achievements came in the form of technical norms, standards, and infrastructure development, and thus remained largely hidden from public perception.<sup>95</sup> ECE was a key hub for what has been labeled the "hidden integration" of Europe through international norms and standards. Examples range from highly specialized product standards, e.g. the *UNECE Standard on Llama and Alpaca Meat*<sup>96</sup>, to regulations that deeply affect the everyday lives of millions in Europe and beyond, like traffic rules. ECE's preferred route to the goal of standardizing conditions of sale was to consider the general conditions separately for each specific type of commodity, a method that ultimately led to today's multitude of UN-sanctioned international commercial standards.<sup>97</sup> ECE's impact on market integration in Europe and beyond is non-negligible, as the issues dealt with at ECE constitute a significant part of so-called non-tariff barriers to trade (NTBs). NTBs include differences in national legislation, e.g. in consumer- or environmental protection. Technical differences, like for instance the numerization of machine parts or different standard sizes in freight packaging, may also constitute NTBs. Reducing NTBs is a central motivation for the bulk of legislation in the EU. The majority of NTB-related issues is nowadays settled in Brussels, and the EU's global regulatory power has become known as the "Brussels effect".<sup>98</sup> Eliminating NTBs in a broad sense, however, has been and continues to be a task involving multiple IOs. As an intergovernmental organization with no legislative power, ECE focuses on setting standards and coordinating policies between member states rather than legislation. Today, technical and environmental standards remain the bread-and-butter business of ECE.

Scholars in Science and Technology Studies (STS), who are interested in the social construction of technology, frequently emphasize the importance of norms and standards

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<sup>93</sup> Wolfram Kaiser and Johan Schot, *Writing the Rules for Europe. Experts, Cartels and International Organisations* (Basingstoke / New York: Palgrave Macmillan, 2014).

<sup>94</sup> *Ibid.*, 77.

<sup>95</sup> Per Högselius et al., eds., *The Making of Europe's Critical Infrastructure: Common Connections and Shared Vulnerabilities* (Basingstoke: Palgrave Macmillan, 2013).

<sup>96</sup> United Nations Economic Commission for Europe, *UNECE Standard Llama/Alpaca Meat Carcasses and Cuts. ECE/TRADE/368* (Geneva / New York: United Nations, 2006).

<sup>97</sup> *Ibid.*

<sup>98</sup> Anu Bradford, "Exporting Standards: The Externalization of the EU's Regulatory Power Via Markets," *International Review of Law and Economics* 42(2015).

for modern societies.<sup>99</sup> Technical standards are means to achieve control and to regulate or coordinate the production and uses of technology.<sup>100</sup> Standards are prerequisites for enabling the interlinking of components and systems, also internationally. Moreover, the harmonization of national technical standards is a key element in the creation of a genuine common market.<sup>101</sup> Standards are socially constructed in complex and lengthy processes, and are thus inherently political. These processes, however, often remain hidden to the general public as well as to scholars, who often find it hard to determine what happened and why.<sup>102</sup>

This thesis argues that the highly specialized, non-publicized nature of these processes leads to a degree of depoliticization: Paradoxically, the matters dealt with at ECE appear as technical and, therefore, apolitical, despite them being inherently political. For the most part, they therefore go under the radar of the public eye. The depoliticization of appearances was partly a conscious decision during the Cold War period, as shown in part IV. Today, it still contributes to ECE's relative obscurity in public and scholarly perception.

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<sup>99</sup> Tineke M. Egyedi, "A Research Autobiography from an STS Perspective," in *Bargaining Norms, Arguing Standards. Negotiating Technical Standards*, ed. Judith Schueler, Andreas Fickers, and Anique Hommels (The Hague: STT Netherlands Study Centre for Technology Trends, 2008).

<sup>100</sup> Andreas Fickers, Anique Hommels, and Judith Schueler, eds., *Bargaining Norms, Arguing Standards: Negotiating Technical Standards* (The Hague: STT Netherlands Study Centre for Technology Trends, 2008), 13.

<sup>101</sup> Marine Moguen-Toursel, "Community Bargaining in the Field of Vehicle Safety," in *Bargaining Norms, Arguing Standards. Negotiating Technical Standards*, ed. Judith Schueler, Andreas Fickers, and Anique Hommels (The Hague: STT Netherlands Study Centre for Technology Trends, 2008), 109-10.

<sup>102</sup> Fickers, Hommels, and Schueler, *Bargaining Norms, Arguing Standards: Negotiating Technical Standards*, 13-14.

## I.2.2 UNITED NATIONS

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Any history of ECE would be incomplete without taking the wider history of the UN into account. The UN was constructed around an inbuilt system of great power hegemony, and sought to tackle a multitude of global issues through a great number of specialized agencies, ECE being one of them. This thesis shows that in the context of historical research on the UN, ECE constitutes a missing link between the heritage of the League, the American-led wartime plans for organized global peace, the transnational debate on economic planning, and the beginnings of incremental efforts at (Western) European integration during the early Cold War.

Research on the UN is all the more important because the UN is still frequently absent in histories of the Cold War period.<sup>103</sup> It is easy for realist historians to build their arguments on the abundance of sources found in national archives, and to dismiss the UN as a talking shop at best, a façade masking the prevalence of power politics at worst. Such an interpretation does not, however, do justice to the complexity of the UN's history, both as an actor and as a forum. Norbert Götz emphasized in 2007 that giving the UN a history was a central task for UN scholars.<sup>104</sup> In the large body of literature dealing with contemporary UN issues, historical references often serve as a mere preface, or as support of the authors' arguments concerning the role of the world body today. References to historic documents or resolutions, or to prominent figures like Hammarskjöld more often than not lack the critical distance of academic historiography.<sup>105</sup> Since Götz' call for a critical UN history, the ambitious United Nations Intellectual History Project (UNIHP) has been concluded with an impressive total of 17 volumes.<sup>106</sup> The contributions to this series, for the most part written by (former) UN practitioners, center on the history of economic thought, and are largely based on published material. While this is an important start, giving the UN a history based on critical, multi-archival research thus remains a key task for professional historians of international politics.

The history of the UN and its agencies is complex and multi-dimensional. “[E]ven a superficial glance at the United Nations’ past makes an unprepared observer freeze before a multitude of the organization’s activities in various spheres of international relations”, writes Ilya Gaiduk.<sup>107</sup> The UN family is a web of organizations of confusing and sometimes contradictory ideological diversity, and has been since the beginning.<sup>108</sup> The UN and its agencies are by definition venues where dictators and democrats, communists and capitalists, and everyone in between come and rub shoulders. The existing historical

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<sup>103</sup> For an overview, see Ilya V. Gaiduk, *Divided Together. The United States and the Soviet Union in the United Nations, 1945-1965*, ed. James G. Hershberg, Cold War International History Project (Stanford CA: Stanford University Press, 2012), 5-7.

<sup>104</sup> Norbert Götz, "Sechzig Jahre und kein bisschen weise: Die Vereinten Nationen in der postnationalen Konstellation," *Neue Politische Literatur* 53, no. 1 (2007).

<sup>105</sup> Hammarskjöld, stylized to an almost saint-like figure, has received more than his fair share of hagiography. See, for instance, Roger Lipsey, *Hammarskjöld: A Life* (Ann Arbor: University of Michigan Press, 2013).

<sup>106</sup> Richard Jolly et al., *UN Contributions to Development Thinking and Practice*, ed. United Nations Intellectual History Project (Bloomington, IN: Indiana University Press 2004).

<sup>107</sup> Gaiduk, *Divided Together. The United States and the Soviet Union in the United Nations, 1945-1965*, 4.

<sup>108</sup> Mazower makes an intriguing case by highlighting the persistence of British Imperial thought in 20<sup>th</sup> century world organizations. Mark Mazower, *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations* (Princeton and Oxford: Princeton University Press, 2008).

literature reflects this diversity: It is usually dedicated to a particular theme of UN activity<sup>109</sup>, a particular agency<sup>110</sup>, or a particular country's (most frequently the United States') activities in the UN framework.<sup>111</sup> General histories of the UN are still rare, owing to the wide diversity of its activities.<sup>112</sup> However, the UN has received increasing attention from historians in recent years.<sup>113</sup> Historians have become interested in themes that have preoccupied the UN and its agencies from the outset: race and racism, anticolonial nationalism, "development" and the problem of North-South relations, or the gendered nature of the postwar international order.<sup>114</sup> Much like the League of Nations, the UN's supreme task was to maintain peace and prevent wars. Yet the UN's many agencies embraced the complexity of this mission to a greater extent than its predecessor. From the outset, the UN incorporated responsibilities for disarmament, economic development, humanitarian operations, decolonization, environmental protection, and many other areas. Giving the UN a history thus constitutes a very substantial research agenda.

The UN's economic and social department, consisting of ECOSOC and the five regional economic commissions, has so far received fairly little attention from historians.<sup>115</sup> In the realist reading of IR, economic and social policies are described as "soft power" and secondary to the "hard power" of law and military projection. Yet the UN, which started its life as a military alliance, laid the foundation not only for security arrangements, but also for the emergence of multilateral civilian organizations. In an article on the UN's wartime origins, Dan Plesch and Thomas G. Weiss argue that international cooperation for economic and social policies was at the core of the WWII allies' security strategy for the postwar world, "and not on the periphery where 'human security' or 'human development' are currently located".<sup>116</sup> In this context, the UN regional commissions, of which ECE is one, provide interesting cases linking the UN's universalism in propagating peace and prosperity for all with regional economic and social concerns.<sup>117</sup> Yves Berthelot, a former Executive Secretary of ECE, called the regional commissions "very special stars" in the

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<sup>109</sup> Thomas Zimmer, *Welt ohne Krankheit. Geschichte der internationalen Gesundheitspolitik 1940-1970* (Göttingen: Wallstein Verlag, 2017).

<sup>110</sup> Maggie Black, *Children First: The Story of UNICEF Past and Present* (New York: Oxford University Press, 1996).

<sup>111</sup> Dan Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace* (London: I.B. Tauris, 2011).

<sup>112</sup> Paul Kennedy, *The Parliament of Man: The Past, Present, and Future of the United Nations* (London: Allen Lane, 2006); Mark Mazower, *Governing the World. The History of an Idea* (New York: The Penguin Press, 2012); Amy L. Sayward, *The United Nations in International History* (London and New York: Bloomsbury Academic Publishing, 2017).

<sup>113</sup> For a regularly updated bibliography on UN history, see the companion website to Amy L. Sayward's book at <https://bloomsbury.com/cw/the-United-nations-in-international-history/> [accessed 14/02/18]

<sup>114</sup> Sunil Amrith and Glenda Sluga, "New Histories of the United Nations," *Journal of World History* 19, no. 3 (2008).

<sup>115</sup> Jacques Fomerand and Dennis Dijkezeul, "Coordinating Economic and Social Affairs," in *The Oxford Handbook on the United Nations*, ed. Thomas G. Weiss and Sam Daws (Oxford: Oxford University Press, 2007).

<sup>116</sup> Dan Plesch and Thomas G. Weiss, "Past as Prelude, Multilateralism as a Tactic and Strategy," in *Wartime Origins and the Future United Nations*, ed. Dan Plesch and Thomas G. Weiss (London / New York: Routledge, 2015), 4.

<sup>117</sup> On the regional commissions, see <https://bloomsbury.com/cw/the-United-nations-in-international-history/the-United-nations/un-organizations/regional-economic-commissions/> [accessed 14/02/18] and Berthelot, *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*.

constellation of the UN: they automatically go against the tendency of some UN analysts to jump to global conclusions and prescribe “one-size-fits-all” policies.<sup>118</sup> The five regional commissions share quasi-identical mandates and enjoy relative autonomy vis-à-vis UN headquarters. ECE and the Economic Commission for Asia and the Far East (ECAFE) are the oldest of the regional commissions, and were founded simultaneously in 1947. ECAFE changed its name in 1974 to Economic and Social Commission for Asia and the Pacific (ESCAP).<sup>119</sup> The Economic Commission for Latin America (ECLA) followed in 1948; it changed its name to Economic Commission for Latin America and the Caribbean (ECLAC) in 1984.<sup>120</sup> The Economic Commission for Africa (ECA) took up its work in 1958 in the context of decolonialization.<sup>121</sup> The Economic Commission for Western Asia (ECWA), finally, was founded in 1973 and renamed itself the Economic and Social Commission for Western Asia (ESCWA) in 1985.<sup>122</sup> All five regional commissions constitute promising subjects of research for scholars interested in the history of IOs and economic development. This thesis thus contributes to ongoing research on UN history by unearthing ECE’s links to both UN universalism and European regionalism, and its role as an economic organization bridging the fronts of the European Cold War.

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<sup>118</sup> "Unity and Diversity of Development: The Regional Commissions' Experience," 1.

<sup>119</sup> Leelananda de Silva, "From ECAFE to ESCAP: Pioneering a Regional Perspective," in *Unity and Diversity in Development Ideas: Perspectives from the UN Regional Commissions*, ed. Yves Berthelot (Bloomington, IN: Indiana University Press, 2004).

<sup>120</sup> Economic Commission for Latin America and the Caribbean (ECLAC), *La Cepal en Sus 50 Años: Notas de un Seminario Conmemorativo* (Santiago: ECLAC, 2000); Adolfo Gurrieri, *La obra de Prebisch en la CEPAL* (Medellín: Fondo de Cultura Económica, 1982); Joseph Hodara, *Prebisch y la CEPAL: sustancia, trayectoria y contexto institucional* (Mexico City: Colegio de México, 1987).

<sup>121</sup> Adebayo Adedeji, "The ECA: Forging a Future for Africa," in *Unity and Diversity in Development Ideas*, ed. Yves Berthelot (Bloomington, IN: Indiana University Press, 2004).

<sup>122</sup> Blandine Destremau, Anne-Sophie Saywell, and Julien Barroche, "ESCWA: Striving for Regional Integration," in *Unity and Diversity in Development Ideas: Perspectives from the UN Regional Commissions*, ed. Yves Berthelot (Bloomington, IN: Indiana University Press, 2004).

### I.2.3 COOLING THE EUROPEAN COLD WAR

The dominant reading of the Cold War from a perspective on high politics and diplomacy is still that of a confrontation between two superpowers, the United States and the Soviet Union. In this understanding of the Cold War, Europe had effectively retired from the world stage after 1945.<sup>123</sup> Europe was reduced to a playing field, and European actors to extras in the superpowers' struggle. This interpretation "sucked agency out of Europe itself", as Mark Mazower puts it.<sup>124</sup> More recently, a rich and growing branch of historiography has challenged the Cold War binary. Recent historiography tends to "relativize [...] the geopolitical story" by emphasizing international cooperation that coexisted with or sometimes even superseded conflict.<sup>125</sup> Instead of focusing on the superpower standoff, this "New Cold War history" has emphasized the dialectics of conflict and cooperation between the blocs.<sup>126</sup> While some newer general histories of the Cold War seeking to assume a global perspective decenter Europe<sup>127</sup>, the more specialized literature puts particular attention on Europe and European actors. In *Reassessing Cold War Europe*, for instance, Sari Autio-Sarasma and Katalin Miklóssy show how new forms of cooperation and international circulation developed after Stalin's death.<sup>128</sup> In particular, much attention has been devoted to the European détente of the 1970s.<sup>129</sup> German chancellor Willy Brandt's *Neue Ostpolitik* is the prime example for this political turn toward reconciliation, showing that a strong and persistent interest in normalizing East-West contacts not only existed, but actively shaped foreign policy.<sup>130</sup> Publications in business history have added to this picture with a perspective on enterprise and industry, showing a stable interest in economic relations across the Iron Curtain.<sup>131</sup> In contrast to the dynamism of the 1970s, the 1950s and early 1960s appear as a period of "deep freeze" in the Cold War, characterized by spectacular instances of near-escalation: The Korean War,

<sup>123</sup> Felix Gilbert, *The End of the European Era: 1890 to the Present* (New York: Norton, 1970).

<sup>124</sup> Mazower, "Reconstruction: The Historiographical Issues," 17.

<sup>125</sup> Akira Iriye, "Historicizing the Cold War," in *The Oxford Handbook of the Cold War*, ed. Richard H. Immermann and Petra Goedde (Oxford: Oxford University Press, 2013), 15.

<sup>126</sup> Sari Autio-Sarasma, "A New Historiography of the Cold War?," *European History Quarterly* 4, no. 4 (2011); Alexander Badenoch and Andreas Fickers, eds., *Materializing Europe: Transnational Infrastructures and the Project of Europe* (Houndsmills: Palgrave Macmillan, 2010); Eglė Rindzevičiūtė, *The Power of Systems: The Power of Systems: How Policy Sciences Opened Up the Cold War World / How Policy Sciences Opened Up the Cold War World* (Ithaca, NY: Cornell University Press, 2016); Frederico Romero and Angela Romano, "European Socialist Regimes Facing Globalisation and European Co-operation: Dilemmas and Responses," *The European Review of History* 21, no. 2 (2014); Peter Romijn, Giles Scott-Smith, and Joes Segal, eds., *Divided Dreamworlds? The Cultural Cold War in East and West* (Amsterdam: Amsterdam University Press, 2012); Jeremi Suri, "Conflict and Co-operation in the Cold War: New Directions in Contemporary Historical Research," *Journal of Contemporary History* 46, no. 1 (2011).

<sup>127</sup> Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2005).

<sup>128</sup> Sari Autio-Sarasma and Katalin Miklóssy, *Reassessing Cold War Europe* (Abingdon, NY: Routledge, 2011).

<sup>129</sup> N. Piers Ludlow, ed. *European Integration and the Cold War: Ostpolitik - Westpolitik 1965-1973* (London: Routledge, 2009); Poul Villaume and Odd Arne Westad, eds., *Perforating the Iron Curtain: European Détente, Transatlantic Relations, and the Cold War, 1965-1985* (Copenhagen: Museum Tusulanum Press, 2010).

<sup>130</sup> Bernd Rother, *Willy Brandts Außenpolitik* (Wiesbaden: Springer VS, 2014).

<sup>131</sup> Werner D. Lippert, *The Economic Diplomacy of Ostpolitik: Origins of NATO's Energy Dilemma* (New York: Berghahn Books, 2011); Karsten Rudolph, *Wirtschaftsdiplomatie im Kalten Krieg. Die Ostpolitik der westdeutschen Großindustrie 1945-1991* (Frankfurt a. M.: Campus Verlag, 2004).

the Hungarian uprising, the Suez crisis, the erection of the Berlin Wall, or the Cuban missile crisis. These developments were, however, accompanied by a careful reconfiguration of political and economic relations starting already in the early 1950s. Détente thus has an important prelude during the early Cold War period that has hitherto been neglected in the discussion.

This thesis shows that in the unfolding East-West conflict, ECE was a hub for the European reaction against the Cold War. The all-European, technocratic internationalism of ECE and its influential Executive Secretary Myrdal attracted others who sought to encourage peaceful engagements between the blocs - the young Willy Brandt himself even applied for a job at ECE.<sup>132</sup> ECE and other IOs were arenas where the blocs faced off; but they were also “sites of continuous discussion, mutual observation, exchange, and cross-acculturation”, as emphasized by Michel Christian, Sandrine Kott, and Ondřej Matějka.<sup>133</sup> IOs thus had an important effect in cooling the Cold War: they allowed for confrontation, but also exchange and circulation between the competing systems. Kott calls the Cold War a “competition between two internationalist universalisms”: both blocs held international ambitions for its own worldview.<sup>134</sup> This affected politics as well as economics. “Cold War politics constituted Cold War economics, rendering it impossible to speak of one without invoking the other”, writes Holly Case.<sup>135</sup> While the blocs competed, they never cut off all ties between them. The UN’s continued existence is testament to that; but so is the persistence of commercial relations.

Trade between the blocs never came to a complete stop, although it was severely impeded by bloc formation. Until the end of the 1960s, most countries of the Eastern bloc were not contracting parties of the General Agreement on Tariffs and Trade (GATT), which governed global trade in the absence of an International Trade Organization.<sup>136</sup> Moreover, American trade policy was to actively sabotage Soviet bloc imports by means of embargo.<sup>137</sup> Despite this, the Soviet Union and its European allies did not break its commercial relationship with the West. Oscar Sanchez-Sibony has argued that the American economic hegemony was such that the Soviets, who were “ostracized” from the international commercial system and its institutions, continuously sought “a *modus operandi*, and ultimately gainful participation” with it.<sup>138</sup>

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<sup>132</sup> Scott H. Krause and Daniel Stinsky, “For Europe, Democracy and Peace: Social Democratic Blueprints for Postwar Europe in Willy Brandt and Gunnar Myrdal’s Correspondence,” *Themenportal Europäische Geschichte* (2015), [www.europa.clio-online.de/essay/id/artikel-3799](http://www.europa.clio-online.de/essay/id/artikel-3799).

<sup>133</sup> Michel Christian, Sandrine Kott, and Ondřej Matějka, “International Organizations in the Cold War: The Circulation of Experts beyond the East-West Divide,” *Acta Universitatis Carolinae - Studia Territorialia* 17, no. 1 (2017): 37.

<sup>134</sup> Sandrine Kott, “Cold War Internationalism,” in *Internationalisms. A Twentieth-Century History*, ed. Glenda Sluga and Patricia Clavin (Cambridge: Cambridge University Press, 2016), 340-41.

<sup>135</sup> Holly Case, “Reconstruction in East-Central Europe: Clearing the Rubble of Cold War Politics,” *Past and Present* Supplement 6(2011): 75.

<sup>136</sup> Francine McKenzie, “GATT and the Cold War. Accession Debates, Institutional Development, and the Western Alliance, 1947-1959,” *Journal of Cold War Studies* 10, no. 3 (2008).

<sup>137</sup> Tor Egil Førland, *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954* (Dordrecht: Republic of Letters, 2009).

<sup>138</sup> Oscar Sanchez-Sibony, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev* (Cambridge: Cambridge University Press, 2014), 59.

This thesis shows, however, that this argument needs to be differentiated. From a perspective on ECE, virtually the only forum where a continuous discussion on East-West trade was possible throughout the Cold War period – even at the height of tensions during the Korean War – we can see little initiative coming from the Soviet Union. Soviet empire building in Eastern Europe took precedence over a possible commercial relation with the West. After the Czechoslovak coup in 1948, the Soviet bloc countries boycotted ECE’s technical committees. They did not take the opportunity to participate constructively in ECE’s extraordinary meetings on East-West trade either. The Soviet Union only sought to develop constructive trade relations with the West through ECE in the context of the “peace offensive” in late 1952, once its dominance over Eastern Europe was firmly established and the Eastern bloc was (relatively) stabilized.

### I.2.4 (WESTERN) EUROPEAN INTEGRATION

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The Cold War created and encouraged specific forms of internationalism.<sup>139</sup> Bloc formation in Eastern Europe under Soviet dominance was one such form; sub-regional cooperation in Western Europe, which has come to be known as European integration, was another. The EC's format of involving West Germany but not Eastern Europe was just one possible outcome of a multitude of options available after World War II. European integration is not the result of an overarching plan. Rather, it was the product of a clash between quite general grand designs, and the EC/EU was one of many, as Kiran Klaus Patel's recent book "Projekt Europa" (2018) emphasizes.<sup>140</sup> Even as the new, bi-polar order of international relations emerged, uncertainty was, as Örjan Appelqvist puts it, "a basic feature of the period".<sup>141</sup> This underlying uncertainty allowed for a multitude of different designs and ideas about how international relations in Europe and beyond should be reconfigured. Many of these ideas were fruitless, but it is vital for our understanding of the period to acknowledge that different options existed. "In retrospect, there can be no doubt that the Cold War provided a continued impetus for Western Europe to join forces", Klaus Schwabe wrote in 2001; "However, the Cold War did not prescribe the ways and means by which this need was to be met. There was a whole array of alternatives beginning with informal cooperative arrangements and ending with a fully-fledged federal union".<sup>142</sup> The multitude of European IOs besides the EC/EU are testament to this, and should be read as part of a broadened history of European cooperation seeking to de-center, or, in Patel's words, "provincialize" the EC/EU.<sup>143</sup>

While the histories of European integration and the Cold War have always been regarded as "separate but intertwined", the two subjects have more often than not been studied in near total isolation.<sup>144</sup> Cold War historians tend to focus on bloc formation, seeing e.g. the Marshall Plan or ECSC in a context of US foreign policy. Vojtech Mastny even argued in 1996 that the Marshall Plan and Western Europe's unification were "benefits" of the Cold War.<sup>145</sup> Europeanists, on the other hand, were primarily interested in charting the political and economic landscape of Europe itself, downplaying the decisiveness of the Cold War and the American engagement.<sup>146</sup> However, "the predecessors of today's EU were established too late to play a significant role in creating Europe's post-war (peace) order", as Patel puts it; all the "formative features of the Cold War settlement had commenced before European integration under the banner of the EC turned into a meaningful reality".<sup>147</sup> Before the EC/EU began, political and economic blocs had formed in Europe, decisively narrowing down the available options.

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<sup>139</sup> Kott, "Cold War Internationalism."

<sup>140</sup> Patel, *Projekt Europa. Eine kritische Geschichte*.

<sup>141</sup> Appelqvist, "Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery," 347.

<sup>142</sup> Klaus Schwabe, "The Cold War and European Integration, 1947-63," *Diplomacy & Statecraft* 12, no. 4 (2001).

<sup>143</sup> Patel, "Provincialising European Union: Co-operation and Integration in Europe in a Historical Perspective."

<sup>144</sup> N. Piers Ludlow, "European Integration and the Cold War," ed. Melvyn P. Leffler and Odd Arne Westad, *Crises and Détente: Cambridge Histories Online* (2010).

<sup>145</sup> Vojtech Mastny, *The Cold War and Soviet Insecurity: The Stalin Years* (New York: Oxford University Press, 1996), 195-97.

<sup>146</sup> Mazower, "Reconstruction: The Historiographical Issues," 19.

<sup>147</sup> Patel, "Who Was Saving Whom? The European Community and the Cold War, 1960s–1970s."

The Marshall Plan constitutes a pivotal moment in the formation of the new geopolitical and economic realities of Cold War Europe. It and OEEC created “Western Europe” and thus split Europe in two, while ECE held it together on a thin thread. The success of Western organizations – OEEC, the GATT, ECSC and EEC – pushed ECE, which would have been crucial for the normalization of trade and economic relations in postwar Europe, to the background.<sup>148</sup> It also paved the way for the success of the EC/EU model of European cooperation.

The Marshall Plan’s role in European integration has been the subject of much controversy in the literature, particularly during the 1980s and 90s.<sup>149</sup> Walter Lipgens argued that the Marshall Plan “promoted certain forms of implementation, at most triggering, but by no means causing them”.<sup>150</sup> Alan Milward emphasized that American plans for a European federation were much more far-reaching than what was ultimately achieved, and that European governments successfully resisted against them.<sup>151</sup> Several scholars have since given more credit to the Marshall Plan, arguing that it kicked off the European integration process.<sup>152</sup>

This thesis provides a synthesis of these three positions from a perspective on IOs. It argues that the Marshall Plan and the American intervention gave precedence to a decidedly *Western* European solution outside the UN framework, including West Germany, but not the Soviet Union and its allies; that it created an impetus for further consolidation of certain states *within* the Western bloc; and that the resistance of national governments against more far-reaching plans laid out by American officials and international bureaucracies gave favor to certain solutions over others, particularly in the case of Britain’s preference for OEEC over ECE, and the French push for a Coal and Steel Community outside of either framework. Importantly, however, neither the Marshall Plan nor the formation of the “Europe of the Six” did negate or replace earlier institutions (i.e. the UN, ECE, and OEEC). These IOs continued to exist in parallel, and continuously transformed to foster new forms of economic cooperation. They hence remained an important part of a broadly understood integration process.

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<sup>148</sup> Rudolph, *Wirtschaftsdiplomatie im Kalten Krieg. Die Ostpolitik der westdeutschen Großindustrie 1945-1991*, 69-70.

<sup>149</sup> For a brief overview, see Gabriele Clemens, Alexander Reinfeldt, and Gerhard Wille, *Geschichte der Europäischen Integration. Ein Lehrbuch* (Paderborn UTB, 2008), 81-82.

<sup>150</sup> Walter Lipgens, “Der Marshall-Plan und die Anfangsphase der westeuropäischen Integration. Sieben Thesen,” in *Der Marshall-Plan und die europäische Linke*, ed. Othmar Nikola Haberl and Lutz Niethammer (Frankfurt a. M.: Europäische Verlagsanstalt, 1986).

<sup>151</sup> Alan S. Milward, *The Reconstruction of Western Europe, 1945-51* (Berkeley and Los Angeles, CA: University of California Press, 1984).

<sup>152</sup> Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952* (Cambridge: Cambridge University Press, 1987); Klaus Schwabe, “The United States and European Integration, 1947-1957,” in *Western Europe and Germany. The Beginnings of European Integration 1945-1960*, ed. Clemens A. Wurm (Oxford: Berg Publishers, 1996); Beate Neuss, *Geburtshelfer Europas? Die Rolle der Vereinigten Staaten im europäischen Integrationsprozeß 1945-1958* (Baden-Baden: Nomos, 2000).

## I.4 OUTLINE

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The thesis is divided in five parts. After the introduction, the main body consists of parts II-IV, each subdivided into several chapters.

Part II, *Intellectual Origins and Constitutive Politics of ECE*, deals with ECE's pre-history. It identifies the ideas, predecessors, and political motives leading to the creation of ECE. Part II consists of two chapters. The first is on wartime planning, encompassing ideas of economic planning as well as plans for the postwar international system. It traces the ideas that led to the creation of ECE and the formation of its policy outlook back to three locations during the interwar period and WWII: Geneva, where the League of Nations' palace became an unintended monument to the failure of interwar internationalism; Washington, DC, the world's wartime planning capital; and Stockholm, where a European reaction against the continent's looming geopolitical division took shape. At ECE, these strands later converged, forming an organizational ideology that was internationalist, technocratic, and all-European. The second chapter focuses on the wartime origins of the UN, and the insertion of an element of European regionalism into the global system of postwar internationalism. ECE was the first IO that institutionalized European regionalism within the hitherto universal setup of post-WWII international governance. The chapter argues that "Europe" as a category for economic cooperation was not self-evident, but emerged as a compromise formula, supplementing the universal IOs of the UN and Bretton Woods.

Part III, *Reconstruction and the Breakdown of East-West Relations*, deals with the immediate postwar years, highlighting the severe challenges and setbacks ECE faced immediately upon its foundation. It shows that ECE and its direct predecessor organizations sought to tackle supply shortages on an all-European level, and were important agents in a broadly defined period of European reconstruction. Yet, these efforts were soon thwarted by bloc formation. Chapter III.2 argues that the Marshall Plan introduced a "Western Europe" outside the UN umbrella as a concurrent framework to ECE's "Europe", laying out two parallel paths for the future of economic cooperation in Europe: ECE's all-European path embedded in the UN system, and OEEC's path of intramural, Western European cooperation. Furthermore, the breakdown of East-West relations after 1946/47 led to a massive decline in commercial exchange between the two emerging blocs, creating a fundamental dilemma for the all-European ECE. Chapter III.3 thus focuses on East-West trade before Stalin's death, the key problem of ECE's activity during its early years. Interwar depression, protectionism, and WWII had severely disrupted trade relations in Europe. In 1945-47, European trade relied on a patchy network of bilateral barter arrangements. The chapter shows how this inefficient system was overcome within Western Europe and among the centrally planned Socialist economies, but remained in place for trade between the blocs. Moreover, the US-led Western embargo against the Soviet Union and the reorientation of Eastern European economies toward the Soviet Union led to a further decline. Between 1947 and 1953, ECE, the self-declared champion of East-West trade, struggled unsuccessfully against this trend. But, as the chapter shows, ECE trade consultations set important precedents during this period that later helped to break the deadlock.

Part IV, *Economic Cooperation in Cold War Europe*, is the longest part. It focuses on the period 1949-1960. It shows how despite the grave setbacks highlighted in part III, ECE

found a niche in the system of international governance. Its role was defined by technical cooperation, its relationship with other European IOs, and East-West trade. These three aspects form the basis for the three chapters of part IV.

Chapter IV.2 analyzes ECE's brand of technocratic internationalism. Despite fundamental challenges, i.e. the competition from OEEC and the Socialist countries' boycott of ECE's technical committees, ECE's work created tangible results. Using inland transport as the main example, the chapter highlights how ECE encouraged technical agreements between small groups of interested governments that could later be expanded to include more member states, with some of them eventually becoming global in scope. A difficult relationship of conflict and interdependence developed with OEEC, ECE's Western European competitor. The chapter shows that both IOs shared overlapping portfolios and membership, leading to a competition that was never adequately resolved, since all coordination had to remain informal. ECE was characterized by a comparatively independent Secretariat with a strong research division, and an institutional ideology of international civil service that was embedded in, but also deviated from UNHQ's organizational ideology. In the early years, ECE aspired to be a distinct, European branch of the UN, leading to several conflicts with UNHQ in New York.

Chapter IV.3 returns to East-West trade, dealing with the Soviet peace offensive around the time of Stalin's death and its repercussions on the international stage. The chapter unearths an important turning point in East-West relations in Europe that took place outside of public attention at the 1953 ECE trade consultations. Making use of conferencing techniques refined during the previous, unsuccessful consultations, the meeting encouraged the conclusion of several new, bilateral trade agreements between Eastern and Western European countries. ECE's self-understanding as a reserve organization, a bridge to be crossed in the future, thus became true, albeit not on the scale luminaries of East-West reconciliation through trade like Myrdal might have hoped for. The chapter shows how over the course of 1953-54, Eastern delegates returned to ECE's technical committees and stayed there, despite the rekindling of Cold War tension in the dual crises in Suez and Hungary in 1956. The contacts established on the work floor level remained intact. A breakdown of East-West relations like in 1948 did not reoccur in 1956. ECE's ensuing second spring coincided, however, with the reemergence of the two German states as important players on the European scene. The chapter concludes by arguing that ECE's setup forbade an early and effective inclusion of either German state, showcasing the limits of ECE's postwar representation of "Europe".

Chapter IV.4 examines ECE's relationship with sub-regional European IOs, focusing on ECSC and the "Europe of the Six". The chapter argues that, while ECSC with its supranational institutions proved uniquely capable of capturing the sense of expectation connected with the buzzword of "European integration", the Coal and Steel Community emerged as part of an already existing system of European governance. ECSC was the fifth IO founded after 1945 that was involved in the distribution of Ruhr coal – after the European Coal Organization (ECO), the Coal Committees of ECE and OEEC, and the International Authority for the Ruhr (IAR). By reconstructing the way coal allocation was handled prior to ECSC, the chapter argues that the landscape of existing IOs adds an important, hitherto neglected layer to our understanding of the creation of ECSC, the EU's first direct predecessor. Once established, ECSC could build on working structures, expertise, and personnel provided by, among others, ECE and OEEC. Despite significant

overlap in membership and responsibilities, however, the establishment of ECSC did not lead to a repetition of the existential competition that had characterized the early relationship between ECE and OEEC. The 1950s saw a further expansion of economic cooperation in Europe through a multitude of overlapping institutional frameworks. The chapter concludes by showing how, through differentiation and specialization, these intersecting integration circles managed to coexist.

Part V contains an epilogue and conclusion. The epilogue provides an outlook toward the 1960s and early 1970s. It discusses whether ECE's self-description as a bridge between East and West held true after the 1950s. It highlights how both the UN in general and important actors, like Gunnar Myrdal and Walt Rostow, redirected their attention away from Europe and toward the developing world. The epilogue argues that ultimately, the Conference on Security and Cooperation in Europe (CSCE) took over the political mission of ECE, while the UN organization remained active in its niche as a technical agency. The conclusion summarizes the thesis' main findings, connecting ECE's history to the present, and to the question why IOs like ECE rarely ever die. ECE's tale – of a persistent pursuit of cooperative ideals at a time dominated by severe global crises – might even provide inspiration for the future.



PART II: INTELLECTUAL ORIGINS AND  
CONSTITUTIVE POLITICS OF ECE, 1940-47

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## II.1 INTRODUCTION

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This second part analyzes the origins of ECE. It traces the intellectual streams, institutional predecessors, and the constitutive politics that culminated in the creation of ECE, and shaped it during its early years. As the European arm of the global UN system, ECE occupied a peculiar space in the international architecture of peace after World War II. It introduced regionalism into the postwar system of IOs, and established “Europe” as a category for economic cooperation. ECE, and the conception of “Europe” it embodied, were a product of the political circumstances of 1946: A year when one global geopolitical confrontation was about to be replaced by another, and the newly founded UN was the instrument to deal with them both. Even before East-West relations broke down and the Cold War began in earnest, tension between the allies of World War II was looming. “ECE was founded and began functioning at a time when political relations between some of the principal member countries were already deteriorating”, an ECE publication stated on the Commission’s 10-year anniversary; “The go-ahead signal of the Economic and Social Council in March 1947 was probably given at almost the last moment when an agreement between the World Powers to set up an all-European economic organization was politically possible.”<sup>1</sup> ECE was thus conceptualized and introduced during the transition from war to Cold War. Born at a moment of transition, it carried the legacy of interwar internationalism, wartime planning, and postwar relief cooperation, as well as the consequences of early tension between the Soviet Union and its Western allies.

Politically, the formation of ECE was inextricably linked to the formation of the UN system at large. The creation of ECE must be seen in the wider context of the re-ordering of world politics that took place in the mid-1940s. Importantly, ECE was not the result of an overarching scheme to reorganize international relations. Rather, it built on a whole range of interconnected experiences, national interests, and intellectual and institutional traditions. Much like the rest of the post-1945 international architecture, ECE was thus not the brainchild of a singular architect. The United States’ government had a significant, at times almost hegemonic role in the formation of the postwar liberal order and its institutions.<sup>2</sup> But it was not the one defining hub in the creation of the UN, or of ECE. British imperialist thinking, for instance, had a remarkable impact on the UN.<sup>3</sup> America was important, but not as all-important as some accounts on the beginnings of the UN make it out to be.<sup>4</sup> For ECE, the United States was important as a financier and as a driving force in the political process leading up to its creation. But, as this part of the thesis shows, ECE was more than simply an American solution to European problems. It built on distinct influences from Europe as well as the United States, and from the UN’s predecessor, the League of Nations. For some, ECE even became a vehicle for the European resistance

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<sup>1</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>2</sup> E.g. Robert Latham, *The Liberal Moment. Modernity, Security, and the Making of Postwar International Order* (New York: Columbia University Press, 1997); Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*.

<sup>3</sup> Mazower, *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations*.

<sup>4</sup> See, for instance, Stephen C. Schlesinger, *Act of Creation. The Founding of the United Nations* (Boulder, Colorado: Westview Press, 2003).

against certain aspects of a global *Pax Americana*, particularly against a looming confrontation with the Soviet Union and the division of the continent.

Intellectually, the creation of ECE was motivated by a transnational debate on economic planning, resulting from the breakdown of economic certainties in the Great Depression. Planning, writes historian Dirk van Laak, signaled scientific and technological civilization, without being attached to a particular time, space, or ideology – planning was a “general trait of ambivalent modernity in the 20<sup>th</sup> century”.<sup>5</sup> A widespread consensus regarded planning as a means to reestablish economic stability and prevent social turmoil. But economic planning required international coordination, and a quick recovery required economic interconnections across national borders. To make economic recovery possible and prevent a new global crisis, the challenge was to reinstate and reconfigure economic connections that had been disrupted in 1914, during the Great Depression, and again in World War II. Strong economic IOs were thus a vital part of the architecture of peace. The question was how to go about it: Should economic IOs be regional or global in scale? Early American plans for a postwar settlement sought to avoid the formation of regional groupings, and encouraged the formation of universal IOs like the UN and the Bretton Woods institutions. But regionalism eventually reemerged under the guise of European integration. ECE, as the global UN’s regional commission for Europe, harnessed both streams. It also became the first post-WWII IO explicitly charged with economic cooperation in Europe.

Institutionally, ECE built on two interconnected forms of predecessor organizations: the League of Nations and the wartime humanitarian IOs spearheaded by UNRRA. As the largest of the UN institution in the Palais des Nations in Geneva, ECE inherited part of the League’s buildings and access to its library, but also its conferencing techniques and preoccupation with technical aspects of economic cooperation. The League set precedents on open diplomacy and technocratic internationalism. Under the new geopolitical realities of the early Cold War, ECE dismissed the former and embraced the latter. UNRRA, in turn, was a precedent for a new form of international cooperation. As the first civilian UN agency, it embodied a form of hands-on, practical cooperation, emphasizing its operations in the field over its diplomatic superstructure. Following the precedent set by UNRRA, the UN developed its civilian agencies along intergovernmental lines, but with an attached bureaucracy stronger than that of the League. ECE and other early UN bodies employed larger numbers of staff than interwar IOs, and were more capable of acting as independent policy agents. But for its American financiers, UNRRA also established a negative example. While bankrolled with American money, UNRRA’s intergovernmental decision-making structure gave equal weight to its member governments. While UNRRA thus was an important precedent for other UN organizations, including ECE, the State Department sought to avoid a repetition of UNRRA when formulating its next big aid operation, the Marshall Plan, in 1947.

This part consists of two chapters. Chapter II.1 deals with the intellectual origins of ECE. After a section on economic planning, it traces the pre-history of ECE back to three crucial locations: Geneva, Washington DC, and Stockholm. All three cities were hubs in

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<sup>5</sup> Dirk van Laak, "Planung. Geschichte und Gegenwart des Vorgriffs auf die Zukunft," *Geschichte und Gesellschaft* 34, no. 3 (2008): 306.

transnational networks during the interwar period and World War II that culminated in ECE.<sup>6</sup> To understand the origins of ECE, we need to zoom in on all three cities. Geneva was home to the League, followed by the UN's European Office, and thus stood for continuity. Officials in Washington, meanwhile, began to accept a new role for the United States as a proactive, global superpower, representing a major element of change in the international order. In Stockholm, finally, social democrat exiles from continental European countries expressed their reservations against the prospect of a breakdown in East-West relations. Their line of thought later had a major impact on the development of ECE, not least through the organization's influential first Executive Secretary, Swedish economist Gunnar Myrdal. Reading all three locations as transnational hubs, and bringing their influences on ECE into a dialogue is the aim of the first chapter.

Chapter II.2 focuses on the institutional precedents and constitutive politics of ECE within the UN system. The constitution of "Europe" as a category for economic cooperation in the new international system was by no means self-evident, but emerged as a compromise formula. When the UN transformed from a military alliance to a permanent peacetime organization, "Europe" allowed the inclusion of neutrals and former enemies of the UN. "Europe" was thus meant to be an inclusive concept. Its practical application, however, also led to the exclusion of other UN members. A Polish resolution in the General Assembly committing the UN to the reconstruction of its war-devastated member states after the end of UNRRA's mandate became the formal origin of ECE and its East Asian sister organization ECAFE. Over the course of the ensuing negotiations, the wording changed from "devastated areas" to geographic conceptions of "Europe" and "Asia and the Far East". Members of the fighting coalition outside these regions were thus excluded from the UN regional commissions. The creation of ECE shows that European regionalism did not bypass or circumvent universal organizations like the UN and Bretton Woods institutions - it was embedded in and developed in parallel with them. European regionalism supplemented, but at times also contradicted the global postwar order.

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<sup>6</sup> For an example of reading cities as transnational hubs, see Michael Goebel, *Anti-Imperial Metropolis. Interwar Paris and the Seeds of Third-World Nationalism* (New York: Cambridge University Press, 2016).

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## II.2 PLANNING FOR PEACE

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“Our victory over the Axis powers can be made a victory over war itself”, James T. Shotwell wrote in 1944, “if we bring to the support of peace the same kind of realistic strategy which we devote to war”.<sup>7</sup> Shotwell, a professor of history at Columbia University, had by then already dedicated most of his career to organizing peace. In 1919, he had been a member of the American delegation at Versailles, and was intimately involved in the negotiations that ended the Great War and created the League of Nations. Now, 25 years later, with the Axis’ military defeat within reach, Shotwell argued again that peace was not merely the absence of war – peace was hard work, and needed careful planning and organizing. Organized peace required dedication and reason, and an international order built on stable institutions. But diplomacy alone could not hope to fulfill this task. The collapse of the system established at Versailles meant that the thinking about international order needed a major reboot. The experiences of the Great Depression and the rise of Nazism demonstrated that security could not be safeguarded without addressing economic and social issues. Plans were made to combat malnutrition, contain nationalism, and modernize economies, amongst many other things. Before the war was over, even before its outcome could be predicted, there was a widespread planning fever that generated a wide array of designs, drafts, blueprints, and treatises about the future peace. “Planning for peace is an essential part of the job of winning the war”, the US ambassador to London John Winant wrote.<sup>8</sup> Those planning for peace – in the foreign offices, the governments-in-exile, the universities, or simply the salons and cafés in places unscathed by the war – naturally regarded international security and economic stability as two sides of the same coin. A peaceful world, this was the assumption, must also be prosperous.

At the time when the United Nations transformed from a military alliance to a permanent world organization and a successor to the League, economic and social questions were considered vital parts of the peace. “Strictly speaking there is no national economy today” Gustave Stern, a Czechoslovak economist, wrote in a report for the UN’s economic division in 1947,

*“almost all national economic activities have international aspects and implications. We become fully aware of this fact in times of a deep and lasting economic crisis, when the depressed country tries to isolate her economy from the network of a more or less integrated world economy [...]. A fallacious diagnosis of the real causes of the crisis brings about a policy of SAUVE QUI PEUT [...]. The international political economy is opposed to such national policies; it asks for the purposeful use of national and international measures to achieve social*

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<sup>7</sup> James T. Shotwell, *The Great Decision* (New York: Macmillan, 1944). V.

<sup>8</sup> Quoted in Francine McKenzie, “Peace, Prosperity and Planning Postwar Trade, 1942-1948,” in *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*, ed. Sandrine Kott, Michel Christian, and Ondřej Matějka (Berlin: De Gruyter, 2018).

*aims. It is in these world-wide aims that the economic and social streams find a common estuary.*"<sup>9</sup>

The experiences of the Great Depression and World War II gave birth to a firmly internationalist logic. Economic nationalism had created far more ill than good. Stern's "more or less integrated world economy" was not construed as a threat to social stability and traditional lifestyles, as had often been the case during the first half of the twentieth century. For postwar planners like Stern, interconnectedness between national economies presented not only a necessity, but also an opportunity. If steered and governed correctly, an international political economy could achieve peace and prosperity for the postwar world.

This line of thought was not entirely new, however. The interconnection between international security and economic stability had already been addressed at the League, albeit on a smaller scale than at the UN. Shotwell himself had been instrumental in the creation of the International Labor Organization (ILO) in 1919, and the League's various committees had engaged in economic and social questions frequently. While the League brand was thoroughly discredited after its failure to prevent a second world war, it thus did provide an important precedent for the postwar planners. A revival of the League was out of the question in 1945. But this did not mean that the League was forgotten and that the UN started from scratch. The League's work provided a template to refine and modify, a model that was to be reconfigured as the United Nations Organization.<sup>10</sup> The League's role in the formation of the UN was thus both that of a role model and a cautionary tale.

Planning for peace required a measure of economic planning, and economic planning required international coordination. The transnational debate on economic planning shaped both the League's economic work during the interwar period and its UN reboot post-1945.<sup>11</sup> "We are so used to fighting that we cannot see there is a better way – the way of planning", a conference of American planners concluded in 1938.<sup>12</sup> State-led economic planning was, then, rapidly becoming a transnational phenomenon. "It suffices to consider countries as different as the United States of America, Soviet Russia, Italy or Germany", the Belgian socialist Hendrik de Man argued in 1933, "to understand the irresistible force of this push towards a planned national economy".<sup>13</sup> But planned national economies still depended on exports and imports; plans required international coordination. As early as 1931, Alfred E. Zimmern, a British delegate at the League, contended that "the devotees of 'planning' must learn to think internationally".<sup>14</sup> Under the doctrine of total war, state-led planning demonstrated its destructive potential by forcing entire national economies into the service of war making. For those like Shotwell who sought to apply the same kind of

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<sup>9</sup> Gustave Stern, *International Trade in the Postwar World*. Memorandum prepared for the UN Conference on Trade and Employment. Before April 1947. UNARMS S-0543-0008-01, Regional Commissions Section, *International Trade in the Post-War World*.

<sup>10</sup> Mazower, *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations*, 59.

<sup>11</sup> Laak, "Planung. Geschichte und Gegenwart des Vorgriffs auf die Zukunft."

<sup>12</sup> Ben H. Kizer, "The Need for Planning," in *National Conference on Planning. Proceedings of the conference held at Minneapolis, MN June 20-22, 1938* (Chicago: 1939, 1939), 1-9.

<sup>13</sup> Quoted in Mark Mazower, *Dark Continent. Europe's Twentieth Century* (New York: A.A. Knopf, 1999), 90.

<sup>14</sup> Quoted in Kiran Klaus Patel, *The New Deal. A Global History* (Princeton, New Jersey: Princeton University Press, 2017), 96.

strategic thinking to peace as to war, this potential could also be harvested in the service of peace. By the end of World War II, economic planning was considered a key ingredient to ensure international stability in a system of total peace.

ECE's Executive Secretary Gunnar Myrdal was one of the luminaries of planning. Planning is the red thread running through Myrdal's career, which oscillated between academia, national politics, and international bureaucracy. Myrdal is regularly credited as a key architect of the "Swedish Model",<sup>15</sup> which itself is frequently described as a successful "Middle Way" between economic liberalism and planned interventionism.<sup>16</sup> As an economist, Myrdal considered that economics was "about planning".<sup>17</sup> At ECE, he deplored the "absence of any satisfactory mechanism for extending long-range planning in the field of international trade".<sup>18</sup> Studying South Asian development after his ECE tenure, Myrdal claimed that planning was "the intellectual matrix of the entire modernization ideology".<sup>19</sup> Myrdal initially regarded the international coordination of plans and different forms of planning as one of the key tasks for ECE. During his tenure, the ECE Secretariat advocated indicative planning and state intervention to correct market failure and guide economic development.<sup>20</sup>

Planning remained an ambivalent part of modernity, however. In *Planning for Freedom* (1960), Eugene V. Rostow called planning "one of the most ambiguous and misleading words in the vocabulary of our times".<sup>21</sup> Rostow, at that time dean of Yale law school, had previously been a member of the ECE Secretariat, where he had succeeded his brother Walt as special assistant to Myrdal. Rostow insisted that in the 30 years since the Great Depression, the problem of economic planning had become "inescapable" for any modern government. Myrdal, the Rostow brothers, and other economists, legal scholars, social scientists, and architects of their generation were deeply influenced by planning. The global crisis of the 1930s took classical economics by surprise, and became a key reference point to the generation planning for peace in 1945. The debate on planning during the 1930s that shaped their views was not just driven by the economic crisis and the failure of *laissez-faire*, but by the perceived successes of totalitarianism, too. While capitalist societies and their colonies were mired in depression, the Soviet Union claimed that it would eliminate unemployment.<sup>22</sup> A new orthodoxy postulated that in order to save capitalism, governments had to keep spending high enough to ensure full employment, but not so high as to produce inflation. Full employment was considered the guarantor of economic and social stability. At the League, diverging opinions were voiced on economic planning. While particular

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<sup>15</sup> Thomas Etzemüller, *Die Romantik der Rationalität. Alva & Gunnar Myrdal. Social Engineering in Schweden* (Bielefeld: transcript, 2010); William Barber, *Gunnar Myrdal: An Intellectual Biography*, Great Thinkers in Economics (Basingstoke: Pelgrave Macmillan, 2008).

<sup>16</sup> Mary Hilson, *The Nordic model : Scandinavia since 1945*, Contemporary worlds (London: Reaktion, 2008).

<sup>17</sup> Gunnar Myrdal, *Beyond the Welfare State* (New Haven: Yale University Press, 1960), 3.

<sup>18</sup> Opening Statement of the Executive Secretary of the Economic Commission for Europe at the Fourth Session of the Commission, 9 May 1949. UNOG Archives ARR 14/1360, Box 64.

<sup>19</sup> Quoted in Engerman, "The Romance of Economic Development and New Histories of the Cold War," 31.

<sup>20</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions' Experience," 5.

<sup>21</sup> Eugene V. Rostow, *Planning for Freedom. The Public Law of American Capitalism* (New Haven: Yale University Press, 1960), 22.

<sup>22</sup> Patel, *The New Deal. A Global History*, 91.

economic planning efforts, for instance in Australia, received praise<sup>23</sup>, the League's Economic and Financial Organization "eschewed the language of 'planning' because of its associations with communism and fascism".<sup>24</sup>

The sharpness in tone increased in the heated atmosphere of ideological polarization during the early Cold War. Free marketers frequently criticized the planning-mindedness of economists at ECE and elsewhere. The Federal German Foreign Office, for instance, accused the ECE Secretariat of ideological inflexibility; its suggestions were "originating exclusively in the realm of economic planning" and thus dangerously close to Soviet ideas.<sup>25</sup> Eugene Rostow, however, rejected the stereotype that the only choice was between the dramatic insecurity of complete laissez-faire and the "sanitary, well-fed serfdom" of totalitarianism. The fact that fascists and communists used economic planning did not mean that they had a monopoly over it; instead, Rostow used the term to describe an entire spectrum of different forms of government action in the economic sphere. At one end of the spectrum, there was mild interference like zoning and town planning. On the other end, there were extreme measures like the control procedures through which governments allocated resources, fixed prices, and set production quotas in wartime.<sup>26</sup> The issue, according to Rostow, was "not whether to plan, but what to plan and how to plan".<sup>27</sup> Economic planning, in one form or another, was thus a challenge every government faced, regardless of its ideological delineation.

During the Cold War, East and West shared the enthusiasm for manageable progress that the widespread belief in economic planning epitomized. Planning rested on the belief that society and economics could be engineered. Of course, what "planning" meant was different on both sides: communists saw state planning as a natural extension of a socialized economy; Western European political elites understood state intervention as a way to regulate (and thereby protect) capitalism.<sup>28</sup> The problems that arose from the prevalence of different forms of planning were exacerbated by the difficulty to achieve a necessary measure of international coordination.<sup>29</sup> Economic IOs, such as ECE, were created to help governments in coordinating their plans, and to provide economic stability that was considered crucial to the maintenance of peace.

While ECE never became the ambitious all-European planning agency it was projected to be, planning continued to be an important topic during the first decades of its existence.

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<sup>23</sup> Ibid.

<sup>24</sup> Clavin, *Securing the World Economy. The Reinvention of the League of Nations, 1920-1946*, 4.

<sup>25</sup> Aufzeichnung betr. Ost-Westhandelskonferenz in Genf vom 20. April bis 3. Mai 1954. Politisches Archiv: B 10, 54.

<sup>26</sup> Planning as a legacy of war is discussed in Judt, *Postwar. A History of Europe since 1945*, 66-68. See also Tony Judt and Timothy Snyder, *Thinking the Twentieth Century* (London: Vintage, 2012), 333-54; Tibor Iván Berend, *An Economic History of Twentieth-Century Europe. Economic Regimes from Laissez-faire to Globalisation* (Cambridge: Cambridge University Press, 2016).

<sup>27</sup> Rostow, *Planning for Freedom. The Public Law of American Capitalism*, 24.

<sup>28</sup> Kott, "Cold War Internationalism," 357. See also Laak, "Planung. Geschichte und Gegenwart des Vorgriffs auf die Zukunft."

<sup>29</sup> On the inter- and transnational dimension of planning, see Michel Christian, Sandrine Kott, and Ondřej Matějka, eds., *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*, Rethinking the Cold War Series (Berlin: De Gruyter, 2018).

ECE attracted prominent economists, such as Myrdal and the first research director Sir Nicholas Kaldor, who shared a belief in economics as a moral discipline. Like other planners, they were certain that pragmatic and non-dogmatic planning and rational analysis could reduce unemployment and poverty.<sup>30</sup> An ECE study of *Economic Planning in Europe* (1965) distinguished between three different types of economic planning, ordered by the magnitude of structural changes required: the comparatively light reconstruction and development plans of the industrialized Western European countries; the more far-reaching Southern European industrialization and investment plans; and the centrally directed, comprehensive system of economic planning in pursuit of long-run political and social objectives in Eastern Europe and the Soviet Union.<sup>31</sup> While economic planning in one form or another was thus ubiquitous in postwar Europe, the degree and objectives of planning differed widely. The Western and Southern variations shared broad objectives, such as sustained economic growth; a high level of employment; and a “rise in the relative income levels of the most backward regions and least favoured social groups”. However, Southern Europe required deeper structural changes, most importantly the reduction of the share of the population working in agriculture, industrialization, and a rise of social expenditure on education and training. Socialist countries regarded planning as a means to lay the “material and technical basis” for Communism, replacing the “anarchy of production” under capitalism by a “planned organization of the social process of production in order to guarantee the welfare and full development of all members of society”.<sup>32</sup> European economic relations were hence characterized by two demarcation lines: a capitalist/communist East/West divide and a developed/under-developed North/South divide. Over time, ECE’s mission to provide an all-European program of economic cooperation and planning thus became increasingly difficult to fulfill.

The following sections zoom in on three locations that were crucial during the phase of interwar and wartime planning that led up to ECE: Geneva, the site of the League of Nations; Washington, DC, the wartime planning capital of the world; and Stockholm, where Myrdal and others pioneered economic planning in peacetime and set important precedents for ECE’s policy of positively engaging East and West in trade.

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<sup>30</sup> Berthelot and Rayment, “The ECE: A Bridge between East and West,” 70.

<sup>31</sup> UNECE, *Economic Survey of Europe in 1962, Part 2: Economic Planning in Europe* (Geneva: United Nations, 1965), II,12.

<sup>32</sup> *Ibid.*

## II.2.1 GENEVA: THE HAUNTED PALACE

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In the summer of 1947, American tourists Jean Bauer and Judy Colyer ran out of money while visiting Geneva, Switzerland. Waiting in line at a bank, the two young women bumped into a fellow graduate from the University of California at Los Angeles. The man, an undergrad acquaintance of Bauer's from before the war, was now a doctoral student at the Graduate Institute of International Studies in Geneva. He offered to give them a tour of the Palais des Nations, the building that had housed the League of Nations. The League had abandoned its headquarters after the fall of Paris in 1940, and the palace was nearly unoccupied for six years. But when Bauer and Colyer visited, one world war later, the building was again bristling with activity. The League no longer existed, but the Palais was now home to the European offices of the newly founded United Nations, and some 700 employees of various UN agencies filled it with life. Wandering through labyrinthine hallways, the tourists admired the gold and sepia murals in the Council Chamber, where a Catalan artist had painted heroic images symbolizing progress through peace, freedom, health, and technology.<sup>33</sup> They strolled through the Hall of Lost Steps, with its columns of green Italian marble, and its over-sized windows overlooking Lake Geneva and the French Alps in the distance. Ten years earlier, diplomats had stood gloomily in these marvelous corridors, while the League and its promise of peace were falling apart in the conference rooms behind them. At the end of their tour, Bauer and Colyer were introduced to ECE's administrative officer. Desperate for competent, English-speaking personnel, the man offered to hire both of them on the spot. Needing the money, but also enthralled by the idea of working for the UN, they accepted. For the next two years, Judy Colyer would process statistics on ceramic insulators and silica bricks in ECE's Research Division, while Jean Bauer commanded over a French dictionary and a drawer full of rubber stamps as a Correspondence and Cables Officer.<sup>34</sup> The marvelous palace haunted by the ghosts of internationalism past and internationalism present had become their workplace.

The connection between the League, the Palais, and ECE was by no means trivial. While the UN's makeshift headquarters in New York were in a former munitions factory at Lake Success, and thus involuntarily paid tribute to the belligerent origins of the UN, its European offices inherited the architectural grandeur of a not-too-distant, yet bygone age. For the major part of its existence, the League's headquarters were in the cramped conditions of the Palais Wilson, a former hotel. When the Palais des Nations with its 18,000m<sup>2</sup> and 900 offices was completed, the League used it as headquarters for just a few years.<sup>35</sup> Nevertheless, the heritage of the League weighed heavily on the UN's European office, which came to inhabit the building intended for its tarnished predecessor. "The possession of such an excellent building is a great asset for the United Nations", Assistant Secretary-General David Owen wrote to UN Secretary-General Trygve Lie in 1946; "It would be a mistake not to use the building, not only for conferences but for some

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<sup>33</sup> Jean-Claude Pallas, *Histoire et Architecture du Palais des Nations (1924-2001). L'Art deco au service des relations internationales* (Geneva: United Nations, 2001), 134-53.

<sup>34</sup> Judy Colyer Postley and Jean Bauer Fisler, *Behind the Iron Curtain. An Unedited, Unauthorized Draft* (New York: Writers Club Press, 2002).

<sup>35</sup> Karen Gram-Skjoldager to The Invention of International Bureaucracy, 2017,

<http://projects.au.dk/inventingbureaucracy/blog/show/artikel/utterly-below-criticism-working-conditions-in-the-palais-wilson-1930/>.

continuous work”.<sup>36</sup> With many European libraries lost in the war, the Palais’ library was another important asset for the young UN. The League of Nations library was a unique collection of official documents and some 350,000 volumes on international relations, law, social questions and economics. A handful of overworked librarians had maintained this collection in an excellent condition throughout the war. By the time Bauer and Colyer entered UN service, ECE was the largest single organization housed in the Palais.<sup>37</sup> “While the United Nations in New York is the successor organization to the League of Nations”, economic historian Charles P. Kindleberger wrote in 1955, “the inheritor of its intellectual tradition as well as [...] its buildings and access to the library is the ECE”.<sup>38</sup>

In 1946, Kindleberger had been the head of the US State Department’s German-Austrian affairs unit, where he had overseen the first detailed proposal for a permanent European economic organization that would eventually become ECE. Walt Whitman Rostow, the author of this proposal, claimed that part of his motivation for suggesting a European UN organization had been to “get the old League of Nations building used”, which he had visited before the war.<sup>39</sup> When ECE took up its work, wealthy Geneva and its grandiose palace must have felt weirdly out of touch with the war-ravaged continent. An article in *Le Monde* drew a satiric picture of ECE representatives deliberating about post-war reconstruction “in the lacquered corridors of this sanatorium of peace [...] the Geneva palace of the UN”.<sup>40</sup> If ECE inherited a building, a library, and an intellectual tradition from the League, it also inherited an image of arrogant aloofness from worldly affairs that still today is often associated with IOs.

For the years of peak tension in the early Cold War, it seemed as though the UN had also inherited the League’s pessimistic prospects. At his first visit to the Palais as newly elected UN Secretary-General in 1953, Dag Hammarskjöld gave a gloomy speech to the Geneva staff:

*“Most of you, certainly, have been to the museum arranged in this house, with collections commemorating the days of the League of Nations. There we see the portraits of the Nansens and Cecilis, the Stresemanns and Briands [...]. They were pioneers for [...] internationalism, universal in scope and with world peace as its aim. [...] Where our predecessors dreamt of a new heaven, our greatest hope is that we may be permitted to save the old earth. [...] we must work harder and hope for less than those who built the League. [...]. We are expected to succeed where our predecessors failed. We remember their selflessness and courage, but*

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<sup>36</sup> David Owen to Trygve Lie, Note on the Future Use of the United Nations Buildings in Geneva, 6 August 1946. UNARMS, S-0916-0002-010. League of Nations – Transfer of Personnel and Activities.

<sup>37</sup> The Economic Commission for Europe. Memorandum by David K.R. Hodgkin, 30 November 1948. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-2 mars-december 1948.

<sup>38</sup> Charles P. Kindleberger, "Economists in International Organizations," *International Organization* 9, no. 3 (1955).

<sup>39</sup> Transcript: Walt Rostow interviewed by Kostecký. ARBARK: 3332 - Václav Kostecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

<sup>40</sup> Quoted in US Embassy Paris to State Department, 10 June 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

*we know that even more may be required of us, if only in order to save what they achieved”.*<sup>41</sup>

It may seem easy to dismiss the League’s achievements, given how spectacularly it failed at its main purpose of preventing a second world war. Yet, for Hammarskjöld and others in the young UN, the League was more than an example of how not to do things. Founded in 1919 in the aftermath of World War I, the League was the first generalist IO, setting a precedent for liberal internationalism as a workable way of solving disputes and facilitating cooperation between nation states. In the 19<sup>th</sup> century bourgeois political mainstream, nationalism and internationalism had appeared as “twinned liberal ideologies”: human societies organized in nation states were to engage with each other in an international community, limiting the potential for conflict.<sup>42</sup> World War I and the excesses of nationalism destroyed such optimistic assumptions. Moreover, the Bolshevik Revolution of 1917 offered a compelling alternative to both nationalism and internationalism in its promotion of transnational solidarity among classes, not peoples.<sup>43</sup> The League was meant to set a liberal counter-example, and to deal with the question of minorities, the most urgent problem in a Europe of newly founded nation states after the collapse of empires in World War I.<sup>44</sup>

Compared to the UN, the League was much smaller in scale. Its total budget in 1920 amounted to 3,000,000 USD, compared with a UN budget of 19,390,000 USD in 1946. Corrected for inflation, the 1946 UN budget was still more than four times higher than the 1920 League budget. The number of League personnel was 182 in 1920, while the UN employed almost 3,000 people in 1946.<sup>45</sup> Not least due to American absence, the League was first and foremost a European institution, and indeed one of the guardians of the colonial order. Ideas of European cooperation during the interwar period were thus pitched with the League in mind, and often even at the League itself. French foreign minister Aristide Briand presented a plan for a “Regime of European Federal Union” in the League’s assembly in 1929, proposing an association based on economic cooperation. The Briand Plan did not produce a concrete outcome, but it is regularly praised as an interwar predecessor to the post-1945 Franco-German rapprochement orchestrated by, among others, the League’s former Deputy Secretary-General Jean Monnet.<sup>46</sup> Overlooked, however, is the institutional similarity between Briand’s proposed economic association of European states within the framework of the League, and ECE as a European economic commission within the UN framework.

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<sup>41</sup> Speech delivered by the Secretary-General to the Staff Assembly, Geneva, 26 May 1953. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>42</sup> Sluga, *Internationalism in the Age of Nationalism*, 3.

<sup>43</sup> Mazower, *Governing the World. The History of an Idea*, 126-28.

<sup>44</sup> *Dark Continent. Europe’s Twentieth Century*, 40-76.

<sup>45</sup> Budget and Personnel of the League of Nations and the United Nations in the Years 1920 and 1946, respectively. UNARMS, S-0916-0002-010. League of Nations – Transfer of Personnel and Activities.

<sup>46</sup> Kevin Wilson and Jan van der Dussen, *The History of the Idea of Europe* (London: Routledge, 1995), 104.



**Fig. II.1** *Curious heritage: UN employees visit an exhibition of the League of Nation's collection of historic documents and works of art in the Palais des Nations. July 1947.*<sup>47</sup>

ECE's preoccupation with economic and technical questions was indeed a heritage of the League, although it did not originate in the high politics of the (failed) Briand Plan. Rather, the most tangible and lasting achievements of the League came from its back chambers. Its political arbitration work produced some results, most notably on the Åland islands, in Upper Silesia, or in Trieste. But the League had more lasting success in facilitating technical and economic cooperation, where national policies could be coordinated and synchronized rather than superseded or replaced. The international standardization of traffic signs, to give just one example, was orchestrated at the League.<sup>48</sup> While it "made a fiasco as a political organ for international peace and security", Gunnar Myrdal wrote in 1945, "the League carried out a great deal of useful, technical work in the economic, social and humanitarian field through its secretariat, various specialized commissions and expert committees".<sup>49</sup> When Myrdal became ECE's first Executive Secretary two years later, he

<sup>47</sup> UN Photo, Photo # 31745.

<sup>48</sup> Frank Schipper, "Unravelling hieroglyphs : Urban traffic signs and the League of Nations," *Métropoles*, no. 6 (2009).

<sup>49</sup> Gunnar Myrdal, "Speciella Organ På Det Ekonomiska Och Sociala Området," in *Fred Och Säkerhet Efter Andra Världskriget. Ett Svenskt Diskussionsinlägg*, ed. Utrikespolitiska Institutet (Uppsala: Almqvist & Wicksells, 1945).

turned this model – technical work through the secretariat and specialized expert committees, while deliberately marginalizing political organs – into the *modus operandi* for ECE.

The technocratic internationalism that constituted the League's technical work was thus a clear role model for ECE.<sup>50</sup> Technical cooperation at the League of Nations, in turn, had its roots in older IOs, like the International Telegraphic Union (ITU), and in inter-Allied supply management during World War I. Already in 1919, the League set up technical agencies, each of which would have its own conference, secretariat, and director, turning the League into a web of agencies rather than one monolithic organization. The structure of the League's technical agencies was mirrored at ECE, where dedicated Secretariat divisions and division directors supported the specialized expert committees (e.g. the Steel Committee and the secretariat's Steel Division). Most of the experts who ran the League's technical agencies were civil servants employed in member states' ministries, seeing themselves as technicians rather than diplomats. Their goal was to synchronize national decision-making with agreements they themselves had negotiated at the international level.<sup>51</sup> This particular mindset of an internationalist expert culture continued at ECE, as did much of the League's actual technical work.

Geneva had long been an international city when the UN's European Office took up its work. It was and still is the site of many IOs inside and outside the League / UN framework. Examples include the Red Cross, the International Labor Organization (ILO), or the International Broadcasting Union.<sup>52</sup> International life was a major factor to Geneva's prosperity. When the League's secretariat and its principal activities were evacuated to Princeton, New Jersey, in 1940, not only the Palais was left empty. Local business depended on the steady stream of diplomats to such an extent that in 1941, 6,000 apartments were reported vacant, and Geneva's total population declined to 125,000 compared with 143,000 in 1930.<sup>53</sup> The establishment of the UN's offices after the war quickly made up for lost revenue. Speaking to an audience of Swiss hotel managers and restaurant owners in 1950, the director of the European office estimated that all IOs in Geneva spent a combined 65,000,000 Swiss francs on goods and services annually, compared with just 30,000,000 before the war.<sup>54</sup> These figures show that Geneva during the early Cold War was not all about the memories of past failures and gloomy prospects for the future that Hammarskjöld's speech projected; it also allowed the optimistic celebration of the present. "I recall how thrilled and bewildered I was with those first days of working for the ECE", Jean Bauer later wrote to Myrdal. The ECE staff, she wrote,

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<sup>50</sup> On technocratic internationalism, see Kaiser and Schot, *Writing the Rules for Europe. Experts, Cartels and International Organisations* 6.

<sup>51</sup> *Ibid.*, 64-68.

<sup>52</sup> On IBU as an example of interwar European cooperation orchestrated from Geneva, see Nina Wormbs, "Standardising Early Broadcasting in Europe: A Form of Regulation," in *Bargaining Norms, Arguing Standards. Negotiating Technical Standards*, ed. Judith Schueler, Andreas Fickers, and Anique Hommels (The Hague: STT Netherlands Study Centre for Technology Trends, 2008).

<sup>53</sup> U.S. Consulate Geneva Record Book, 1928-1957. NARA: UD 3238-B.

<sup>54</sup> Cable on a speech by Mr. Moderow, Director, European Office of the United Nations, 20 February 1950. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 1, Folder 14, 103.01 ECE – General, Cables.

*“all had two favorite words – they were ‘urgent’ and ‘confidential’! I learned that the word ‘confidential’ always retained its awesome importance, but someone might consider a task ‘urgent’ and yet it could still wait for a two-hour lunch period while many of the staff would go to the lake for a swim. [...] It amazed me to see delegates arguing ferociously at a meeting and then chatting gaily at a party later. The parties were an education, too! Remember the costume affair where [...] I went as the ‘Spirit of the UN’ – all wrapped up in red tape?”<sup>55</sup>*

By entering UN service, Bauer and Judy Colyer had thus entered a world where high-stakes international politics and tedious discussions over technical details blended into a strange, yet enthralling daily grind against the backdrop of a panoramic alpine scenery. Everyday life was comfortable in the internationalist biotope. UN salaries were high, Geneva’s central location in Europe allowed frequent trips, and the glamour of working for the UN attracted well-educated people of different nationalities.<sup>56</sup> Bauer and Colyer describe their years at ECE in a lighthearted manner as a rapid sequence of cosmopolitan friendships, dances, and cocktail parties.<sup>57</sup> The importance of these social events to the day-to-day functioning of IOs should not be underestimated. Eyewitness accounts of international negotiations, be they historical or contemporary, offer the perhaps unsurprising insight that important agreements are often reached outside the official institutional settings – in the corridors, cafés, restaurants or bars.<sup>58</sup> In this way, postwar IOs were no different from their interwar predecessors.

Continuity was thus strong between ECE and the League. ECE, the largest of the UN organizations housed in the Palais, provided continuity to the League’s technical work, its euro-centrism, its daily routines, and also to several of its personnel. But ECE cannot simply be understood as a prolongation of interwar internationalism into the Cold War. American actors and their at first reluctant, then forceful acceptance of a new global role for the United States in planning and maintaining the peace decisively shaped ECE and the European order it sought to uphold. To get a better understanding of the influences that shaped ECE, we have to look beyond Geneva’s haunted palace, starting on the other side of the Atlantic.

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<sup>55</sup> Jean Bauer Fislser to Gunnar Myrdal, 11 July 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>56</sup> Siotis, "ECE in the emerging European System," 63.

<sup>57</sup> Postley and Fislser, *Behind the Iron Curtain. An Unedited, Unauthorized Draft*.

<sup>58</sup> Judith Schueler, Andreas Fickers, and Anique Hommels, "Implications for Research and Policy," in *Bargaining Norms, Arguing Standards. Negotiating Technical Standards*, ed. Judith Schueler, Andreas Fickers, and Anique Hommels (The Hague: STT Netherlands Study Centre for Technology Trends, 2008).

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 II.2.2 WASHINGTON, DC: INCOMPLETE INTERNATIONALISM
 

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In 1944, three years before ECE took up its work in Geneva, Harry Dexter White and his neighbor Paul R. Porter frequently shared a ride when commuting to their respective offices at the Treasury and the War Production Board in Washington, DC. In the car, the two friends liked to discuss what policy the United States should pursue in Europe after the war. White was an ardent proponent of making the de-industrialization of Germany a central objective for the United States. As a senior assistant to the Secretary of the Treasury, Henry Morgenthau Jr., White could claim to be the principal architect of the so-called Morgenthau Plan. The plan proposed a drastic reduction of Germany's productive capacity under military occupation. His neighbor, on the other hand, would later go on to head the US resident delegation at ECE. Porter was a self-labeled socialist and publisher of trade union newspapers from Wisconsin.<sup>59</sup> He had come to Washington to chair the War Production Board's Shipbuilding Committee. In his unpublished memoir, Porter described how listening to White's views on Europe gradually provoked him into defining his own:

*"Germany's industrial capacity should be put to work, as quickly as possible, in the service of the economic recovery of all of Europe. A failure to do so, I reflected, might jeopardize a re-establishment of democracy in Germany, impoverish both that nation and the rest of Europe for many years to come, and open the whole of the continent to Russian domination. [...] I decided to join the American Military Government in order to thwart, insofar as I could, the policy [...] which my friend and neighbor was promoting".<sup>60</sup>*

White and Porter's neighborly disagreement over Europe's future highlights just how contradicting American policy planning could be. The collapsing Nazi empire left room for fundamentally different ideas regarding the re-organization of international relations and of the European economy. On the surface, the war may have created an impression of national unity in the United States, but internal contradictions and unresolved disagreements about America's role in the world from the years of the New Deal and even before that were still virulent. These internal contradictions shaped the United States' approach to international organization in paradoxical ways. American internationalism was powerful, but incomplete, and its foreign policy doctrine with regard to Europe underwent a number of significant changes in the years leading up to the Marshall Plan.

Between 1920 and 1932, successive Republican administrations pursued an official policy of keeping the United States isolated from international conflict, but also from IOs.<sup>61</sup> In practice, however, American interest in the League of Nations was always more sustained than the conventional story of isolationism suggests: More than two hundred Americans at some point worked for the League, and the Rockefeller Foundation in particular supported

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<sup>59</sup> Oral History Interview with Paul R. Porter. Reston, Virginia, November 30, 1971 by Richard D. McKinzie and Theodore A. Wilson. The Harry S. Truman Library and Museum, <https://www.trumanlibrary.org/oralhist/porterpr.htm> [accessed 6 July 2017]

<sup>60</sup> Paul R. Porter: From Morgenthau Plan to Marshall Plan: A Memoir (draft, 28 April, 1980), ARBARK, Václav Kosteleckýs arkiv, 3332/3/1/1 Korrespondens 1949-1982.

<sup>61</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 11.

it financially.<sup>62</sup> The relationship between the United States and the League remained highly ambivalent during the early New Deal years.<sup>63</sup> When the existing tenets of international economic cooperation collapsed in the Great Slump of the 1930s, the United States was both a big shot and a loose cannon. But despite American ambivalence, the United States offered a lifeline to the League when its future hung in the balance after the Nazis overran Paris in 1940. While the International Labor Organization (ILO) moved its secretariat to Canada, the Rockefeller Foundation paid for the League secretariat's move to New Jersey. A dining hall at Princeton University thus became the hub of wartime League of Nations activities. By bringing some of the League's staff to America, predominantly its economists and statisticians, League veteran Arthur Sweetser and Rockefeller Foundation president Raymond Fosdick hoped to establish an approach to internationalism – practical, global, scientific, humanitarian – that could take root in America more easily than Wilsonian idealism.<sup>64</sup> Their ideas about a renewed, hands-on form of humanitarian internationalism clearly left a mark on UNRRA, the first civilian agency of the UN. The organizations that followed in UNRRA's wake, among them ECE, carried on this legacy of League-style practical internationalism with an American twist.

Even before entering the war, Washington had a central role in the anti-Hitler coalition's war effort. But it took time for this role to develop. In the face of the isolationism into which the United States had retreated after 1918 and even more so after the start of the Great Slump, a return in force to military intervention and to international organization was by no means self-evident. By the beginning of World War II, those who wanted to re-engage the United States in world affairs were still in a minority. In 1941, while the Axis powers patently displayed their aggressiveness, the US leadership found it difficult enough to move away from isolationism and produce an idea about the postwar order. The United States had barely recovered from prolonged depression and mass unemployment, and the future viability of liberal capitalism was doubtful to say the least. Authoritarianism and imperial dominance were in their prime; Britain was the only liberal power left to confront Hitler, and Japan was expanding into mainland Asia. British policymakers were keenly aware that they needed American support to win not only the war, but the peace after it, too.

Despite not having entered the war yet, Roosevelt joined Churchill in declaring shared war goals in the Atlantic Charter. The Charter proclaimed a set of principles of an alternative vision of world order.<sup>65</sup> It postulated that no territorial changes should be made against the wishes of the people; the right to self-determination; the restoration of self-government to those deprived of it; a reduction of trade restrictions; global cooperation to secure better economic and social conditions for all; freedom from fear and want; freedom of the seas; and abandonment of the use of force, as well as disarmament of aggressor nations. Dan Plesch calls it “a far-reaching agenda – an agenda that, in twenty-first century terms, is one of liberal social democracy”.<sup>66</sup> Liberal social democrats at the time were not particularly happy with the Atlantic Charter, as we shall see below, but Plesch's assertion shows how

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<sup>62</sup> Mazower, *Governing the World. The History of an Idea*, 192.

<sup>63</sup> Patel, *The New Deal. A Global History*, 134-39.

<sup>64</sup> Mazower, *Governing the World. The History of an Idea*, 193.

<sup>65</sup> Berghahn, Volker: August 1941. The Atlantic Charter and the Future of Europe. In: Themenportal Europäische Geschichte (2008), URL: <http://www.europa.clio-online.de/2008/Article=288>.

<sup>66</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 23.

deeply ambiguous the Charter was and still is. Still today, it carries strong symbolic meaning. The Atlantic Charter is listed as the first antecedent document of both the UN and NATO. It is open to very different interpretations, and produced reactions unforeseen by its authors. Nelson Mandela, for instance, refers to it as the spark for the ANC's Africans' Claims in South Africa, and for the demand to end Apartheid.<sup>67</sup> The Charter's ambiguity was the result of its authors' different stances on empire: "It was both an international commitment to dismantle the European empires (the American view) and a reaffirmation (for Britain) of the Victorian idea that Europeans were fit for sovereignty and others not", writes Mark Mazower; the Charter "was wartime propaganda and acquired meanings in the colonies that Churchill had not foreseen".<sup>68</sup> Importantly, however, the Atlantic Charter is evidence to the weight that both leaders placed on politics and economic cooperation as a tool of military victory.<sup>69</sup> It was an expression of two crucial decisions: first, Roosevelt's determination to defeat the isolationists at home, and second, the affirmation that peace and security were inseparable from economic and social questions.

Once America became involved in the war, Washington quickly took over from London as the planning capital of the world. Less than a month after the Japanese attack on Pearl Harbor, British and American leaders convened again in Washington and produced the Declaration by United Nations. The document formalized and reaffirmed the goals of the Atlantic Charter and was signed later by 26 Allied governments. It was the first official use of the term "United Nations", and laid the ground for the wartime Alliance that would later be transformed into today's world organization. In his biography on Churchill, former President of the European Commission Roy Jenkins writes that the Declaration strengthened "Washington's position as the imperial capital of the Allied war effort, although with Stalin maintaining a semi-independent position as Emperor of the East".<sup>70</sup> If the important work during World War I had been done in the United Kingdom, Whitehall now was too preoccupied with survival to worry too much about postwar world order.<sup>71</sup> With the bulk of the planning effort for both war and peace concentrated in Washington, the contradictions in American policy began to leave their mark on the future international order.

One of the most prominent academics that came to spell out these contradictions was ECE's later Executive Secretary. Gunnar Myrdal took a lifelong personal and academic interest in US society, and his analyses reveal earnest fascination with the United States as well as a deep-rooted skepticism toward its capacity to lead on a world stage. A US diplomat described Myrdal as "entertaining though not entirely convincing in his favorite role of America's best friend and severest critic".<sup>72</sup> This role of the critical Americophile was long in development. During the academic year 1929/30, Myrdal and his wife Alva were both Rockefeller stipendiaries, arriving in New York just in time to witness the stock market crash and the Great Depression unfold. Their year in America was an important

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<sup>67</sup> Nelson Mandela, *Long Walk to Freedom* (London: Little, Brown and Company, 1994).

<sup>68</sup> Mazower, *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations*, 55.

<sup>69</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 23.

<sup>70</sup> Roy Jenkins, *Churchill* (London: Pan Books, 2002), 676.

<sup>71</sup> Mazower, *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations*, 58.

<sup>72</sup> Office of the US High Commissioner for Germany, Dr. Gunnar Myrdal's Call upon the High Commissioner – Federal Republic Participation in the Economic Commission for Europe, October 23, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

turning point for them. For the first time, the Myrdals witnessed slums, racial tensions, and extreme poverty, all aggravated by the economic crisis. This experience left both of them “politically conscious“, as Gunnar put it in an interview.<sup>73</sup> He decided to leave his intellectual preoccupation with economic theory behind, because “when you are dealing with the wrongs in society you don’t get very far with that”. From now on, both Myrdals saw “politics, interference in society as a purpose in life”.<sup>74</sup>

In 1938, already accomplished as a public intellectual and politician in Sweden, Gunnar came back to New York to lead a research project on race relations and democracy for the Carnegie Corporation. It was one of the biggest social science projects hitherto executed. Almost 100 people contributed, occupying an entire floor in the Chrysler Building.<sup>75</sup> One of the contributing researchers was Ralph J. Bunche, an African-American political scientist who later received the Nobel Peace Prize for his mediation in Israel, and became one of Dag Hammarskjöld’s closest associates at UNHQ. The project concluded with Myrdal’s book *An American Dilemma: The Negro Problem and Modern Democracy* (1944). The book became a sociological classic, with a lasting impact on the Civil Rights Movement of the 1950s and 60s.<sup>76</sup> In it, Myrdal combined a detailed sociological analysis with a clear-cut political message: If America could overcome racial segregation and fulfill its own democratic promise at home, it would rightfully assume world leadership in a postwar democratic order.<sup>77</sup> With his analysis, Myrdal established a connection between domestic social cohesion, democracy, and America’s bid for global leadership. This connection was epitomized in Detroit: While American motor vehicles produced there were shipped en masse to the Soviet Union under the Lend-Lease program, enabling the Red Army’s rapid advances against Nazi Germany from 1943 onwards, Detroit was also the scene of several civil rights riots during the war.<sup>78</sup> America’s fight for freedom and democracy abroad while African-Americans remained oppressed at home highlights another sphere where US internationalism remained incomplete. Mahatma Ghandi argued about the Atlantic Charter that the British-American declaration sounded “hollow, so long as India and, for that matter, Africa are exploited by Great Britain, and America has the Negro problem in its own home”.<sup>79</sup> Progressive forces in America were, overall, perhaps more successful abroad than at home. The Marshall Plan and the encouragement of Western European cooperation under Washington’s control were achievements with a lasting impact. But at home, reactionary politics intent on keeping African-Americans and organized labor in their place ascended at the end of the New Deal and WWII era, enhanced by the rhetoric of anti-communism.

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<sup>73</sup> Quoted in James Angresano, *The Political Economy of Gunnar Myrdal: An Institutional Basis for the Transformation Problem* (Cheltenham, UK and Lyme, NH1997), 46.

<sup>74</sup> Glenda Sluga, "The Human Story of Development: Alva Myrdal at the UN, 1949-1955," in *International organizations and development, 1945-1990*, ed. Marc Frey, Sören Kunkel, and Corinna R. Unger, *Transnational History Series* (Basingstoke: Palgrave Macmillan, 2014).

<sup>75</sup> Etzemüller, *Die Romantik der Rationalität. Alva & Gunnar Myrdal. Social Engineering in Schweden*, 253.

<sup>76</sup> Maribel Morey, "A Reconsideration of An American Dilemma," *Reviews in American History* 40, no. 4 (2012).

<sup>77</sup> Gunnar Myrdal, Richard Sterner, and Arnold Marshall Rose, *An American dilemma : the Negro problem and modern democracy* (New York; London: Harper and brothers publ., 1944), 1022-24.

<sup>78</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 184-86.

<sup>79</sup> Quoted in Patel, *The New Deal. A Global History*, 275.

A key question where American ambivalence led to ambivalent institutions was whether the world should be organized along regional or universal lines. Churchill's preference was a regional arrangement, which would have ensured the British Empire's dominance in several world regions.<sup>80</sup> The governments-in-exile of small European powers like Norway or the Netherlands were opposed to regionalism, regarding it as an expression of the traditional British balance of power politics they saw as the root cause of the League's failure.<sup>81</sup> Opinions within the Roosevelt administration diverged. The White House was initially thinking along regionalist lines, suggesting that "Four Policemen" – the United States, Britain, the Soviet Union, and China – could each take care of one world region, while everyone else should be disarmed. Influential officials in the State Department like Sumner Welles and Cordell Hull, on the other hand, rejected regionalism in favor of a universal setup they thought to be more adaptive to changing circumstances. Hull suggested a new global organization of which every nation should be a member, and wherein no regional sub-organs existed. Regional organizations, he feared, would risk new conflicts and could hinder access to certain markets for the United States.<sup>82</sup> At an inter-Allied conference in October 1943, the Soviet Union committed to a universal organization, while Britain's regionalist preferences found no expression in the Great Powers' declaration. Hull and Welles' argument had succeeded, at least for long enough to allow the planning of the universal United Nations Organization. But already the so-called percentages agreement of October 1944 between Churchill and Stalin was a de facto division of spheres of influence – and, hence, a violation of the Atlantic Charter and the universalist rhetoric of the UN.<sup>83</sup> The idea of the "Four Policemen" and the rightful dominance of a handful of Great Powers did never go away, either. It is deeply ingrained in the UN's Security Council with its five permanent member states and their veto power. Moreover, the idea of regional organization was able to sneak back in on the State Department's work floor level once the war was over, this time in the guise of European federation.

By the end of World War II, a new foreign policy doctrine became dominant in the State Department that combined interventionist internationalism under American leadership with anti-communism, and that allowed the return of regionalism. Anti-communism had hitherto had relatively little impact in planning for peace. "Roosevelt saw no need to fear Communism if an international organization existed", Welles wrote, "it need be feared as a disruptive force only if the world were divided into two armed camps, one headed by the Soviet Union and the other by the English speaking powers".<sup>84</sup> By the time Welles' published these lines in 1946, a split between the wartime Allies and the emergence of two camps already seemed like a foregone conclusion. Domestically, FDR's death and the Republican landslide in the 1946 Congressional elections marked a turning point that allowed the re-entry of regionalism into American policy planning. Appeasing Congress became a central motive to US leadership in international affairs, and prevailing distrust toward communism and the Soviet Union laid the groundwork for the emerging Cold War mindset. Junior officials in the State Department, among them Walt Rostow, Charles

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<sup>80</sup> John Kent, "British Postwar Planning for Europe," in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002).

<sup>81</sup> Siotis, *Essai sur le secrétariat international*, 125-30.

<sup>82</sup> Clemens, Reinfeldt, and Wille, *Geschichte der Europäischen Integration. Ein Lehrbuch*, 63.

<sup>83</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 173.

<sup>84</sup> Sumner Welles, *Where Are We Heading?* (New York: Harper & Sons, 1946), 37.

Kindleberger, and Paul Porter, championed a line of thought whereby America should facilitate regional unity in Europe as a deterrent to Soviet dominance. “The best offset to Russian domination of Europe will be an economically unified Europe”, Porter wrote:

*“The aim should be an economic federation within which goods would move through a minimum of barriers; with, if not a common currency, at least currencies which are freely convertible; with co-ordinated investment programs directed toward giving all members equal access to sufficient coal, electric power, basic industrial and agricultural products, and transport routes; and with maximum mobility of labor. [...] Economic federation in Europe is an objective which, under any circumstances, can well afford to stand on its own merits; but Russian expansionism now lends it a special urgency”.*<sup>85</sup>

Ideas of European federation had hitherto not had a place in American thinking – neither in Roosevelt’s concept of the “Four Policemen”, nor in Hull’s complete rejection of regional institutions. It was “by no means self-evident that a united Europe is in the interest of the United States”, Eugene Rostow reminded his readers still in the early 1990s.<sup>86</sup> Together with his brother Walt and others, Rostow had worked for decades to convince Americans that a united Europe was, indeed, beneficial to the United States. The vision they promoted was one of transcending nationalism in favor of a European unity built on economic cooperation, including Germany, and minimizing national autarky. Kindleberger, the Rostows, and others postulated that “symbols of nationalism” in France, Italy and Germany were “essentially bankrupt and in danger of being captured by reactionary and neo-fascist political elements which we do not wish to support”. Instead, the United States should promote a “recovery plan which stresses the raising of European production and consumption through the economic and ‘functional’ unification of Europe”.<sup>87</sup> Economic integration would not only unleash the productive power of European enterprise, but also facilitate a successful resolution of the German problem. Porter and Walt Rostow wanted to achieve a continental economy capable of making full use of Germany’s productive power. Porter argued that an international framework controlling key German resources would not only satisfy the security concerns of Germany’s neighbors, but also clear the way for a German revival beneficial to the entire continent. Trade liberalization, currency convertibility, and coordinated investment programs would further contribute to economic integration, facilitating greater productivity and a balanced recovery throughout Europe.<sup>88</sup> American planners were seeking to build a European order that seemed utopian at a time when vast stretches of the continent were smoking ruins. On the one hand, the young planners in the State Department were seeking a brave new world; on the other hand, they were constantly looking for evidence of communist evil-doing, at home and abroad. Their line of thought became the foundation for ECE and, later, the Marshall Plan, and hence for both European integration and bloc formation in the early Cold War.

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<sup>85</sup> Cited in: Paul R. Porter: *From Morgenthau Plan to Marshall Plan: A Memoir* (draft, 28 April, 1980), ARBARK, Václav Kosteckýs arkiv, 3332/3/1/1 Korrespondens 1949-1982.

<sup>86</sup> Eugene V. Rostow, *A breakfast for Bonaparte. US National Security Interests From the Heights of Abraham to the Nuclear Age* (Washington, DC: National Defense University Press, 1992), 367.

<sup>87</sup> Quoted in Michael J. Hogan, "European Integration and the Marshall Plan," in *The Marshall Plan: A Restrospective*, ed. Stanley Hoffmann and Charles S. Maier (Boulder and London: Westview Press, 1984), 4.

<sup>88</sup> *Ibid.*

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 II.2.3 STOCKHOLM: STUCK IN THE MIDDLE
 

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Back in Europe, not everyone was impressed with the Atlantic Charter and the prospect of an anti-communist *Pax Americana*. In neutral Sweden, a remarkable group of social democrats in exile were outspoken about their resistance to it. Fourteen nationalities were represented at the meetings of the *Internationale Gruppe demokratischer Sozialisten* (International Group of Democratic Socialists) in Stockholm. This group came to constitute a significant influence on ECE. The majority of its members came from Scandinavia, Germany, and Central-Eastern Europe; their working language was German. Myrdal, who had just returned to Stockholm after finishing *An American Dilemma*, participated in the group's semi-secret meetings as an informal liaison to the Swedish labor party SAP. The SAP leadership, careful not to upset Nazi Germany, remained aloof from the exiles. At the *Internationale Gruppe*, Myrdal made a number of important contacts that were decisive in making him Executive Secretary at ECE. David Owen, UN Assistant Secretary-General for Economic Affairs, proposed Myrdal for the position.<sup>89</sup> Owen met Myrdal when he was a liaison officer for the Royal Air Force in Sweden and participated in some of the *Internationale Gruppe's* meetings. The first UN Secretary-General Trygve Lie, a Norwegian social democrat, knew Myrdal through his own contacts in the group. Wlodek Malinowski, a Polish economist, came to Stockholm as a refugee with the help of a Swedish rescue committee that included the Myrdals. Malinowski later joined the UN secretariat in New York and became chief of ECOSOC's Regional Commissions Section, the unit coordinating ECE and the other regional commissions at UNHQ.<sup>90</sup> Another member of the rescue committee was Karin Kock, a fellow economist who would later chair ECE's Commission sessions as Swedish head delegate.

As a reaction to the Atlantic Charter, the group published its own manifesto on Labor Day 1943. The *Peace Goals of the International Group of Democratic Socialists* were a continental, leftist response to the Anglo-American war goals. Among the manifesto's authors were Martin Tranmæl, veteran Norwegian labor leader, Willy Brandt, who would go on to become West German chancellor in 1969, Bruno Kreisky, Austrian chancellor in 1970, and Myrdal.<sup>91</sup> The *Peace Goals* criticized the Atlantic Charter for lacking the commitment to safeguard small nations against aggressive dictatorships. While the Charter emphasized the right to national self-determination, the Anglo-American designs for a postwar world order that were discussed at the time spoke a different language: Both Churchill's imperialism and Roosevelt's "Four Policemen" showcased obliviousness, almost disdain for the fate of small nation states. To counter such plans, the *Peace Goals* proposed a loosely federal European system, embedded in the global organization of a revived League of Nations. Their version of a federal Europe was an alliance of small and neutral countries at Europe's center, including a de-Nazified and significantly weakened Germany, and stretching from the Arctic to Sicily.<sup>92</sup> This neutral bloc, stuck in the middle between the liberal democracies in the west and the Soviet Union in the east, should

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<sup>89</sup> Appelqvist, "Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery," 341.

<sup>90</sup> See footnote 20 in Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 45.

<sup>91</sup> Klaus Misgeld, *Die "Internationale Gruppe demokratischer Sozialisten" in Stockholm, 1942-1945: Zur sozialistischen Friedensdiskussion während des Zweiten Weltkrieges* (Uppsala: Almqvist & Wicksell, 1976).

<sup>92</sup> Gunnar Myrdal to Václav Kostecký, cited in Örjan Appelqvist, "Gunnar Myrdal i Svensk politik 1943-1947: En Svensk Roosevelt och hans vantolkade nederlag," *NORDEUROPAforum* 9, no. 1 (1999). n.p.

counterbalance and mediate between the Great Powers. International cooperation in the economic and social area should replace rivalries between states and the anarchy of capitalist economies. The manifesto's authors emphasized that the European federation they proposed was not inherently anti-communist. Instead, they wanted to positively engage the Soviet Union in economic cooperation. European social democracy should not only promote a middle way between capitalism and communism, but also mediate between the western democracies and the USSR. While no party or government adopted the manifesto after the war, it clearly influenced the later political practice of its authors. The *Peace Goals* echo in Brandt's *Ostpolitik*, Kreisky's tireless work as a mediator between East and West, and Myrdal's formative tenure as Executive Secretary at ECE.<sup>93</sup>

Stockholm was crucial to ECE's formation and early years for a number of reasons, some of them more direct than others. First, the most direct and most obvious connection was Myrdal himself. Myrdal's experience as a public intellectual and politician in Sweden during the 1930s and '40s deeply influenced the strategic goals he set for ECE. Second, Sweden was home to a small, but prominent intellectual elite that came to hold a disproportionate amount of influential positions at various IOs. Examples include Dag Hammarskjöld (UN Secretary-General), Alva Myrdal (head of the social science section at UNESCO), Ivar Rooth, and Per Jacobsson (both managing directors at the IMF). During the Cold War, Swedes were easy compromise candidates whenever such influential positions needed to be filled. The intellectual circles these people came from, however, were small and locally concentrated in Stockholm. People like Hammarskjöld and Myrdal knew each other long before entering UN service, and took existing friendships or rivalries with them from the national to the international level.<sup>94</sup> Third, the so-called Swedish Model of an interventionist social welfare state, the groundwork of which had been laid in the interwar period, became a point of reference for both the devotees and the opponents of planning and state intervention. Since the 1930s, the Swedish Model has been frequently described as a "middle way" between the unhinged excesses of capitalism and totalitarian communism. In the minds and debates of those commenting on Sweden from abroad, Sweden showcased what a liberal democracy using planning in peacetime was capable of – for better or worse. Depending on the commentators' own political leanings, Sweden served either as a shining egalitarian utopia or a crushing anti-individualist dystopia.<sup>95</sup> Sweden was thus caught in a difficult political situation. It was maneuvering to participate in Western economic and political cooperation while at the same time trying to maintain a neutral stance between East and West.<sup>96</sup> In the geopolitical confrontation as well as the systemic conflict of the unfolding Cold War, neutral Sweden was stuck in the middle, similar to ECE – which has also been described as a "middle way".<sup>97</sup>

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<sup>93</sup> Krause and Stinsky, "For Europe, Democracy and Peace: Social Democratic Blueprints for Postwar Europe in Willy Brandt and Gunnar Myrdal's Correspondence"; Klaus Misgeld, "Politik für Österreich. Bruno Kreisky och Sverige," *Arbetshistoria* 125, no. 1 (2008).

<sup>94</sup> Örjan Appelqvist, "A Hidden Duel: Gunnar Myrdal and Dag Hammarskjöld in Economics and International Politics 1935-1955," *Stockholm Papers in Economic History* 2(2008).

<sup>95</sup> Jenny Andersson, "Nordic Nostalgia and Nordic Light: the Swedish model as Utopia 1930-2007," *Scandinavian Journal of History* 34, no. 3 (2009).

<sup>96</sup> Göran Ahlström and Benny Carlsson, "Hammarskjöld, Sweden and Bretton Woods," *Sveriges Riksbank Economic Review*, no. 3 (2005): 76.

<sup>97</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions' Experience," 5.

Already in the interwar period, intellectual circles in Stockholm were highly internationalized for their time. Swedish economists, like Gustav Cassel, Knut Wicksell, or Gösta Bagge, enjoyed great international standing in the 1910s and '20s. For their successor generation, it was natural to seek international contacts early on in their careers. During Myrdal's work on his PhD thesis in the mid-1920s, he and his wife Alva spent many months in London and Kiel. They later aided several acquaintances from this time in Germany to escape to Sweden from Nazi prosecution, among them the influential trade union economist Klaus Meidner. Following a year in America as Rockefeller stipendiaries in 1929/30, Gunnar went on a visiting professorship to the Graduate Institute of International Studies in Geneva. At the institute, he met several people who later filled important roles at the UN, like the American director of the ECE Research Division Hal B. Lary, and the Austrian Egon Glesinger, who later worked at the Food and Agricultural Organization (FAO) in Rome.<sup>98</sup> Glesinger and Myrdal would work closely together in ECE's and FAO's shared secretariat divisions on timber and agriculture. The Myrdals returned to Stockholm in 1931, following life-changing international experiences and a far-ranging network of international contacts in Europe and the United States.

By that time, Sweden was at a political turning point. It was badly hit by a series of domestic economic and political crises aggravated by the global crisis. But while either conservative stasis or a turn toward authoritarianism prevailed in continental Europe, the Scandinavian countries managed to avoid a breakdown of democratic institutions. Sweden was the site of some of the boldest responses to the global crisis by a reformist political leadership.<sup>99</sup> Planning and proto-Keynesian macroeconomic policies were central to Sweden's coping with unemployment and economic crisis. Deficit spending was used not only to provide emergency relief, but also to create jobs on public works projects and enhance popular social security. The relative success of these programs constituted the political basis for several decades of virtually unchallenged social democrat rule. Experts and planners, especially social scientists, were key actors in the discourse and politics of 1930s Sweden.<sup>100</sup> One British scholar was impressed with the "great respect" being "paid to the professional economist", and found it curious that although Swedish economists "often take part in the hurly-burly of politics, the authority attaching to their pronouncements is not thereby weakened".<sup>101</sup> Preexisting institutions cemented the strong standing the comparatively young social sciences enjoyed. Swedish society changed fundamentally in the early 20<sup>th</sup> century, from an agrarian, bureaucratic monarchy into an industrial, parliamentary democracy. Despite the introduction of universal suffrage and a parliamentary government, public policy-making did not devolve into parliamentary bargaining. Instead, leaders of political parties and economic interest groups were absorbed into modernized versions of Sweden's ancient system of state-centered, consultative policy-making. Investigatory commissions and parliamentary committees, once tools of the monarchical bureaucracy, carried on in the new democratic polity. Such bodies mobilized

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<sup>98</sup> Andersson, "An International Network of Contacts in the Archives of Alva and Gunnar Myrdal."

<sup>99</sup> Margaret Weit and Theda Skocpol, "The State Structures and the Possibilities for "Keynesian" Responses to the Great Depression in Sweden, Britain, and the United States," in *Bringing the State Back In*, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985), 107-08.

<sup>100</sup> *Ibid.*

<sup>101</sup> Brinley Thomas, *Monetary Policy and Crises: A Study of Swedish Experience* (London: Routledge, 1936), xviii.

the expertise of the modern social sciences through the direct participation of researchers in their investigations.<sup>102</sup>

Particularly influential on both the political and the theoretical level, but also for ECE, was the *arbetslöshetsutredning*, a committee of inquiry on unemployment appointed in 1926.<sup>103</sup> Myrdal joined in 1931, after returning from Geneva. Hammarskjöld, then a graduate student in his mid-20s, was the committee's secretary.<sup>104</sup> Two other committee members would later occupy important positions at ECE: Karin Kock became Swedish head delegate and long-serving chairwoman at ECE's annual Commission sessions, and Ingvar Svennilson was the author of a major study on European recovery for the ECE Research Division.<sup>105</sup> After the election of an SAP government in 1932, countercyclical spending as suggested by the *arbetslöshetsutredning* became government policy. Besides its political impact, the committee was the intellectual nucleus for a Swedish brand of proto-Keynesian economics labeled the "Stockholm School". Reacting to the publication of Keynes' *General Theory* in 1936, committee member Bertil Ohlin argued that the Swedish unemployment committee had published similar ideas already four years earlier.<sup>106</sup> The policy recommendations issued by the committee and their theoretical work were indeed a form of Keynesianism *avant la lettre*. Myrdal's was the most radical voice in propagating countercyclical, debt-financed spending to achieve full employment. Ohlin and Hammarskjöld favored a less interventionist approach of "framework planning" through monetary instruments and infrastructure investments.<sup>107</sup> It is, however, hardly convincing to call the committee members a "school", since their collaboration remained temporary, and did not constitute a coherent economic theory.<sup>108</sup>

The *arbetslöshetsutredning* was the first professional encounter between Myrdal and Hammarskjöld, two economists who remained lifelong rivals and, sometimes, temporary allies in academia, in government, and at the UN. Hammarskjöld was the descendant of a noble family with a long tradition of duty in the centuries-old Swedish civil service, and grew up in the stately Uppsala castle. His father had been prime minister, and his two older brothers were a state secretary and a diplomat. Myrdal, on the other hand, was an intellectual *homo novus*, taking pride in his peasant upbringing and the proverbial stubbornness of the *dalabonde*, a farmer from Dalarna province. In 1933, Myrdal became both a full professor and a member of the Swedish parliament's Upper House. The Rockefeller Foundation noted with content in its files that Myrdal was "rapidly becoming the driving force in intellectual circles in Stockholm", and that the Foundation had "placed

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<sup>102</sup> Weit and Skocpol, "The State Structures and the Possibilities for "Keynesian" Responses to the Great Depression in Sweden, Britain, and the United States," 130.

<sup>103</sup> Eskil Wadensjö, "The Committee on Unemployment and the Stockholm School," in *The Stockholm School of Economics Revisited*, ed. Lars Jonung (Cambridge, MA: Cambridge University Press, 1991).

<sup>104</sup> Örjan Appelqvist, "Civil Servant or Politician? Dag Hammarskjöld's Role in Swedish Government Policy in the Forties," *Sveriges Riksbank Economic Review*, no. 3 (2005): 83.

<sup>105</sup> Ingvar Svennilson, *Growth and stagnation in the European economy* (Geneva: United Nations, 1954); Kirsti Niskanen, *Karriär i männens värld : nationalekonomen och feministen Karin Kock* (Stockholm: SNS förlag, 2007).

<sup>106</sup> Bertil Ohlin, "Some Notes on the Stockholm Theory of Savings and Investment," *Economic Journal* 47(1937).

<sup>107</sup> Assar Lindbeck, "Dag Hammarskjöld as Economist and Government Official," *Sveriges Riksbank Economic Review*, no. 3 (2005): 9-10.

<sup>108</sup> Etzemüller, *Die Romantik der Rationalität. Alva & Gunnar Myrdal. Social Engineering in Schweden*, 60.

its money on a winning horse”.<sup>109</sup> At Hammarskjöld’s PhD defense at the Stockholm School of Commerce later that year, Myrdal served as the faculty opponent.<sup>110</sup> The defense turned into a fierce intellectual battle between the two economists. After six hours, recalled the second opponent Karin Kock, “Hammarskjöld and Myrdal had only finished *their* discussion. So I had only one hour for my little opposition”.<sup>111</sup> Myrdal concluded by suggesting bluntly that Hammarskjöld’s qualities might find a better place in a career other than academia.<sup>112</sup>

For Hammarskjöld, a career in government service was more or less preordained. Like his father, the prime minister, Hammarskjöld never joined a political party. The Hammarskjöld family’s understanding of government rested on a pre-democratic dedication to kingdom and public service. In the run-up to the 1932 election, Ernst Wigforss, one of the leading figures in the SAP, had asked Myrdal to flesh out the theoretical basis for a new unemployment policy. Myrdal’s paper was attached to the election manifesto. But when Wigforss became minister of finance after the social democrats’ election victory, he appointed the newly graduated Hammarskjöld as his undersecretary and right-hand man. As such, Hammarskjöld was largely in charge of implementing the new government’s financial policy. In translating Myrdal’s suggestions from the manifesto into policy, Hammarskjöld was much more conservative than what Myrdal had envisioned. While Myrdal’s political career stalled, Hammarskjöld became the *éminence grise* of Swedish financial and monetary policy.<sup>113</sup> Myrdal described their personal relationship during that time as “regular, although not particularly warm”.<sup>114</sup> While he and Alva were outspoken public intellectuals, hosting frequent social gatherings of academics, architects, politicians and other radical modernizers, Hammarskjöld secluded his private life completely. Alva Myrdal recalled that Hammarskjöld must have been at their house for dinner at least 20 times, but never issued an invitation himself.<sup>115</sup> Despite his strong role in public discourse, Myrdal found that he could exercise little direct influence on the implementation of policy, not least because Hammarskjöld was blocking his more radical ideas. Frustrated, Myrdal left Sweden in 1938 for New York to work on *An American Dilemma*.

After the war, this pattern continued on the international level. As minister of commerce in the postwar government, Myrdal forged an ambitious trade and credit agreement with the

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<sup>109</sup> Rockefeller Foundation Records, Projects, RG 1.1 (FA386). Series 800: Sweden; Subseries 800.S: Sweden – Social Sciences. Folder: Myrdal, Karl Gunnar, 1932-35, Box 10, Folder 101.

<sup>110</sup> Dag Hammarskjöld, *Konjunkturspridningen. En teoretisk och historisk undersökning* (Stockholm: P.A. Horstedt & söner, 1933).

<sup>111</sup> Quoted in Joseph P. Lash, *Dag Hammarskjöld: Custodian of the Brushfire Peace* (Garden City, NY: Doubleday, 1961), 29.

<sup>112</sup> Örjan Appelqvist, "A Hidden Duel: Gunnar Myrdal and Dag Hammarskjöld in Economics and International Politics 1935-1955," *Stockholm Papers in Economic History* 2(2008): 3-4.

<sup>113</sup> Hans Landberg, "Time for Choosing. Dag Hammarskjöld and the Riksbank in the Thirties," *Sveriges Riksbank Economic Review*, no. 3 (2005); Göran Ahlström and Benny Carlson, "Hammarskjöld, Sweden and Bretton Woods," *ibid*.

<sup>114</sup> "Archival Finding Aid of the UNRRA Records,"

[https://archives.un.org/sites/archives.un.org/files/files/Finding%20Aids/Predecessors/AG-018\\_IRO.pdf](https://archives.un.org/sites/archives.un.org/files/files/Finding%20Aids/Predecessors/AG-018_IRO.pdf). recorded interview, Václav Kostecký intervjuar Alva och Gunnar Myrdal om Dag Hammarskjöld, Mariefred. Recorded 22 June 1979. KB: audiovisuella samlingen.

<sup>115</sup> *Ibid*.

Soviet Union. But Hammarskjöld, now state secretary in the Foreign Office, quietly organized Sweden's *Westintegration*. At the pan-European ECE, Myrdal regarded it as his personal mission to save East-West cooperation, while Hammarskjöld was instrumental in creating ECE's greatest competitor, the Western European OEEC. In 1953, Hammarskjöld and Myrdal were both short-listed candidates for UN Secretary-General.<sup>116</sup> Congratulating Hammarskjöld on his election, Myrdal wrote that after much thought, he concluded that Hammarskjöld was the best possible man for the job, hoping for strong cooperation between UNHQ in New York and the European office in Geneva.<sup>117</sup> But his frequent attempts to set up a private meeting with Hammarskjöld did not lead anywhere. As Secretary-General, Hammarskjöld centralized the UN secretariat, to some extent curbing the autonomy Geneva had previously enjoyed.

When Hammarskjöld died in a plane crash in Congo in 1961, Myrdal gave an obituary speech at Stockholm University. In the speech, Myrdal predicted that Hammarskjöld "will live on as a myth and a symbol. He will continue to serve as he always did, but henceforth unable to influence what interests he will serve [...] Eventually historical research will force its way through the mythmaking, even if it may take a long time before all the facts are elucidated".<sup>118</sup> Myrdal's predictions turned out to be correct. The mysterious circumstances of his death, his celibate lifestyle, and the posthumous publication of *Markings*, his spiritual diary of Christian mysticism, shaped a popular image of Dag Hammarskjöld as a modern-day saint, a martyr for the cause of world peace.<sup>119</sup> While a voluminous body of literature exists on Hammarskjöld, historical research has of yet only begun to "force its way through the mythmaking" and illuminate Hammarskjöld's political career and his role in international civil service.<sup>120</sup> The story of Hammarskjöld and Myrdal's lifelong rivalry shows how the UN idea, while formulated for the most part in Washington and building on the heritage of the League of Nations, could be formed by individuals with their very own grievances and agendas once it had been translated into institutions. ECE's self-declared aim of providing a bridge between East and West was another example: It was deeply rooted in Myrdal's inclusive trade policy toward the Soviet

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<sup>116</sup> Alva Myrdal, who was at UN Headquarters when the Security Council convened, claims this in an interview. Tape recorded interview, Václav Kostecký intervjuar Alva och Gunnar Myrdal om Dag Hammarskjöld, Mariefred. Recorded 22 June 1979. KB: audiovisuella samlingen.

<sup>117</sup> Gunnar Myrdal to Dag Hammarskjöld, 8 April, 1953. ARBARK: Gunnar Myrdals arkiv, Handlingar rörande Gunnar Myrdals verksamhet, Economic Commission for Europe 1947-57, 405-4-2-7-1. ECE Policy and the Marshall Plan.

<sup>118</sup> Quoted in Appelqvist, "A Hidden Duel: Gunnar Myrdal and Dag Hammarskjöld in Economics and International Politics 1935-1955."

<sup>119</sup> Dag Hammarskjöld, *Markings* (London: Faber and Faber, 1963). Roger Lipsey, *Hammarskjöld: A Life* (Ann Arbor: University of Michigan Press, 2013). In a similar vein: Jodok Troy, "Dag Hammarskjöld: An International Civil Servant Uniting Mystics and Realistic Diplomatic Engagement," *Diplomacy & Statecraft* 21, no. 3 (2010).

<sup>120</sup> The most thorough critical reflection on Hammarskjöld and his legacy is Carsten Stehn and Henning Melber, eds., *Peace Diplomacy, Global Justice and International Agency. Rethinking Human Security and Ethics in the Spirit of Dag Hammarskjöld* (Cambridge: Cambridge University Press, 2014). On Hammarskjöld in Swedish politics, see the contributions in the special issue "Dag Hammarskjöld 100<sup>th</sup> Anniversary" (2005:3) of *Sveriges Riksbank Economic Review* and Cay Sevón, *Visionen Om Europa: Svensk Neutralitet Och Europeisk Återuppbyggnad 1945-1948* (Saarijärvi: Gummerus Kirjapaino Oy, 1995). On his Secretary-Generalship, see e.g. Peter B. Heller, *The United Nations under Dag Hammarskjöld, 1953-1961* (Lanham: Scarecrow Press, 2001); Brian Urquhart, *Hammarskjöld* (New York: Alfred A. Knopf., 1972).

Union as minister of commerce 1945-1947, and his wartime involvement with the group of exiled social democrats.

Already in the fall of 1943, shortly after the publication of the *Peace Goals*, Myrdal returned to America to negotiate about re-establishing trade contacts on behalf of the Swedish government. Swedish neutrality during World War II was highly ambiguous. On the one hand, Sweden supported Danish and Norwegian resistance fighters; on the other hand, it also supported Finland against the Soviet Union and supplied the German war economy with iron ore, pulp, and machinery.<sup>121</sup> Exporting to Nazi Germany was lucrative, but relations to the Allied countries suffered. Myrdal's good reputation and contacts in the United States made him the ideal candidate to try and fix commercial relations. But the mission was an uphill battle. Myrdal's assistant Tore Browaldh described their meeting with Harry Dexter White at the US Treasury as filled with open hostility. White's "look was almost one of hatred", and he finished the meeting by declaring that "the right moment for a discussion of this kind would be when Sweden again belongs to the family of nations". Hammarskjöld, similarly, was told at the Bank of England that "Sweden is probably the most unpopular country in Europe and in many quarters you will no doubt be regarded as potential spies".<sup>122</sup>

After three months in the United States, Myrdal did not return with a trade agreement, but with a new political manifesto. In his book *Varning för fredsoptimismen* (Warning of peace optimism), he warned that the alliance between the United States, Britain, and the Soviet Union would break very soon after the war.<sup>123</sup> The book predicted that as Republicans gained momentum in Congress, America would return to isolationism, and that a new economic crisis comparable to or worse than the Great Depression would follow. A small, export-dependent nation like Sweden could therefore not rely on the United States. Echoing the *Peace Goals*, Myrdal argued that Sweden was "through its history and its geographic position destined to take on the role of the advocate of world interest" in an upcoming conflict between the Western democracies and the Soviet Union, and should pursue an active, "internationalist neutrality".<sup>124</sup>

In the SAP government formed in 1945, Myrdal became minister of commerce, succeeding the Liberal Party leader and fellow "Stockholm School" economist Ohlin. The *Internationale Gruppe's* deliberations about positively engaging the Soviet Union in economic relations, together with Myrdal's own prediction of economic crisis in America, guided his decisions as minister. Myrdal advocated "organized free trade" as part of a system of international planning.<sup>125</sup> Against the experience of the Great Depression, complete free trade seemed neither possible nor desirable. At the same time, European reconstruction plans depended on low trade barriers, and the ability to buy and sell abroad. For small and export-dependent Sweden, trade was particularly vital. To compensate for the loss of the German market, Myrdal thus concluded no less than 20 bilateral trade

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<sup>121</sup> Karl Molin, "The Central Issues of Swedish Neutrality Policy," in *Die Neutralen Und Die Europäische Integration 1945-1995*, ed. Michael Gehler and Rolf Steininger (Vienna / Cologne / Weimar: 2000).

<sup>122</sup> Ahlström and Carlson, "Hammarskjöld, Sweden and Bretton Woods," 57.

<sup>123</sup> Gunnar Myrdal, *Varning för fredsoptimismen* (Stockholm: Bonnier, 1944).

<sup>124</sup> Quoted in Örjan Appelqvist, "Gunnar Myrdal i Svensk politik 1943-1947: En Svensk Roosevelt och hans vantolkade nederlag," *NORDEUROPAforum* 9, no. 1 (1999).

<sup>125</sup> *Ibid.*

agreements in rapid sequence beginning with Finland, Britain, France, Norway, Denmark, Poland, Czechoslovakia and Yugoslavia.<sup>126</sup> Personal contacts from the *Internationale Gruppe* proved useful for several of these agreements. In 1946, parliament ratified Myrdal's biggest and most controversial project: a five-year trade and credit agreement with the Soviet Union. Russia was, then, still perceived as Sweden's hereditary enemy, and the Red Army's invasion of Finland had stirred up anti-Soviet feelings only recently. The trade agreement, which included a generous loan to Stalin, was therefore highly unpopular. The loan was the biggest foreign credit Sweden had ever granted, and the goods covered by the agreement amounted to 10% of total Swedish exports.<sup>127</sup> When Myrdal announced a return to rationing in the following winter, newspapers blamed the shortages of imported goods like coffee on the Russian loan. Myrdal became the target of popular dissatisfaction, and was increasingly isolated in a government seeking to repair its reputation in the United States.<sup>128</sup> Myrdal's import restrictions also provoked an angry reaction from Washington. The American complaint prompted the Swedish government to send Hammarskjöld to Washington in Myrdal's stead to sort out the problem.<sup>129</sup> Frustrated and isolated, Myrdal did not hesitate to leave Sweden again when UN Undersecretary David Owen asked him to come to Geneva and head the newly founded ECE in spring 1947.

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<sup>126</sup> Birgit Karlsson, *Handelspolitik eller politisk handling? Sveriges handel med öststaterna 1946-1952*, ed. Ekonomisk-Historiska Institutionen vid Göteborgs Universitet, vol. 66 (Gothenburg: Meddelanden från Ekonomisk-Historiska Institutionen vid Göteborgs Universitet, 1992).

<sup>127</sup> The Swedish-Russian Trade Agreement, Translation of an Article from *Neue Züricher Zeitung*, October 22, 1946. UNARMS, S-0543-0008-05 Regional Commissions Section - Trade Agreements (N.Y. Times index) 01/1946-07/47.

<sup>128</sup> Bengt Nilsson, "Undéns tredje väg: Sverige i det kalla kriget 1950-52," *Scandia* 60, no. 1 (1994): 68.

<sup>129</sup> Ahlström and Carlson, "Hammarskjöld, Sweden and Bretton Woods," 74.

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### II.3 UNITED NATIONS, IN WAR AND IN PEACE

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Before the UN took over the heritage of the League and became institutionalized as the world organization it is today, it was a military alliance. The UN began on 1 January 1942, when 26 nations signed the Declaration by United Nations. Starting with Italy in 1943, the Axis powers' surrender documents referred to the victors as the "armed forces of the United Nations". In May 1945, US President Truman proclaimed that the "forces of Germany have surrendered to the United Nations".<sup>130</sup> The UN's belligerent origins raised a number of problems for the peacetime organization. If, at its core, the UN was a military alliance between capitalist democracies and the Soviet dictatorship, how could it hope to outlive Hitler? How should a peacetime organization deal with those who had not been part of the fighting coalition, the neutrals and former enemies? And how should those be represented who took part in the fighting, but lacked the sovereignty of independent statehood, like India or Ukraine? In short, could the United Nations remain united, in peace as in war? The creation of the United Nations Organization was the translation of wartime planning into institutions, but since many translators were involved in the process, the outcome was a hybrid of their interpretations. The League of Nations in its existing form, this much was clear, would not be part of the new international order. Its reputation was broken beyond repair. Too strong was the association of the League brand with the failure to prevent a second world war. But some form of a remodeled and rebranded League still seemed the way to go forward for most wartime planners. The Declaration by United Nations provided them with a solid basis: A military alliance that, from the outset, was understood as the kernel for a new permanent organization guarding the peace.

The Big Three at the heart of the alliance took rather different stances to the peacetime organization. For the United States, there were practical reasons for formalizing cooperation with Britain and its other Lend-Lease recipients in a new organization. As military cooperation intensified, Roosevelt searched for ways of rendering the alliance more palatable to American public opinion. One of these was by recasting it as part of a much larger global coalition.<sup>131</sup> Hollywood showgirls, parades and musical anthems promoted the UN brand in America, preparing a reluctant public for an ongoing commitment to international affairs after the war.<sup>132</sup> In London, Churchill was fearful of expanding Soviet power and a potential American withdrawal from Europe after the war. He wished to ensure that both the United States and the Soviet Union remained committed to the new organization. Churchill's idea of the peacetime UN, however, was a loose network of regional councils for Europe, Asia and the Americas, notably excluding a still colonial Africa, and with all three Great Powers represented in the European one.<sup>133</sup> In a message he sent to Roosevelt in February 1943, the British prime minister included "an instrument of European Government" as a part of a new global organization, noting that a "similar instrument will be formed in the Far East with different membership".<sup>134</sup> These

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<sup>130</sup> Quoted in Mazower, *Governing the World. The History of an Idea*, 198.

<sup>131</sup> *Ibid.*, 197.

<sup>132</sup> *Ibid.*, 203.

<sup>133</sup> Gaiduk, *Divided Together. The United States and the Soviet Union in the United Nations, 1945-1965*, 15.

<sup>134</sup> Quoted in *ibid.*, 14.

ideas came back three years later when ECE and ECAFE came into being, albeit in the watered down form of economic rather than political institutions.

Most American planners rejected Churchill's idea of regionalism while the war was still on. Leo Pasvolosky, Cordell Hull's special assistant and one of the foremost authors of the UN Charter, argued that regional alliances were a "real danger for the UN" because they could "subvert, if not destroy, the world organization."<sup>135</sup> Soviet thinking about international organization was rather limited, as far as we know from the few historical accounts based on Soviet archives.<sup>136</sup> On the one hand, Stalin was fairly disinterested in the details of the UN, and waited for the United States and Britain to settle their differences before joining. On the other hand, the Soviet leader knew that membership in the UN cemented the Soviet Union's position as one of the Great Powers and provided an opportunity to prevent the establishment of an Anglo-American bloc aimed against the Soviet Union.<sup>137</sup> While being inside the UN was important as a ploy to prevent the Western powers from ganging up against Moscow, the details of the peacetime organization were not central to Soviet thinking about maintaining security and economic stability.

Staying outside the new international architecture proved much more difficult than it had been during the times of the League. The UN system claimed universality from the outset. Shortly before his death, Roosevelt had told Congress that the liberation of Europe spelt the end

*"of the system of unilateral alliances, the spheres of influence, the balances of power, and all the other expedients that have been tried for centuries – and have always failed. We propose to substitute for all these, a universal organization in which all peace-loving nations will finally have a chance to join".*<sup>138</sup>

This "chance", however, became more of an obligation to join. Neutral countries were not invited to the Bretton Woods conference in July 1944. A Swedish newspaper noted correctly that due to the neutral countries' absence, Bretton Woods was "an action by belligerent states".<sup>139</sup> But when the United States threw its unmatched economic weight behind the Bretton Woods institutions, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), it created a pull that was difficult to withstand. The vortex of international organization, accelerated by the United States' gravitational pull, proved too strong to resist for those initially outside it.

"Europe" eventually emerged as a compromise formula. ECE, a UN organization based on a geographical premise instead of wartime allegiance, allowed neutrals and former enemies of the UN to partake in international economic activities. ECE was the organization that institutionalized "Europe" as a category for regional economic cooperation. Regionalism's comeback at the UN was helped along by changes in US governing circles. Sumner Welles resigned in 1943, Cordell Hull one year later, and Roosevelt died in 1945. Junior officials

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<sup>135</sup> Quoted in Schlesinger, *Act of Creation. The Founding of the United Nations*, 176.

<sup>136</sup> See e.g. Gaiduk, *Divided Together. The United States and the Soviet Union in the United Nations, 1945-1965*.

<sup>137</sup> Quoted in *ibid.*, 23.

<sup>138</sup> Klaus Schwabe, "The United States and Europe from Roosevelt to Truman," in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002), 18.

<sup>139</sup> Quoted in Ahlström and Carlson, "Hammarskjöld, Sweden and Bretton Woods," 58.

like Paul Porter, Miriam Camps (née Camp), and Walt Rostow, with their ideas of incremental European cooperation, fueled by American money and with a clear anti-communist bent, gathered momentum. But the State Department was not the one key actor in the conception of ECE. The creation of ECE was a messy process lacking a central hub. Different national interests converged in the founding moment of ECE, while others were purposefully excluded. Poland's plea for a continuation of the UN's humanitarian work; American plans for a permanent European organization under UN auspices; Britain seeking to commit the United States to continued involvement in Europe; France's and the smaller European nations' economic interest in the occupation of Germany; and the Soviet Union's determination to form a bloc of friendly governments in Eastern Europe - all of these factors contributed to the foundation of ECE. On the other hand, the re-introduction of European regionalism into the UN system meant that non-European interests and earlier commitments to deal with economic problems on a global level were deliberately ignored in order to create a European institution.

Before the war was over, the remodeled and rebranded internationalism of the UN was put to a first practical test in relief cooperation, shielded from the dangers of economic turmoil by Bretton Woods, and further fleshed out at the Dumbarton Oaks conference. Before we look into the constitutive politics behind ECE and the emergence of "Europe" as a compromise formula for economic cooperation, we must understand these wartime origins of the UN, and its rushed transition into a peacetime organization.

### II.3.1 UNRRA: THE FIRST TEST FOR A CIVILIAN UN

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The UN Relief and Rehabilitation Administration (UNRRA) was the first civilian agency of the UN, active when it was still a military alliance. UNRRA was a transitional entity in many ways, marking the transition from war to peace, from military to civilian authority, from inter-Allied to international cooperation, and from the League to the UN. While the Marshall Plan eventually eclipsed UNRRA in the perception of postwar aid in European and American memory, UNRRA remains the most ambitious global post-conflict aid and reconstruction body in history. Internationalists hoped that cooperation on the technical, hands-on problem of relief coordination would have a spillover effect into more complex and more politicized areas of international relations.<sup>140</sup> By 1946, UNRRA was the largest single exporter worldwide, shipping supplies to war-devastated areas in Europe and Asia.<sup>141</sup> Relief featured heavily as a logistical problem: The main challenge was to coordinate the needs for food, drugs, clothing, building supplies, coal, or industrial materials with the available supplies. International coordination was, as Jessica Reinisch puts it, “the magic process which could reduce waste and delay, and which would prevent any duplication of relief efforts”.<sup>142</sup> To the 51 governments participating in UNRRA, it was clear that the institutional design of the relief organization would set an important precedent for the future of international organization after the war. In UNRRA, the UN tested not just the practice of hands-on humanitarian internationalism, but also the way that institutions were set up. When UNRRA’s mandate ended in 1947, emergency relief was replaced with economic cooperation in the permanent (and much more cost-efficient) regional economic commissions. ECE and ECAFE were thus building directly on the heritage of UNRRA. UNRRA’s legacy was ambivalent: On the one hand, it established a precedent for successful humanitarian field operations on an unprecedented scale. On the other hand, these successes came late, and at a great financial cost. While the smaller member states successfully resisted attempts to increase US control over UNRRA spending, their resistance rendered UNRRA a failed experiment in the eyes of the State Department. For the United States, UNRRA demonstrated that commitment to IOs meant a loss of control over financial contributions.

When America joined the war, Washington assumed leadership in the planning of relief operations. Roosevelt appointed New York governor Herbert H. Lehman as Director of Foreign Relief and Rehabilitation Operations in December 1942.<sup>143</sup> Lehman argued that American relief operations in Europe and Asia were “enlightened self-interest”: Providing relief would help the United States to find outlets for its surplus goods, to stabilize the world economy, and to provide jobs for returning soldiers.<sup>144</sup> In order to avoid the tragic cycle of debt and repayment that had taken place after 1918 and facilitated the rise of fascist regimes, it would even be in the United States’ best interest to give gifts instead of setting up loans. But it was not self-interest alone that drove the debate. Declarations often featured Christian imagery of charity and philanthropy and a moral obligation to help those

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<sup>140</sup> Jessica Reinisch, "Internationalism in Relief: The Birth (and Death) of UNRRA," *Past and Present Supplement* 6 (2011): 264.

<sup>141</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 119.

<sup>142</sup> Jessica Reinisch, "Relief in the Aftermath of War," *Journal of Contemporary History* 43, no. 3 (2008): 376.

<sup>143</sup> Grace Fox, "The Origins of UNRRA," *Political Science Quarterly* 65, no. 4 (1950).

<sup>144</sup> Reinisch, "Internationalism in Relief: The Birth (and Death) of UNRRA," 271.

in need. Adding to this moralistic argument was a notion of the civilizing superiority of the English-speaking world. In this line of thought, a major purpose of America's management of the relief project was to internationalize US living standards. The combination of arguments based on morality, self-interest, and American superiority made a powerful rhetoric that left a lasting impression on policy makers on both sides of the Atlantic.

American economic power was such that it would have been easy for the USA to skip the hassle of setting up UNRRA, and instead make bilateral arrangements for relief with individual states. But the Roosevelt administration decided to make UNRRA a fully international agency, providing a collective forum for developing policy and sharing the burden of provision, while US power ensured informally that American desires usually prevailed.<sup>145</sup> UNRRA dispensed one percent of its member states' GDP to support diverse activities, ranging from self-managed refugee camps to the replacement of industrial machinery, in places as diverse as China, Belgium, or Belarus. Paul Porter's neighbor, Harry Dexter White, had suggested this one percent quota. The quota softened the impression that UNRRA was paid for exclusively by the United States while still accommodating American wealth. At this time, the United States produced over half of the world's economic output. The US contribution was over \$2,6 billion of the \$3,6 billion global cost of UNRRA.<sup>146</sup> These enormous financial efforts helped to strengthen the political will of allied nations, and to demonstrate that the Atlantic Charter and the Declaration by United Nations were more than just rhetoric.<sup>147</sup>

Unlike the League, UNRRA included both the United States and the Soviet Union on its Council. Unlike most of its successor bodies in the UN, UNRRA operated extensively in Eastern Europe, a tradition that ECE tried to uphold. During its mandate, which lasted from 1943 to 1947, UNRRA's task was to provide humanitarian relief in the liberated areas. But it was also an important testing ground for the future of international cooperation in peacetime. UNRRA was set up as a nucleus for the civilian arm of the UN before the war was over. This had two major advantages. First, it made it more difficult for the United States to withdraw again from the international scene. Second, a civilian organization under UN auspices would show that the military alliance could be preserved as a political alliance in peacetime. It was a deliberate choice by planners in Washington to put their ideas about a new model of international organization to a test in the humanitarian field. The Roosevelt administration hoped that a humanitarian relief project, building on long-standing traditions of charity and the Christian motive of altruism, could persuade Americans to commit to internationalism better than a political organization like the League. Rather than projecting faith in the power of civilized European values and unreflective appeals to humanity like the League, international cooperation in UNRRA should be based on scientific expertise for democratic ends.<sup>148</sup> But in order to do so, UNRRA relied on experiences and expertise gained in the League's technical agencies. It also provided continuity to several of its personnel. UNRRA also followed the League's principle of equal representation of member states. This inclusivity was based on the assumption that mistakes made in previous relief

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<sup>145</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 122.

<sup>146</sup> *Ibid.*, 126.

<sup>147</sup> Plesch and Weiss, "Past as Prelude, Multilateralism as a Tactic and Strategy," 1.

<sup>148</sup> Mazower, *Governing the World. The History of an Idea*, 203.

operations could be avoided if relief was identified as a joint problem, and taken on as a collaborative effort across national borders.<sup>149</sup>

UNRRA enthusiasts and critics alike saw the relief agency as a prototype for the future of IOs. Hence, its institutional design was contested from the beginning. American planners initially wanted to assign a dominant position to the Great Powers. UNRRA's first draft terms of reference, issued by the State Department in June 1943, envisioned an assembly called the UNRRA Council that comprised all UN member states, but had supervisory powers only. Actual policy decisions were supposed to be carried out by a Central Committee, consisting of the "Four Policemen" Britain, China, the Soviet Union, and the United States.<sup>150</sup> Other UN member states objected to any arrangements not based on the equal representation of governments. With other, more far-reaching international bodies to be set up under the aegis of the UN, Dutch Foreign Minister in-exile Eelco van Kleffens told US Assistant Secretary of State Dean Acheson that UNRRA would set a precedent for future IOs that his government "would find [...] extremely difficult to accept".<sup>151</sup> Canada, one of the few net contributors to the relief organization, voiced similar concerns.<sup>152</sup> While Britain was sympathetic to these worries, both the United States and the Soviet Union insisted on a Four Powers-led Central Committee. In order to placate Canadians and Europeans, an extensive committee system was integrated into the structure of UNRRA that could somewhat dilute the power of the Central Committee. This mixed structure, consisting of a supervising assembly based on equal representation, an executive Central Committee consisting of the Great Powers, and specialized standing committees resembles the larger structure of the UN system that was later founded at San Francisco. It, too, consists of a General Assembly, a Great Power-led Security Council, and various specialized agencies. This system did not, however, convince UNRRA's critics in 1943. With the very last amendments to the UNRRA agreement, the European allies and Canada made the assembly the central policy-making organ, allowing the Big Four in the Central Committee to take decisions of an emergency nature only. Relief policy was thus to be managed by the UN as a whole; the powers of the "Four Policemen" were truncated at the last minute.

Despite these changes, UNRRA was not for everyone. Rich neutral countries like Sweden and Switzerland chose not to participate. Both could have been important suppliers to the relief effort, but regarded UNRRA as an Allied club where the contribution of neutral countries was not welcome. The Swedish foreign office feared that the Great Powers would use the aid provided through UNRRA as a "first rank political weapon" to ascertain their dominance after the war.<sup>153</sup> Myrdal shared these reservations. In spring 1944, he voiced the suspicion that UNRRA was a mere political necessity for Britain and the United States, to make up for their commercial boycott and the naval blockade of territories occupied by

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<sup>149</sup> On relief and reconstruction before World War II, see Carl Levy and Mark Roseman, eds., *Three Postwar Eras in Comparison: Western Europe, 1918-1945, 1989* (London: Palgrave, 2002); Andrew J Williams, "'Reconstruction' before the Marshall Plan," *Review of International Studies* 31, no. 3 (2005).

<sup>150</sup> Fox, "The Origins of UNRRA," 571.

<sup>151</sup> Reinisch, "Internationalism in Relief: The Birth (and Death) of UNRRA," 282.

<sup>152</sup> Fox, "The Origins of UNRRA," 577.

<sup>153</sup> Cay Sevón, *Visionen om Europa: Svensk neutralitet och europeisk återuppbyggnad 1945-1948* (Saarijärvi: Gummerus Kirjapaino Oy, 1995), 53-69.

Germany.<sup>154</sup> Criticism grew also in the United States, due to the extended bureaucracy in UNRRA's Washington headquarters and the apparent failure of its staff of 25,000 worldwide to deliver on its ambitious promises.<sup>155</sup> Despite Lehman's advance planning, the organization was not ready in 1943 to supply the territories liberated during the North African Campaign and the invasion of Sicily. Instead, the military was tasked with providing basic relief. UNRRA's civilian relief programs were only supplementary to those of the military forces.<sup>156</sup> By July 1944, *The Economist* reported a "general impression that UNRRA is [...] turning out not to be a vigorous experiment in the new internationalism, but another pale Genevan ghost".<sup>157</sup>

Disappointment grew by the end of 1944, as UNRRA failed to deliver much needed supplies to the newly liberated countries in Western Europe. Undoubtedly, UNRRA did a lot of good work, for example in Poland.<sup>158</sup> But the relief machinery needed time to get into gear, and was more politicized than its founders had hoped for. UNRRA operations were determined by allegiance over need. In Central-Eastern Europe, the vast majority of aid went to Czechoslovakia, Poland, and Yugoslavia, while former Nazi allies Hungary, Romania and Bulgaria received little help. Hungary received just 0.4% of the total amount of UNRRA aid distributed in Central-Eastern Europe.<sup>159</sup> American commitment began to diminish along with growing popular disappointment over the lack of immediate results. Policymakers in Washington were dissatisfied with the high costs and the lack of direct control they could exercise over UNRRA spending. Fearing another American withdrawal after the war, British Foreign Secretary Ernest Bevin urged Congress in October 1945 to keep up its commitment to UNRRA: "Britain readily agreed to pay her 1 per cent of the national income if America did the same", he argued.<sup>160</sup> Following a Republican landslide in the 1946 Congressional elections, the United States announced its intention to withdraw, effectively terminating UNRRA at the pinnacle of its achievement. UNRRA's remaining assets and personnel were distributed among several new organizations, including the Food and Agricultural Organization (FAO), the International Refugee Organization (IRO), and UNICEF.<sup>161</sup>

In the State Department, UNRRA became a cautionary tale. Despite the huge financial investment, the Washington headquarters and an American Director General, the Department lamented the lack of American control. Shifting strategic priorities in Washington led to a new preference for aid to Western Europe, avoiding those parts of Europe increasingly under Stalin's control. The European Recovery Program (ERP), commonly called the Marshall Plan, was a result of these new strategic priorities and the

<sup>154</sup> Myrdal, *Varning för fredsoptimismen*, 227-29.

<sup>155</sup> "Archival Finding Aid of the UNRRA Records".

<sup>156</sup> Fox, "The Origins of UNRRA," 570.

<sup>157</sup> Quoted in Ben Shephard, "'Becoming Planning Minded': The Theory and Practice of Relief 1940-45," *Journal of Contemporary History* 43, no. 3 (2008): 413.

<sup>158</sup> European Regional Office, "UNRRA in Poland," *UNRRA at Work* 5, no. February 1946 (1946); Jessica Reinisch, "'We Shall Rebuild Anew a Powerful Nation': UNRRA, Internationalism and National Reconstruction in Poland," *Journal of Contemporary History* 43, no. 3 (2008).

<sup>159</sup> Case, "Reconstruction in East-Central Europe: Clearing the Rubble of Cold War Politics," 79.

<sup>160</sup> Royal Institute of International Affairs, "Mr. Bevin's Speech on Conditions in Europe," *Chronology of International Events and Documents* 1, no. 9 (1945): 205.

<sup>161</sup> Reinisch, "Internationalism in Relief: The Birth (and Death) of UNRRA," 285.

experience with UNRRA. But in the few years between the first UNRRA operations and the announcement of the Marshall Plan, several organizations of the UNRRA-type were set up that continued a wide geographical premise, including the UN and ECE.

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### II.3.2 INTO THE VORTEX OF INTERNATIONAL ORGANIZATION

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Even if the Great Powers' strive for hegemony in UNRRA provoked the smaller nations' distrust, and despite the beginning fracture between the Soviet Union and the Western allies, international organization created a vortex that proved difficult to escape. In the second half of 1944, two crucial conferences took place on American soil that set out the basic tenets for postwar global organization: the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire, and the Conversations on International Peace and Security Organization at the Dumbarton Oaks estate in Washington, DC. These conferences, commonly referred to as Bretton Woods and Dumbarton Oaks, created a framework for international organization. This framework had to accommodate Great Power hegemony while promoting a world order built on the equal representation of nation states. The UN's rhetoric was one of a global fight against the Nazi and Japanese empires, and the smaller powers thus had to be included into a structure laid out by the Great Powers. This inherent paradox did not go unnoticed. Returning to Stockholm from his mission to Washington in late 1943, Myrdal criticized the Great Powers' dominance in all UN negotiations on postwar organization. The "minor brothers of the community", he wrote, could express their opinions only after the guidelines were laid out. Neutral countries were excluded entirely, and the procedure had a whiff of "great power imperialism".<sup>162</sup> The Great Powers' control was more pronounced at Bretton Woods and Dumbarton Oaks than it had been in the setup of UNRRA. Yet, it proved near impossible for small and neutral countries to stand outside the new international architecture. European regionalism, institutionalized with ECE, eventually emerged as a supplement to the new order, allowing the inclusion of neutrals and former enemies into the UN structure.

An important part of what made the arrangements arising from Bretton Woods and Dumbarton Oaks so difficult to escape was the unmatched economic power of the United States. America was the only belligerent nation that emerged from the global conflict stronger than it had been before. Public spending for the war effort had fired an economic boom, doubling US GDP between 1941 and 1945. The federal government spent more between 1941 and 1946 than it had during the entire period from 1789 to 1941.<sup>163</sup> The United States was unchallenged in world finance, investment, and trade.<sup>164</sup> With America throwing its economic weight behind the UN and the Bretton Woods institutions IMF and IBRD, the vortex of international organization accelerated. On Hammarskjöld's recommendation, Sweden initially adopted a wait-and-see attitude, but quietly prepared for joining from the outset.<sup>165</sup> The European WWII neutrals joined the Bretton Woods institutions one by one: Turkey joined in 1947, Sweden in 1951, Ireland in 1957, Spain in 1958, and Portugal in 1961. Only Switzerland did not join until 1992. For other small nations and to some extent even for the Soviet Union, it was even more difficult to stand outside the international system. Although the Soviet Union participated in the conference, and although the IMF was specifically designed to accommodate socialist economies with a

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<sup>162</sup> Quoted in Ahlström and Carlson, "Hammarskjöld, Sweden and Bretton Woods," 56.

<sup>163</sup> Patel, *The New Deal. A Global History*, 262.

<sup>164</sup> *Ibid.*, 280.

<sup>165</sup> Ahlström and Carlson, "Hammarskjöld, Sweden and Bretton Woods," 50.

state monopoly on trade, the Soviet Union did not become a member.<sup>166</sup> Poland withdrew from the IMF in 1950, and Czechoslovakia was expelled in 1954. However, as Oscar Sanchez-Siboni has shown, the Soviet Union and its Eastern bloc partners never achieved full independence from the liberal trade system that Bretton Woods established.<sup>167</sup> After President Truman's abrupt termination of the Lend-Lease program in 1945, the Soviet Union found itself ostracized from the international commercial system under US leadership. The Soviet Union and its allies thus sought to use instruments like bilateral agreements and, later on, ECE, to facilitate commercial relations with the West.

The economic and social IOs founded around the end of the war – like UNRRA, the Bretton Woods institutions, ECOSOC and ECE – were part of a wider transnational debate about the taming of capitalism, or, in political science terminology, embedded liberalism.<sup>168</sup> The embedded liberalism of the 1940s was both an attempt to learn the lessons of the Great Depression, and a part of the preparations for peace and the postwar order. It was a system set up to achieve two partially conflicting goals: the revival of free trade and the freedom of governments to regulate economies and to provide welfare to their citizens. To some extent, the system built on the legacy of America's response to the Great Depression, the New Deal. Mark Mazower calls the extension of the UN's powers into economic and social issues “a key achievement of American New Deal internationalism”: the UN “combined the scientific technocracy of the New Deal with the flexibility and power-political reach of the nineteenth-century European alliance system”.<sup>169</sup> Kiran Patel agrees that the United States “played a major role in redefining the international order by trying to project the principles of the New Deal regulatory state onto the world,” but emphasizes that “Americans did not seamlessly impose their models” onto others.<sup>170</sup> In Western Europe, welfare states became as a distinct component in the transnational system of embedded liberalism. European governments “are now committed to seeking not simply a return to pre-war standards of life, they aspire, rather, to higher and expanding levels of welfare”, one ECE document asserted in 1948, “but these aims must be achieved at a time when the war has left heavy burdens of physical destructions and financial loss”.<sup>171</sup> In order to achieve their goal of expanding welfare, governments had to interfere on the national and the international level. On the national level, embedded liberalism posited the interweaving of state and market power in mixed economies, buffered from exogenous shock and setting the stage for recovery and the eventual restoration of an open economy and polity.<sup>172</sup> When challenged on unemployment in Western Europe by a Soviet delegate, the British delegate at ECE's fifth session proclaimed that the choice was “no longer between ‘unrestrained individualism of capitalism with its faults’ and ‘subservience of [the] individual to [the] state which communism requires’”. Instead, welfare states “demonstrated that (a) there is

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<sup>166</sup> Ervin Hexner, “The Soviet Union and the International Monetary Fund,” *The American Journal of International Law* 40, no. 3 (1946).

<sup>167</sup> Sanchez-Siboni, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*.

<sup>168</sup> John Gerard Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organization* 36, no. 2 (1982).

<sup>169</sup> Mazower, *Governing the World. The History of an Idea*, 212.

<sup>170</sup> Patel, *The New Deal. A Global History*, 274, 91.

<sup>171</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG Box 13, Folder “Ad Hoc Committee on Industrial Development and Trade 1948”

<sup>172</sup> John R. Gillingham, “The German Problem and European Integration,” in *Origins and Evolution of the European Union*, ed. Desmond Dinan (Oxford: Oxford University Press, 2006), 57.

an alternative; and (b) a planned, expansionist economy [is] not inconsistent with [a] free society".<sup>173</sup>

But the welfare state could not succeed if it was not embedded in a stable international system. Economic nationalism, which had helped bring about the collapse of the League, was not the way to achieve higher levels of welfare and economic stability. Bretton Woods and the organizations that followed it sought to anchor commercial arrangements in a legal or constitutional form, and in this way remove them from party and parliamentary politics.<sup>174</sup> Embedding the open economy in international treaties was hence an attempt to tie political hands, and to save postwar capitalism from itself.

The Bretton Woods system was a concerted intervention in international capitalism far beyond anything the League had ever attempted.<sup>175</sup> "Bretton Woods was about reconstruction", writes Harold James, "but not simply about reconstruction after a war or about trying to return to the pre-war order. [...] Bretton Woods was about reconstructing a system that had not been adequately reconstructed in 1919."<sup>176</sup> The timing of the United Nations Monetary and Financial Conference at Bretton Woods was fortunate; it started just after the Normandy landings, when an end to the European conflict appeared within reach. While more than 700 delegates from 44 countries participated in the conference, US delegate Harry Dexter White and British delegate John Maynard Keynes are habitually credited as the key architects of the Bretton Woods agreements. In the literature, Bretton Woods is sometimes even reduced to a duel between the two, testifying to the Great Powers' overwhelming dominance at the conference.<sup>177</sup> James calls Bretton Woods "a victory of the United States, but dressed up as benign multilateralism".<sup>178</sup> Building on the hands-on cooperation of UNRRA and Lend-Lease, the Bretton Woods agreements moved UN economic coordination to the more abstract fields of monetary and trade policy. Delegates agreed that speculative capital flows needed to be checked through capital controls, while trade was to be encouraged by low tariffs and by maintaining convertible currencies at fixed exchange rates. To achieve this, Bretton Woods created the blueprints for two major new international bodies: the International Monetary Fund and the International Bank for Reconstruction and Development, the first pillar of today's World Bank. The UN brand name was not included in these institutions' titles, as it was not formally decided at this point whether permanent organizations would keep the alliance's name. The IMF's task was to manage and correct exchange rates, while the investment bank was meant to assist in post-war reconstruction and promote long-term economic development. This system was intended to provide the basis for global free trade without getting involved in micro-managing national government's policies. With monetary and

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<sup>173</sup> Telegram US Resident Delegation at ECE to State Department, June 11, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>174</sup> Harold James, "The Multiple Contexts of Bretton Woods," *Past and Present* 6(2011): 295.

<sup>175</sup> Mazower, *Governing the World. The History of an Idea*, 201.

<sup>176</sup> James, "The Multiple Contexts of Bretton Woods," 293.

<sup>177</sup> E.g. Benn Steil, *The Battle of Bretton Woods : John Maynard Keynes, Harry Dexter White, and the Making of a New World Order* (Princeton: Princeton University Press, 2013).

<sup>178</sup> James, "The Multiple Contexts of Bretton Woods," 290.

commercial matters embedded in a stable global system, national governments were free to prioritize full employment policies with the objective of social stability domestically.<sup>179</sup>

Four weeks after the start of the Bretton Woods conference, representatives from Britain, China, the Soviet Union, and the United States convened at Dumbarton Oaks to discuss the security side of international organization. The conference, lasting from August to October 1944, took place against the backdrop of the 1944 US Presidential elections. Roosevelt campaigned to conduct US policy on both economics and security through the UN.<sup>180</sup> The Soviets initially insisted, however, that security should be the only concern of the new world body, and that all other aspects of international relations, such as social and economic cooperation, should be relegated to separate organizations.<sup>181</sup> But altogether, there was still more consensus than disagreement between the Great Powers. The participants agreed that the new organization would continue to carry the name of the wartime alliance, "United Nations". Eventually, they also agreed that the UN would not be limited to security concerns, but also entail economic and social matters. After the preparation done by UNRRA, Lend-Lease, and Bretton Woods, Dumbarton Oaks confirmed that the peacetime UN would continue on the assumption that international security and economic stability were inextricably linked. The new UN structure resembled that of UNRRA, with a General Assembly of all member states and a Security Council with few permanent and some non-permanent members. Additionally, the UN was to contain a secretariat, a court, and an Economic and Social Council. Again, the heritage of the League played into the development of the UN. Prior to the outbreak of World War II, Stanley Melbourne Bruce, former Australian Prime Minister, had undertaken a review of the League's organization. The report of the Special Committee on the Development of International Co-operation in Economic and Social Affairs, eponymously named the Bruce Report, was published in August 1939, mere weeks before Hitler's attack on Poland.<sup>182</sup> The report reflected a growing socio-economic interdependence, which had transformed the League into a center for the study of these concerns. Bruce's biographer David Lee argues that the Bruce Report laid "the foundations of the economic and social work of the United Nations today".<sup>183</sup> During the war, Bruce remained in regular contact with Leo Pasvolksy, the chair of the State Department's Committee on Postwar Planning. Pasvolksy and other universalists in the Department saw Bruce's work as an opportunity to recast international economic and social work by centralizing the League's various committees under a new central organ for all economic and social questions.<sup>184</sup> It became the nucleus for the UN's Economic and Social Council (ECOSOC). Myrdal, incidentally, was critical of the fusing of economic and security organizations in the UN. In an article on Dumbarton Oaks, he doubted whether "the lively thinking about organizational planning in the international economic and social area" could lead to any practical results as long as ECOSOC and other specialized agencies were subordinate to a Security Council dominated by the Great Powers: "Organizational independence from the security organization is a primary

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<sup>179</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 151.

<sup>180</sup> *Ibid.*, 164.

<sup>181</sup> Gaiduk, *Divided Together. The United States and the Soviet Union in the United Nations, 1945-1965*, 21-22.

<sup>182</sup> J. Simon Rofé, "Prewar and wartime postwar planning. Antecedents to the UN moment in San Francisco, 1945," in *Wartime Origins and the Future United Nations*, ed. Dan Plesch and Thomas G. Weiss (London / New York: Routledge, 2015), 27.

<sup>183</sup> David Lee, *Stanley Melbourne Bruce, Australian Internationalist* (London: Continuum, 2010), 188.

<sup>184</sup> Rofé, "Prewar and wartime postwar planning. Antecedents to the UN moment in San Francisco, 1945," 25-26.

condition if the specialized agencies in the economic and social field shall be able to successfully fill in their important tasks”, he argued.<sup>185</sup> Myrdal’s concerns were eventually mitigated by the fact that a strict centralization of the UN’s economic and social work never materialized. Already with the Bretton Woods institutions, and again with the establishment of UNESCO, FAO and other specialized agencies after the war, the UN became an even more extended web of organizations than the League, rather than one centralized monolith.

Representation at the UN was the one issue that caused heated debate at Dumbarton Oaks, and the compromise found there had strong repercussions on ECE. A key Soviet concern was that the USSR would be perpetually outnumbered and outvoted in a UN world body. A memorandum written in Moscow reminded the Soviet delegates about the situation in the League, where a group of Latin American countries regularly voted with Great Britain. “We can face a similar preponderance in the future international organization as well” the document read, “only differing in one aspect, that is, that representatives of the United States [...] could rally around themselves and use representatives of the remaining American countries”.<sup>186</sup> Both the United States and the United Kingdom sought to increase the influence of smaller states in the organization, as they could expect to enjoy the support of their allies and clients. The Soviet Union, on the other hand, demanded the admittance of all sixteen Soviet republics as full member states. This demand came as a shock to US negotiators. Britain signaled more openness to the proposal, suggesting to accept three or four Soviet Republics as individual UN members if, in return, India would be admitted as a full member state.<sup>187</sup> In the end, Byelorussia and the Ukrainian SSR were admitted as full members next to the USSR. This had a direct effect on the composition of ECE. There, the Soviet Union could muster the strongest line of support in any UN organization. With Ukraine and Byelorussia, and the postwar subjugation of Eastern Europe under communist proxy governments, the USSR commanded over a large number of votes. At the same time, the United States could not bring its South American tail to Geneva, and Britain could not rely on the dominions’ votes. For the Western powers, retaining the support of a majority of European countries at ECE thus became a crucial task.

After the Big Four’s preparation at Dumbarton Oaks, other members of the alliance were invited, and the UN was reborn as a permanent organization at the UN Conference on International Organization, held in San Francisco from April to June 1945.<sup>188</sup> Roosevelt wanted to act “while the forge of war was still hot enough to forge the nations together”.<sup>189</sup> The San Francisco Conference was hence held before Germany was defeated, to head off the evidence of growing differences with Stalin. Founding the peacetime UN before the end of the war was also important in order to cement the United States into the organization, and preclude a return to isolationism, a dreadful possibility to Britain and to those in

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<sup>185</sup> Gunnar Myrdal, "Speciella organ på det ekonomiska och sociala området," in *Fred och säkerhet efter andra världskriget. Ett Svenskt diskussionsinlägg*, ed. Utrikespolitiska Institutet (Uppsala: Almqvist & Wicksells, 1945), 170-77.

<sup>186</sup> Quoted in Gaiduk, *Divided Together. The United States and the Soviet Union in the United Nations, 1945-1965*, 23.

<sup>187</sup> *Ibid.*, 29.

<sup>188</sup> On San Francisco, see Schlesinger, *Act of Creation. The Founding of the United Nations*.

<sup>189</sup> Quoted in Mazower, *Governing the World. The History of an Idea*, 209.

Washington who had developed the new global US foreign policy.<sup>190</sup> When Roosevelt died just two weeks before the opening of the San Francisco conference, his successor Harry S. Truman announced that the conference would go ahead as planned. Postponement would have meant a major logistical problem: 5,000 delegates, staff, NGOs and media were already waiting for the opening.

Poland was the only of the United Nations not invited by the United States to participate in the San Francisco Conference, as no agreement on Poland's new provisional government organized by Stalin had yet been reached. All 50 United Nations except Poland were thus present and voting.<sup>191</sup> But the clear hierarchy that characterized all previous negotiations still persisted. At San Francisco, this was made clear even in room allocations: While the five permanent members of the Security Council met in the penthouse suite of the Fairmont Hotel, all other delegations worked on the lower floors. Roosevelt had planned San Francisco not as a peace conference, but as a constitutional convention, akin to the one that cemented America's unity after the war of independence.<sup>192</sup> En lieu of a constitution, the conference produced the Charter of the United Nations. The British historian and civil servant Charles Webster, heavily involved in drafting the Charter, described the UN as "an Alliance of the Great Powers embedded in a universal organization".<sup>193</sup> Its key achievement, according to Webster, was to have improved the machinery governing relations between the powers. But for many representatives of the smaller nations, the new world body created at San Francisco consolidated a Great Power directorate, its hypocrisy thinly masked by the Charter's universalizing rhetoric of freedom and rights. Very soon, even the main purpose of the world organization began to crumble, as the fracture with Stalin that Roosevelt so desperately tried to cover became blatantly obvious. Truman, needing to establish his authority in the presidency, took a tougher line on the Soviets. His advisers warned Moscow that the differences over Poland could jeopardize "the entire structure of world cooperation and relations with the Soviet Union".<sup>194</sup> Already at the time of its birth, the shadow of a new geopolitical confrontation thus loomed large over the UN.

Trade was another area where the new international system's ambitions failed. On US insistence, global trade liberalization had been declared a key policy objective at Bretton Woods, but negotiations about an International Trade Organization (ITO) as the third pillar in the Bretton Woods system eventually collapsed.<sup>195</sup> While all participants committed to trade liberalization in principle, the haggling about exemptions from ITO rules set in almost immediately. It took another three years after the Bretton Woods conference until the United Nations Conference on Trade and Employment took place in Havana. Havana produced an ambitious charter for the ITO.<sup>196</sup> Its nine chapters and 106 articles are

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<sup>190</sup> Ibid., 240.

<sup>191</sup> On the smaller powers, see Bruno Simma and Nikolai Wessendorf, *The Charter of the United Nations: A Commentary*, 3rd ed., 2 vols. (Oxford: Oxford University Press, 2012).

<sup>192</sup> Mazower, *Governing the World. The History of an Idea*, 209.

<sup>193</sup> *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations*, 7.

<sup>194</sup> Quoted in *Governing the World. The History of an Idea*, 210.

<sup>195</sup> Thomas W. Zeiler, "Offene Türen in der Weltwirtschaft," in *Geschichte der Welt. 1945 bis heute. Die globalisierte Welt (Lizenzausgabe)*, ed. Akira Iriye and Jürgen Osterhammel (Bonn: Bundeszentrale für politische Bildung, 2014), 194-98.

<sup>196</sup> Richard Toye, "Developing Multilateralism: The Havana Charter and the Fight for the International Trade Organization, 1947-1948," *The International History Review* 25, no. 2 (2003).

evidence that governments were prepared to reach agreement on many topics. Trade barriers, both formal and informal, were described and addressed. The Havana Charter proclaimed that industrial stability and fair labor standards were essential to the expansion of world trade.<sup>197</sup> Specific provision was given that regulation of state-run trading should match that of private corporations, projecting a system that could facilitate trade between liberal and centralized economies. The charter made various exceptions to free-trade rules, especially in the interests of the economic development of poorer countries. Had it not failed ratification, the Havana Charter might well have contributed to a more inclusive world economy than that which in fact emerged after the war. But with the onset of the Cold War, trade increasingly became a political weapon. The Western countries negotiated the General Agreement on Tariffs and Trade (GATT) in parallel to the ITO discussions. Soon after, the Havana Charter was attacked from all sides. For protectionists, the charter included too many concessions and commitments. For free traders, it contained too many exceptions and loopholes. In the United States, anti-Communism was on the ascendancy. Congress waited years for ratification, until the Truman Administration quietly withdrew the Havana Charter in December 1950, effectively killing off ITO. The GATT, meant to be a transitional agreement, far outlived the plans for ITO. The GATT became the basis on which most of world trade was regulated until the World Trade Organization superseded it in 1995.<sup>198</sup> The failure to establish a comprehensive ITO, however, left plenty of room for a multitude of IOs working on trade liberalization in different sectors and world regions. IOs with some relation to international trade mushroomed after 1945, and the most fertile ground for them was Europe.

While the postwar planners succeeded in creating an international order built on stable institutions, their success did not go all the way. After the failure to set up an ITO, the Bretton Woods system of economic relations lacked its important third pillar. The UN system was built to acknowledge the intimate connection between international security and economic and social stability. Yet, from the beginning, it was marred by two major conflicts between its member states: The looming breakup of the anti-Hitler coalition, which would soon descend into a state of Cold War; and the tension between the Great Powers and their smaller allies. European regionalism, which had played a role in the interwar and wartime plans for peace, but was initially dismissed by the global UN and Bretton Woods institutions, appeared as a potential remedy to these problems. Outfitted with a regional arm in Europe, the UN could hope to rally its members around concrete, localized issues. It would include governments of different ideological persuasions, and even allow the inclusion of neutrals and former enemies of the UN. Built on equal representation like UNRRA, it could potentially help to safeguard the interests of smaller nations against Great Power dominance. A European IO would also be able to address problems of trade between states with different economic systems. The introduction of “Europe” into the international system of IOs thus became an attempt to save the ambitions of the UN.

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<sup>197</sup> Plesch, *America, Hitler and the UN: How the Allies won World War II and Forged a Peace*, 158.

<sup>198</sup> On GATT, see John H. Barton, *The Evolution of the Trade Regime: Politics, Law, and Economics of the GATT and the WTO* (Princeton, NJ: Princeton University Press, 2006).

### II.3.3 THE FOUNDING OF ECE: “DEVASTATED AREAS” BECOME “EUROPE”

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An important piece of terminology changed over the course of the negotiations during 1946/47 that led to the creation of ECE. While the starting point was a General Assembly resolution urging the UN to commit to “devastated areas”, the discussion switched very quickly to a geographical conception of “Europe”. The two terms might have been more or less identical in the minds of those on the spot at the first meeting of the General Assembly in London or in the provisional UN Headquarters in New York. But the change in vocabulary disclosed a wider problem. The universal setup of the UN was not suited to deal with all kinds of international problems. Critical reconstruction problems, most importantly the grave shortages of coal and transport facilities, urged the timely creation of a regional framework for economic cooperation in Europe. Pressure for time resulted in a rather pragmatic policy process. It took just 15 months from an initial proposal in the General Assembly in February 1946 until ECE’s first session in Geneva in May 1947. The time span from the Schuman Declaration in May 1950 to the first sitting of ECSC’s High Authority was more than twice as long, for comparison. The creation of ECE was thus a rushed, but complicated procedure. During this comparatively short process of constitutive politics, the contentious question how “Europe” should be defined and translated into membership of ECE was deterred, avoided, or left to administrators. The fear of a break-up of the wartime alliance and an upcoming conflict between the Soviet Union and the Western powers already penetrated the discussions, and shaped the institutional design of ECE. But the Cold War was not yet an established political reality. ECE, like the UN in general, was meant to preserve the Grand Alliance after Hitler’s demise, and to put in on a permanent basis. As a secondary concern, ECE was meant to be an instrument for the containment of Germany and the remnants of continental Fascism. Franco-Spain was the only European nation not invited to participate in ECE in some form until 1956.<sup>199</sup>

The origins of ECE lie in the combination of a Polish request to keep the UN committed to its war-devastated member states after the end of UNRRA with an American plan for a permanent European economic organization. The UN resolution that led to ECE’s creation was brought in by Poland’s Minister of Labor and Social Welfare Jan Stanczyk, and unanimously adopted at the first ever General Assembly session in London in February 1946.<sup>200</sup> Remarkably, the resolution did not use the term “Europe” at all. Instead, it spoke of the “reconstruction of countries member to the UN devastated by the war”.<sup>201</sup> The Polish government’s chief concern was to keep the UN committed to the fate of its war-devastated member states after the impending termination of UNRRA. The resolution picked up on the rhetoric of technical internationalism that had surrounded UNRRA, arguing that the problems of war devastation were beyond the capabilities of individual nations, and that international cooperation must therefore continue. What UNRRA had begun with humanitarian aid should be succeeded by economic cooperation for reconstruction under UN auspices. Geographical regions, i.e. “Europe” and “Asia” were first introduced to the discussion at ECOSOC. ECOSOC set up a “Temporary Sub-Commission on Devastated Areas”, cynically nicknamed the “devastators”, which produced two separate reports on

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<sup>199</sup> Others, like Switzerland and the GDR, became full members even later (in 1972 and 1973, respectively), but they participated as observers before Spain did.

<sup>200</sup> Appelqvist, “Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery,” 340.

<sup>201</sup> Resolution 28 (I): Reconstruction of countries member of the UN devastated by the war, 2 February 1946.

war devastation in Europe and in Asia. On the basis of these reports, the General Assembly in December 1946 recommended the establishment of two regional commissions, ECE and ECAFE.<sup>202</sup>

In the discussions at ECOSOC, the Polish call for a successor to UNRRA was combined with an existing American proposal for a permanent European economic institution under UN auspices. Walt Rostow, then a young economist in the State Department's German-Austrian affairs unit, had drafted this proposal in March 1946. During the war, Rostow's job had been to identify targets for bombing raids for the Office of Strategic Services (OSS). With the armistice, his task transformed from destruction to reconstruction of the former enemy economies. In his proposal, Rostow argued "that the unity of Germany could not be achieved without the unity of Europe", approaching European unity "crabwise" and "through technical cooperation in economic matters".<sup>203</sup> This incremental, or "crabwise" approach resembles functionalist thinking, but should be seen primarily in the context of rising tensions between the Big Three: Rostow and Kindleberger, the head of the German-Austrian affairs unit, "believed that a combination of dollars and federalism" might "retard the drifting apart of Eastern and Western Europe" and "hoped that the same formula could be applied to the German problem".<sup>204</sup> With the example of interwar Germany in mind, Rostow understood reconstruction, order and prosperity as means to prevent the rise of extremist sentiments. Besides finding a solution to the German problem, the key motivation for a permanent economic organization was to prevent a looming division of Europe. Rostow's draft "noted with concern [...] the assumption that Europe must one day divide into exclusive eastern and western 'blocs'", and sought "to prevent such a division".<sup>205</sup>

When Rostow presented his plan, the future of Eastern Europe was still uncertain. "It is easy to forget that those on the spot felt that Yalta was truly the performance of three allies," Rostow wrote in retrospect. Although "alive to the possible danger of Soviet postwar aggression", one "could at least hope that the notion of Big Three unity was not impossible".<sup>206</sup> Communist governments were not yet in power in Poland and Czechoslovakia, and the agrarian Smallholders Party had just won free elections in Hungary. "[T]he purpose of those papers was much bigger than ECE", Rostow maintained. They were "a last try to prevent the split of Europe [...] we made this effort, we failed, but the ECE came out of it".<sup>207</sup> Rostow's outline for an intergovernmental economic agency became the basis for a joint resolution by Poland, the United States, and Britain, formally proposing ECE and ECAFE in the General Assembly. ECOSOC agreed on terms of

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<sup>202</sup> Resolution 46 (I): Economic reconstruction of devastated areas, 11 December 1946.

<sup>203</sup> Charles P. Kindleberger, "Appendix D: Origins of the Marshall Plan. Memorandum by Charles P. Kindleberger, July 22, 1948" in *The Marshall Plan: A Retrospective*, ed. Stanley Hoffmann and Charles Maier (Boulder and London: Westview Press, 1984), 115.

<sup>204</sup> John R. Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945-1955. The Germans and French from Ruhr Conflict to Economic Community* (Cambridge: Cambridge University Press, 1998), 109.

<sup>205</sup> Draft of Proposed U.S. Plan for a European Settlement: Spring 1946. UNOG Archives ARR 14/1360, Box 69, Folder 'W.W. Rostow'.

<sup>206</sup> Walt W. Rostow, *The United States in the World Arena. An Essay in Recent History*, ed. MIT Center for International Studies, American Project Series (New York and Evanston: Harper & Row, 1960), 148.

<sup>207</sup> Walt Rostow interviewed by Kostelecký, 1979(?). ARBARK: 3332 - Václav Kostelecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

reference for both regional commissions in March 1947.<sup>208</sup> To Rostow, ECE became a personal mission. He turned down a professorship at Harvard for a job in the organization he could claim to have invented. As assistant to the Executive Secretary, Rostow became Myrdal's right-hand man at ECE. There, Rostow earned his spurs as a Cold War technocrat, a reputation he later tragically extended as foreign policy advisor to Presidents John F. Kennedy and Lyndon B. Johnson during the Vietnam War (see Epilogue).<sup>209</sup>

The establishment of regional economic organizations in the UN marked the return of regionalism in the international system, and the renunciation of the universalist principle underlying ECOSOC and the Bretton Woods institutions. The UN Charter explicitly allowed regional arrangements in the maintenance of peace, but not in economic cooperation.<sup>210</sup> This ruled out the establishment of regional economic organizations directly under the UN. To keep this principle formally untouched, ECE and ECAFE were established as subsidiary bodies of ECOSOC. Changing the terminology from "devastated areas" to "Europe" allowed the inclusion in ECE of neutrals like Ireland or Sweden, and of countries that had suffered minor war damage, such as Denmark.

But the new focus on geographic regions also meant the exclusion of other UN member states. The Ethiopian delegation protested after the General Assembly agreed on the establishment of ECE and ECAFE. While most of Africa was still under colonial rule, Ethiopia had just regained independence after a brief Italian occupation. The Ethiopian diplomat Getahoun Tesemma wrote to UN Secretary-General Trygve Lie, reminding him of the devastation Ethiopia had suffered in the fight against Fascist Italy.<sup>211</sup> The original wording of the Polish resolution that committed the UN to the "reconstruction of devastated areas" had included Ethiopia. Tesemma thus maintained that ECE's mandate must also include the African nation, regardless of the use of the term "European". Assistant Secretary-General David Owen's reply from UNHQ brusquely referred the matter to ECOSOC, where it was dropped.<sup>212</sup> In the General Assembly, non-European delegations expressed concerns that ECE would give Europe an unfair commercial advantage. A Lebanese delegate pointed out that the Middle East and Northern Africa were still dependent on Europe economically, and proposed that ECE should be renamed Economic Commission for Europe and the Mediterranean.<sup>213</sup> Delegates of Peru, Venezuela and Chile demanded representation for South American raw material producers. While these proposals were not taken up, the introduction of one regional commission created an impetus for similar organizations in other world regions. ECAFE was established at the

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<sup>208</sup> Royal Institute of International Affairs, "United Nations Meetings," *Chronology of International Events and Documents* 3, no. 7 (1947).

<sup>209</sup> David Milne, *America's Rasputin: Walt Rostow and the Vietnam War* (New York: Hill and Wang, 2008), 35-36

<sup>210</sup> See Chapter VIII (Regional Arrangements) and Chapter IX (International Economic and Social Cooperation) of the United Nations Charter, accessed 09-05-2016 at <http://www.un.org/en/sections/un-charter/un-charter-full-text/index.html>

<sup>211</sup> Getahoun Tesemma, Secretary of the Ethiopian Delegation to the UN General Assembly, to Trygve Lie, December 16, 1946. UNARMS, S-0991-0004-06 ECOSOC Secretariat – Economic Commission for Europe 02/46-09/47.

<sup>212</sup> David Owen to Getahoun Tesemma, First Secretary, Imperial Ethiopian Legation, 24 January 1947. UNARMS, S-0991-0004-06 ECOSOC Secretariat – Economic Commission for Europe 02/46-09/47.

<sup>213</sup> Telegram from Permanent UK Representative to the United Nations, to Foreign Office, 3 March 1947. TNA, FO 371/62383: Establishment of an Economic Commission for Europe.

same time as ECE. Its budget, however, was considerably lower than that of ECE, and the number of professional staff for ECAFE was budgeted at only 26 (compared to 187 for ECE).<sup>214</sup> An Economic Commission for Latin America and the Caribbean (ECLA) was established in 1948. Similar Economic Commissions for Africa (ECA) and for Western Asia (ECWA) followed in 1951 and 1973, respectively.<sup>215</sup>

Even though it was possible to exclude Spain from ECE for being Fascist, and Ethiopia and Lebanon for not being European, it was by no means clear what the category “European” actually meant. Discussion in the General Assembly briefly touched upon the question whether Turkey could be considered a European country, but the matter was deterred. In the British Foreign Office, similar questions were raised with regard to the USSR, Iceland, and even to Britain itself. A handwritten note in the margins of one report wondered: “Does the U.K. rank as European?”<sup>216</sup> Curiously, diplomats at the UN had a clear idea of membership for ECAFE, but avoided a decision on which countries were to join ECE. The terms of reference of ECAFE were almost identical to ECE’s, but unlike ECE’s, they included a list of member states.<sup>217</sup> Neither ECOSOC nor the committee that drafted ECE’s terms took a formal decision on its geographical scope.<sup>218</sup> Instead, it was left to the UN Secretariat to send out invitations to prospective member countries.<sup>219</sup> Among those who accepted, Western European countries held the majority. But it was foreseeable that other countries not yet members of the UN would join in the near future, raising the number of neutrals as well as countries in what was to become the Eastern bloc.<sup>220</sup>

The most enthusiastic initial supporters of ECE were American Europeanists like Isador Lubin, Walt Rostow, and Paul Porter, and the governments of smaller European nations, especially Poland, Czechoslovakia and Norway.<sup>221</sup> Porter had joined the American administration in Europe and lived in London now, where he coordinated American policy in various emergency organizations. After meeting Porter for lunch on New Year’s Eve 1946, a British diplomat reported that the American “seemed to hope that the Economic Commission might one day develop into some kind of economic federation for Europe”.<sup>222</sup>

<sup>214</sup> Economic and Social Council, Economic Commission for Asia and the Far East, Provisional estimate presented by the Secretary-General in accordance with financial regulation no. 25 of the General Assembly, E/366/Add.1, 23 March 1947. The National Archives, FO 371/62384: Establishment of an Economic Commission for Europe.

<sup>215</sup> On the regional commissions, see Berthelot, *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*.

<sup>216</sup> Problems for the proposed Economic Commission for Europe, 11 December 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>217</sup> The founding members of ECAFE were Australia, China, France, India, Netherlands, Philippines, Siam, USSR, UK and USA. The Commission’s name was changed to Economic and Social Commission for Asia and the Pacific (ESCAP) in 1974.

<sup>218</sup> Drafting Sub-Committee of the Committee on the Economic Commission for Europe, Draft Terms of Reference for the Economic Commission for Europe, UN Economic and Social Council E/AC.12/2, 19 March 1947. TNA, FO 371/62385: Establishment of an Economic Commission for Europe.

<sup>219</sup> Circular no. 057, Ernest Bevin to His Majesty’s Representatives, 26th March 1947. TNA, CAB 134/415: Steering Committee on International Organisations: Working Party on the Economic Commission for Europe.

<sup>220</sup> Keen, James: The Economic Commission for Europe, 28th March 1947. UNOG Archives ARR 14/1360, Box 67, Folder “History”.

<sup>221</sup> Appelqvist, “Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery,” 340.

<sup>222</sup> John Troutbeck, Untitled minutes, 31st December 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

British officials themselves were more reluctant than their American counterparts, but were a driving force in the diplomatic negotiations leading to ECE, seeing it as a means to secure vital American involvement in Europe. “Whatever we may think of the practical aspects of some of these proposals,” a Foreign Office briefing noted, “it is crystal clear that we must do nothing to discourage a state of mind which tends to commit the United States to an active rôle in European economic affairs”.<sup>223</sup> At the same time, British diplomats sought to truncate ECE’s competences. In particular, they feared that the countries bordering Germany would use ECE as a means to gain influence in the management of the occupation.<sup>224</sup> While French delegates “tried very hard to include in the terms of reference some mention of the importance of the economy of Germany to that of Europe as a whole”, British, American, and Soviet diplomats were not keen on enabling such involvement in German affairs through ECE.<sup>225</sup> They declined a Dutch suggestion in the General Assembly to allow ECE observers in non-member countries, fearing “embarrassing investigations in Germany”.<sup>226</sup> In a show of Big Three unity, they insisted that all inquiries on Germany by third countries should be directed to the Allied Control Authority in Berlin, and not to ECE.

Otherwise, Moscow’s cooperation was reluctant, and it was due to Polish and Czechoslovak persuasion that the USSR committed to ECE. Poland and Czechoslovakia were “anxious to have [the ECE] because both assume that the Soviet will not be able to meet their increasing economic needs”, a British diplomat asserted.<sup>227</sup> A bloc of Slavic countries began to form at the UN, but at this stage, the Soviet Union did not call all the shots. Evidence from American and British participants in the meetings leading to ECE’s creation suggests that not only did the Soviet delegation share information and consult with Eastern European delegations; the Eastern European tail was even able to wag the Soviet dog, and convince a reluctant Soviet Union to support ECE. American diplomat Miriam Camp was the chairwoman of a vodka-fueled meeting at the Soviet delegations’ quarters in New York, where American, British, French, and Soviet representatives drafted ECE’s terms of reference. Camp saw “the first evidence [...] that there was an Eastern bloc” at the following ECOSOC reception: “the Russians, the Byelorussians, the Poles, the Czechs and the Yugoslavs all came up to me and said ‘We hear you are a very good vodka drinker’”.<sup>228</sup> While the Soviets accepted the joint Polish-American-British resolution that proposed ECE in the General Assembly, they abstained from voting in the subsequent ECOSOC meeting. The basis of Soviet objection, according to British diplomats, was “that Molotov had harboured substantial fears [...] that the Soviet would be forced to provide economic statistical information, and that [...] the Commission might be empowered to send

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<sup>223</sup> Draft brief on E.C.E. and E.C.A.F.E. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>224</sup> Brief for the United Kingdom Delegation to the Economic and Social Council on an Economic Commission for Europe. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>225</sup> Circular no. 057, Ernest Bevin to His Majesty’s Representatives, 26th March 1947. TNA, CAB 134/415: Steering Committee on International Organisations: Working Party on the Economic Commission for Europe.

<sup>226</sup> Telegram No. 921 from Permanent UK Representative to the United Nations, to Foreign Office, 20 March 1947. TNA, FO 371/62384: Establishment of an Economic Commission for Europe.

<sup>227</sup> Hector McNeil, December 30th 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>228</sup> Miriam Camps interviewed by F. Duchêne, London, 30 August 1988. HAEU: EUI Oral History Collections, accessed 20 July 2016 at <http://archives.eui.eu/en/files/transcript/15818?d=inline>

observers inside the Soviet”.<sup>229</sup> But when the matter was returned to the General Assembly, “Poles and Czechs gave the proposal enthusiastic support [...] and the Soviet delegation voted for the resolution”.<sup>230</sup> British diplomat Hector McNeil, who would later become ECE’s most outspoken critic, reported to the Foreign Office about a conversation with the Polish representative: “He told me confidentially, and, I think, truthfully, that it had taken [...] three extended meetings with Molotov and Vyshinsky to secure Soviet agreement”.<sup>231</sup> The Polish delegation argued successfully that Slavic countries would combine more votes in ECE than in any other UN organization. Like in the General Assembly, the Soviet Union effectively possessed multiple votes in ECE, through the admission of the Byelorussian and the Ukrainian SSR as full members. While a communist bloc did not yet exist, the idea of a “Slav-bloc” able to “push through resolutions [...] and supporting claims for financial assistance” persuaded the USSR to commit to ECE.<sup>232</sup>

The prospect of a strong Slavic voting bloc even encouraged the Soviets to push for an ECE independent from other UN institutions. At the informal drafting meetings chaired by Camp, the Soviets insisted initially that ECE should not be responsible to ECOSOC. British diplomats suspected that this “desire to make ECE as autonomous as possible” was an attempt to turn Geneva into an “opposition to UN Headquarters in the United States”.<sup>233</sup> This strategy was partially successful. While ECE was ultimately established as a subsidiary organ to ECOSOC, its terms of reference gave it a large degree of independence from the superior body. While ECOSOC did decide on their budget and could give them certain tasks, ECE and ECAFE were free to start their own policy initiatives, hire staff, set up subsidiary organs such as committees, and to conduct research and give out publications without ECOSOC’s approval, important characteristics that continue to define the UN regional commissions.

The constitutive politics behind ECE showcase several developments during 1946 that would continue to shape economic and political relations in Europe for the following years. The territorial and political reconfiguration of central-eastern Europe created a planning vacuum in the economic sphere, as trade flows interrupted during the war had to be either resurrected or redirected. It was all but clear what the new order in Europe would be like, or even which countries could be ranked as “European”. Proto-functional ideas of “crabwise” economic integration including Germany emerged soon, and had a direct impact on institutions created in the aftermath of war. The push for European unity conflicted with the beginning Cold War and the onset of bloc formation, which also left their mark on ECE. A series of major and minor rifts and conflicting interests existed between ECE members from the beginning: the emerging superpower conflict, Eastern and

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<sup>229</sup> Hector McNeil, December 30th 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>230</sup> Brief for the United Kingdom Delegation to the Economic and Social Council on an Economic Commission for Europe. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>231</sup> Hector McNeil, December 30th 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>232</sup> Cabinet, Working Party on Regional Economic Commissions. Minutes of a meeting held in the Ambassador’s Waiting Room, Foreign Office, on 20th March 1947. TNA, CAB 134/415: Steering Committee on International Organisations: Working Party on the Economic Commission for Europe.

<sup>233</sup> Draft telegram from Foreign Office to UK Representative to the United Nations, March 1947. TNA, FO 371/62384: Establishment of an Economic Commission for Europe.

Western European countries, big and small countries, and even between ostensibly close allies like the United States and Britain. The establishment of ECE also meant that the period of acute emergency was nearing an end, and that permanent institutions fit for peace were now being projected. But reconstruction still remained the defining task for economic organizations, despite dropping the reference to “devastated areas” in favor of the more timeless, yet vaguely defined “Europe”.

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## II.4 CONCLUSION

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IOs are subject to a multitude of political and intellectual influences, often leading to a contested parenthood. When ECE was founded, it built upon a wide range of intellectual, political, and institutional foundations. This part of the thesis has structured them by, firstly, identifying predecessors and intellectual traditions from the interwar period and the legacy of wartime planning, and, secondly, by embedding the constitutive politics of ECE into the wider context of the UN's origins.

In chapter II.1, intellectual and institutional influences prior to the foundation of the UN were traced back to three locations: Geneva, Washington, and Stockholm. All three cities were hubs in transnational networks. They represent different intellectual and institutional streams that converged in ECE.

Geneva, the site of the League of Nations, represented the troubled heritage of interwar internationalism. The League's fate was a warning to those serving in the UN system, but this did not mean that they dismissed the precedents set by the League. ECE inherited important aspects of the League's work. This inheritance was partially physical, in the form of the League's buildings and its library. But ECE also adopted organizational structures, conferencing techniques, and a focus on technical cooperation from the League. On an emotional level, moreover, ECE and the UN at large inherited the burden of the League's disappointments, and its gloomy prospects for the future. The League's failure to prevent a second world war weighed heavily during the late 1940s, when a third world war seemed likely, even imminent. For ECE, this problem was particularly direct: Not only was it the largest UN institution located at the very site of the League's catastrophic failure; it also became one of the few remaining forums working actively against the division of Europe into two opposing camps, and hence against a further escalation of the Cold War.

Washington, both the capital of the United States and the global capital of wartime planning, came to represent a major element of change in international affairs: The re-entanglement of the United States. Wilsonian idealism had faded after Congress voted against joining the League, and during the interwar period, the United States receded into relative isolationism. In World War II, America re-entered the international stage with force. It assumed an almost hegemonic role in the projected re-organization of international relations after the war. This newfound American internationalism was supposed to be practical, global, scientific, and humanitarian. It carried ideas and approaches related to America's domestic experiences during the New Deal – a framework of practical intervention on hands-on problems, executed by specialized agencies. But while America's internationalism was powerful, it remained incomplete. While the United States propagated a fight for freedom and democracy worldwide, it did not provide equal rights to many of its own citizens. Other contradictions could be found in American policy regarding Europe and the world. Fundamental questions of postwar organization, most importantly whether new organizations should always be global or allow regional groupings of states, remained subject to internal divisions. Moreover, the rhetoric of a democratic right to national self-determination ran into conflict with the factual American hegemony in the creation of IOs. The construction of a liberal postwar order, built on stable institutions and free trade, was an American policy objective. The order that gradually emerged in the second half of the 1940s is therefore often presented as the result of an American design. But as the analysis

in this part has shown, other governments, institutions, and ideas outside the United States were able to exercise a major influence on the UN system in general, and on ECE more specifically.

Stockholm, for instance, while located at the relative periphery of the European problem, nevertheless came to represent a substantial intellectual influence on ECE. Swedish officials, like Alva and Gunnar Myrdal, Dag Hammarskjöld, Ivar Rooth, Per Jacobsson, and others, were considerably over-represented in high-ranking positions at IOs during the UN's early years. Gunnar Myrdal, as the first Executive Secretary of ECE, shaped the organization in substantial ways. ECE's policy of seeking to positively engage the Soviet Union and Eastern Europe through trade was grounded in Myrdal's policy as minister of commerce in Sweden 1945-47. Moreover, ECE's institutional setup came close to that of a European framework based on active economic cooperation embedded in a new League of Nations as imagined by a Stockholm-based group of Social Democrat exiles from continental Europe. The group, which included Myrdal as well as the later West German and Austrian chancellors Willy Brandt and Bruno Kreisky, postulated a European third way that sought to mediate between Anglo-American democracies and the Soviet Union, thereby preventing or mitigating a complete breakdown of East-West relations. Third way discussions – which enjoyed great popularity in the mid-20<sup>th</sup> century - were also often related to Sweden itself. Through its expansive welfare state, Sweden provided an example of a mix of liberal-capitalist and socialist policies. A technocratic class of planners, many of whom were academic economists like Myrdal and Hammarskjöld, had a crucial role in the construction of this “Swedish Model”. As UN officials, they took their existing experiences, friendships or grievances with them from the national to the international level – a factor that later became a direct influence on the development of ECE.

In Chapter II.2, the political origins of ECE were put into context with the origins of the UN. While the UN began as a military alliance, it was soon to be transformed into a permanent peacetime organization. This raised the problem how the new world organization should deal with neutral states and former enemies of the fighting coalition. While the UN initially rejected the idea of regional organizations, “Europe” eventually emerged as a compromise formula allowing their inclusion. The chapter traced this process by first looking at the precedent set by UNRRA, the UN's first civilian agency; then addressing the institutions emerging from conferences in Bretton Woods, Dumbarton Oaks, and San Francisco; and finally by analyzing the constitutive politics of ECE itself.

UNRRA was an important testing ground for the peacetime UN. Running on American money and established on American initiative, UNRRA was meant to pioneer a new spirit of hand-on international cooperation in relief and humanitarian aid. UNRRA's organizational setup, moreover, would become a prototype for new international agencies. As such, it was contested from the beginning, and smaller nations successfully resisted attempts to centralize UNRRA operations around a Great Power council. For its main financier, the United States, UNRRA hence became a cautionary tale, influencing the decision to later forego the UN in favor of a new and unilateral aid program. But before the Marshall Plan, several other IOs were founded in UNRRA's wake, following its precedent of equal member state representation. The end of UNRRA's mandate was a direct reason for ECE's establishment in 1947. ECE was hence a successor organization to UNRRA, building on its setup of equal representation as well as its preferred mode of practical cooperation on tangible problems.

In 1944/45, international planning accelerated and produced a number of institutions. The Bretton Woods conference established the IMF and an international bank. A projected third pillar of the Bretton Woods system, the ITO, never materialized. This failure to establish a global trade organization left plenty of room for other IOs to seek preoccupation with international trade, among them ECE, which carved out a niche in East-West trade. Like UNRRA, Bretton Woods was not for everyone. UNRRA was the civilian arm of a military alliance, and the rich neutrals Sweden and Switzerland decided against participation. The Bretton Woods conference was again an action by belligerent states, excluding neutral countries. Unlike UNRRA, however, the global economic system set up at Bretton Woods created a vortex, accelerated by the US economy's gravitational pull, which proved difficult to escape for those initially outside it. Even the Soviet Union, which participated at the Bretton Woods conference but chose not to remain inside the institutions, never achieved full independence from them. ECE would provide a link to the liberal economic system. By basing its membership on a regional, "European" premise instead of wartime or systemic allegiance, ECE allowed the inclusion not only of neutrals, but also of socialist countries. But while ECE was an economic institution, decisions taken on the security side of world organization also affected it. At Dumbarton Oaks, held shortly after Bretton Woods, the Big Four decided on the continuation of the UN brand name for the peacetime organization, which would address international security as well as economic and social issues. They also decided to continue equal member state representation, but gave special weight to themselves in the UN Security Council. The decision to allow full membership rights for the Ukrainian and Byelorussian SSRs had direct repercussions on ECE, where countries in the Soviet sphere of influence enjoyed a larger share of votes than in any other UN organization – a key argument to get the Soviet Union to commit to ECE.

The constitutive politics of ECE, finally, showcase a combination of different member state interests. The starting point was a Polish resolution in the General Assembly, urging the UN to remain committed to member states suffering from war devastation after the pending end of UNRRA's mandate. At ECOSOC, this resolution was combined with an existing American plan for a permanent organization for economic cooperation in Europe. This plan foresaw the preservation of economic unity in Germany by embedding it into an economically united Europe, which should be achieved in an incremental process. By changing the terminology from "devastated areas" to "Europe", ECOSOC allowed the inclusion in ECE of neutrals and former enemies of the UN. On the other hand, it excluded other UN member states like Ethiopia, which had suffered considerable war devastation but was not geographically located in Europe. For the European UN members, ECE provided a means to achieve certain policy goals. For the UK, ECE was a tool of ensuring continued American commitment to European economic affairs. For France and the smaller countries bordering Germany, ECE provided a chance to influence economic decisions in the military occupation of Germany. For Eastern Europe, which found itself under Soviet domination, ECE was a potential link to the Western economies. Poland and Czechoslovakia in particular persuaded a reluctant Soviet Union to support ECE. For Stalin, the perceived necessity to create a chain of friendly buffer states between the Soviet Union and Germany ultimately gave the impetus to agree to the creation of ECE.

Beginnings matter. While institutions evolve gradually over time, the decisions taken or deterred in the process leading to their foundation continue to influence them. Yet,

organizations (not just IOs) routinely behave in ways not anticipated by their creators, as Michael Barnett and Martha Finnemore have pointed out.<sup>234</sup> In the first years after ECE's creation, international circumstances changed drastically, providing a background against which the organization developed a life of its own.

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<sup>234</sup> Barnett and Finnemore, *Rules for the World: International Organizations in Global Politics*, 1-2.



PART III: RECONSTRUCTION AND THE  
BREAKDOWN OF EAST-WEST RELATIONS,  
1947-52

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### III.1 INTRODUCTION

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The third part of the thesis analyzes ECE's early years, contextualizing the organization's activity with the closely intertwined phenomena of postwar reconstruction and the formation of geopolitical blocs during the late 1940s. It argues that two parallel paths were laid out in 1947/48: continued all-European cooperation within the UN framework as intended in ECE; and exclusive consolidation within the respective Western and Eastern camps. When the United States launched the Marshall Plan (or European Recovery Program, ERP), it decided to forego the UN and the newly founded ECE. This decision gave way to the formation of "Western Europe" as not only a geopolitical bloc, but also an economic entity. The installation of pro-Soviet Communist governments, meanwhile, provided for fundamental changes to the national economies of Eastern Europe. The creation of two blocs profoundly changed European trade patterns, which had already been severely disrupted during the Great Depression and WWII. Traditional trade was redirected to new outlets within the blocs. Intra-mural integration – the increased interconnection of national economies within the blocs – was a strategy to cope with the disruptions caused by bloc formation. The physical reconstruction of war-ravaged Europe thus went hand in hand with the construction of new political and economic realities. ECE, the only forum for all-European economic cooperation, was actively working against the trend, seeking to preserve and rebuild East-West connections. While this strategy had little success initially, it is remarkable how during the years of peak tension from the end of WWII to the Korean War, the organization managed to actively work against the overwhelming trend toward bloc formation. While the Marshall Plan has captivated the memory of the reconstruction period in Western Europe and North America, ECE's all-European approach to reconstruction remained an important part of the continent's economic recovery.

This part consists of chapters III.1 and III.2. Chapter III.1's title, *The Construction of Western Europe*, picks up on Alan Milward's seminal book on the reconstruction of Western Europe, but argues that in 1947, Western Europe was not so much a given entity that it could be *re*-constructed.<sup>1</sup> Rather, the American decision to bypass the UN and its ECE when implementing the Marshall Plan marked a distinct break with earlier recovery plans. IOs like UNRRA and ECE's direct predecessors, the three emergency- or e-organizations, had pioneered an all-European take on reconstruction. Their intergovernmental composition and focus on supply problems and technical questions influenced both ECE and the Marshall Plan organization OEEC. But the Marshall Plan provided America's European allies with a geopolitical framework and a financial kick-start for intra-mural economic integration, replacing traditional trade routes with new, western ones. The Marshall Plan thus condoned and encouraged bloc formation. It did not, however, replace or negate the all-European ECE, which continued to exist in parallel. Proponents of the Western European and the all-European paths to European recovery often clashed. While British officials increasingly perceived ECE as a potential threat to the Western European project, the American administration was determined to keep both paths open, using ERP and OEEC to facilitate Western Europe while keeping ECE alive as a backdoor for potential defectors from the Soviet camp.

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<sup>1</sup> Milward, *The Reconstruction of Western Europe, 1945-51*.

Chapter III.2 deals with the consequences of bloc formation for European trade and ECE's early, unsuccessful attempts to overcome the persistent deadlock in trade issues. Post-WWII trade was subject to severe obstacles. Intra-European trade was initially conducted on the basis of bilateral barter arrangements, a system that put strict limitations on commercial actors' ability to import and export. During the late 1940s, this system was gradually replaced with more integrated, multilateral arrangements within the two blocs. Trade between them, however, remained on a bilateral basis. This meant that East-West trade proved vulnerable to tactics of economic warfare. In the new Cold War setting, the US administration adopted these tactics – tried extensively during WWII – for use in peacetime against the Soviet Union and its allies. Western Europe, dependent on Marshall Plan money, was compelled to participate in the American embargo. ECE's trade committee, instated on a Soviet proposal, fell into deadlock and was not convened for several years. Having identified East-West trade as ECE's "Big Idea", the secretariat tried to wedge open the deadlock in a series of extraordinary meetings on trade, displaying a remarkable degree of institutional independence. While these attempts produced no results prior to Stalin's death, they established several precedents that later became instrumental in the eventual breakthrough that was achieved in 1953/54.

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 III.2 THE CONSTRUCTION OF WESTERN EUROPE
 

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“[T]here was hope, as we left Yalta”, State Department Sovietologist Chip Bohlen recalled, “of genuine cooperation with the Soviet Union on political questions after the war”.<sup>2</sup> But Bohlen’s hope deteriorated quickly. By 1947, he concluded that any further US initiatives “should be consciously limited to Western Europe”.<sup>3</sup> Bohlen’s change of mind is representative of larger geopolitical developments during 1945-47. The premise of continued cooperation among the WWII allies upon which the UN was built was eroding quickly. Seeing the futility of cooperation with the Soviet Union, State Department officials formulated the Marshall Plan as a measure to help Western Europe, and Western Europe only. Benn Steil’s recent book on the Marshall Plan (2018) has correctly labeled ERP “the dawn of the Cold War”. The decision to shore up Western Europe under an American instead of a UN umbrella was a conscious decision for bloc formation. This had dramatic strategic as well as economic implications on both sides of the Cold War divide. Aside from Steil’s book, the Marshall Plan has not been a central subject to recent historiography. In the 1980s, there was a lively scholarly debate about its impact on Europe’s recovery.<sup>4</sup> More recently, historians discussed its non-economic dimension, and suggested that its legacy was in fact cultural and psychological, by rallying the Western powers around the United States and by selling American products and culture to Europe.<sup>5</sup> The Marshall Plan hence served a perceived need to strengthen the West by uniting it.<sup>6</sup> “[T]he character of the new economic thinking was radically different from that under FDR”, Steil argues: “Rather than lending Europe reconstruction funds and wishing it well, a new integrated western European entity would be reconstructed using American blueprints, cash, and – ultimately, contrary to all early intentions – security guarantees.”<sup>7</sup>

The formulation begs the question, however, whether something “new” can indeed be “reconstructed”. Western Europe was not a natural or given economic and political entity. Wartime planning had assumed an all-European premise, creating the all-European ECE as a result. The new “Western Europe” of the Marshall Plan was an overlapping alternative to ECE’s “Europe”. As the only existing general economic IO in Europe at the announcement of the Marshall Plan, ECE was a strong contender to assume responsibility for the distribution of funds. This chapter shows that ECE was a serious historical alternative to the Marshall Plan organization OEEC. The Marshall Plan did help with reconstruction, but its most important legacy lay in the construction of Western Europe.

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<sup>2</sup> Quoted in Benn Steil, *The Marshall Plan* (Oxford: Oxford University Press, 2018), 4.

<sup>3</sup> Quoted in *ibid.*, 12.

<sup>4</sup> On one end of the spectrum, Hogan argues that its contribution was crucial: Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*. Milward, on the other hand, argues that its effects were minimal. Milward, *The Reconstruction of Western Europe, 1945-51*. For a critical review of the lively discussion on the ERP during the 1980s, see William Diebold, “The Marshall Plan in retrospect: A review of recent scholarship,” *Journal of International Affairs* 41, no. 2 (1988).

<sup>5</sup> David Ellwood, ““You too can be like us”: Selling the Marshall Plan,” *History Today* 48, no. 10 (1998); David Reynolds, “The European Response,” *Foreign Affairs* 76, no. 3 (1997).

<sup>6</sup> Schwabe, “The Cold War and European Integration, 1947-63.”

<sup>7</sup> Quoted in Steil, *The Marshall Plan*, 12-13.

The term “reconstruction” needs to be problematized, in terms of its meaning, its periodization, and its scope. One of the earliest reports to ECOSOC, adopted in May 1946, introduced a useful differentiation between “primary” and “secondary” reconstruction:

*“The policies of reconstruction [...] necessarily have more than one objective. True, the basic concern [...] is to restart productive operations on the land, in factories, mines and transportation so as to raise the volume of goods and services to the levels of the best pre-war years as rapidly as possible. But this basic task of reconstruction is combined in most countries with programmes designed to modernize the structure of industry and to modify the character of the economic system. [...] The short-run process of primary reconstruction is thus overlaid by a process of secondary reconstruction which has long-range aims. [...] Reconstruction both in the narrower and wider sense [...] merges into the general problem of the economic basis on which a new and lasting peace may be built.”*<sup>8</sup>

Primary reconstruction looked very different across Europe. Poland was one extreme: It had lost territory in the East, acquired territory in the West, and cities like Warsaw, Gdansk and Wroclaw were almost completely annihilated. With such extensive destruction and a different territory than before the war, it seems difficult to even speak of *re*-construction in the Polish case. Denmark, on the other hand, had sustained comparatively minor war damage, yet its economy was still fundamentally hurt by rising costs of imports and the loss of export markets. Albania was another special case: It sustained losses in mines, livestock and housing, but due to Italian direct investment emerged from World War II with more developed infrastructure than it had in 1938.<sup>9</sup> What meaning did reconstruction maintain under such circumstances? The problem is further complicated once secondary reconstruction is taken into account. Planners in East and West never saw the devastation as an obligation to rebuild what had once been. Rather, it was as an opportunity to start anew and build economies and societies on different bases.<sup>10</sup> While Eastern Europe was reshaped in the Soviet image, Western Europe embarked on the construction of welfare states. Plans fluently transitioned between an emergency period dominated by scarcity and an expected period of recovery and prosperity. Reconstruction thus went hand in hand with the construction of new societies.

There are, therefore, good reasons to understand European (re-)construction as a long process, longer than is generally recognized in the historiography.<sup>11</sup> The reconstruction period began earlier than 1945; it included the period of planning for peace during the war, as well as the creation of UNRRA, the Bretton Woods institutions, and the UN as the international framework within which reconstruction took place. Going back even further, reconstruction after World War II required a restoration of economic interconnections that had not been adequately done after World War I. The last time Europe had known stable growth and a reasonable security of expectations for all economic agents was before 1914. Back then, Europe’s national economies were entangled in a large, highly integrated

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<sup>8</sup> Quoted in Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 17-18.

<sup>9</sup> Case, "Reconstruction in East-Central Europe: Clearing the Rubble of Cold War Politics," 71.

<sup>10</sup> Westad, *The Cold War. A World History*, 99.

<sup>11</sup> This point is made by Mazower, "Reconstruction: The Historiographical Issues."

continental system.<sup>12</sup> An instant return to the dynamic, interconnected European economy of the early 20<sup>th</sup> century was not possible after two world wars and the collapse of the liberal economic order in the Great Depression. Governments had become central economic actors, a role they had to maintain in order to solve the practical challenges of reconstruction, and to prevent social unrest and yet another collapse of the peace. When the reconstruction period ended is thus even less clear than when it began. The UK wound up its Ministry of Reconstruction already in July 1945, but kept rationing in place until long after the war. Equivalent ministries in the Netherlands, Belgium, France, Hungary, Poland and Greece tended to last into the mid-1950s before being folded into housing, development, or public works ministries.<sup>13</sup> The pre-1914 level of global economic interconnectedness was restored only in the 1970s. Large parts of Europe were then, however, still behind the Iron Curtain. Only with the end of the Cold War and the eastward expansion of the European Union were areas in Central and Eastern Europe properly reintegrated into the circulation.

At the newly founded ECE, officials were well aware of the duality of primary and secondary reconstruction. “Europe is not only rebuilding what was destroyed by the war”, Myrdal wrote in a Swedish magazine in 1947; Europe “is virtually rebuilding itself”.<sup>14</sup> Rebuilding Europe took more than the physical reconstruction of destroyed buildings, bridges and railways. It meant far-reaching reconfigurations of economic interconnections, traditional trade routes, and geopolitical alliances. ECE, the only all-European forum dedicated to general economic cooperation, sat right where the political, social, economic, and technical problems of reconstruction collided. Its main task, according to ECE’s mandate, was “to initiate [...] concerted action for the economic reconstruction of Europe”.<sup>15</sup> With the onset of the Cold War and the breakdown of East-West relations, this task became increasingly difficult to fulfill. While the Soviet Union installed communist governments in Eastern Europe as a security buffer, the United States committed itself to “containing” communism worldwide – a strategic objective that was inherently unrealizable.<sup>16</sup> Both superpower strategies condoned the breakup of the Great Power alliance at the core of the UN. Until the mid-1950s, the UN Security Council was paralyzed by Soviet vetoes. The UN system, conceived of as a site of cooperation between nations states, thus became instead a witness to and even an instrument in blockages of international cooperation.<sup>17</sup>

Measured against these new geopolitical realities, ECE seemed like an awkward anachronism already within months of its first session in April 1947. While delegates at the first ECE session agreed that, in the words of US Undersecretary of State Will Clayton, “reconstruction could only be achieved through teamwork”, the looming systemic

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<sup>12</sup> Jan Tumlir and Laura La Haye, “The Two Attempts at European Economic Reconstruction After 1945,” *Zeitschrift für die gesamte Staatswissenschaft* 137, no. 3 (1981): 372.

<sup>13</sup> Mazower, “Reconstruction: The Historiographical Issues,” 28.

<sup>14</sup> Gunnar Myrdal, Europe’s Problems. Draft article for *Vi Veckotidning*, Stockholm. 4 December, 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>15</sup> Quoted in Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 88.

<sup>16</sup> Mazower, *Governing the World. The History of an Idea*, 225.

<sup>17</sup> Kott, “Cold War Internationalism,” 341.

confrontation curbed the enthusiasm for a coordinated, all-European reconstruction effort.<sup>18</sup> Between the communist coup in Czechoslovakia in 1948 and Stalin's death in 1953, the countries within the Soviet sphere largely stayed away from ECE's technical committees. Yet, they did not leave the organization as such, and continued to participate in the annual Commission sessions. Given the League of Nations' history of frequent member state withdrawals, it is remarkable that no government ever completely pulled out from ECE. The possibility of a return was kept open by both sides in the unfolding East-West conflict. During the years of peak tension, ECE thus became a reserve organization, preparing for the possibility of *détente* in the future. It adopted a role outside the focus of political and public attention, devoting the bulk of its efforts to technical questions of infrastructures, norms, and regulations – work that lacked the grandiosity of the Marshall Plan or the communist five-year-plans, but was indispensable to European reconstruction.

While the responsibility for the financial and macroeconomic aspects of the recovery program were given to OEEC and the Bretton Woods institutions, ECE was charged with focusing on technical aspects, especially those inherited from the three e-organizations. This was partially due to the legacy of these organizations and the League, but also already due to the emergence of opposing Cold War confrontation. It meant that ECE never became a forum where ministers of finance and economy would meet regularly to address the broader economic problems facing the region, a role which would have been in the cards had the Marshall Plan been given to it. The UN as a whole was weakened in the long run, as Yves Bethelot and Paul Raymond point out: Senior ministers of the major developed countries withdrew from the UN to discuss major issues among themselves, in fora like the G7, or with similar developed countries in OEEC's successor, the Organisation for Economic Co-operation and Development (OECD). Had the subsequent work of the OECD been developed within the UN, not only ECE but also ECOSOC would have been greatly strengthened.<sup>19</sup> The decision to forego ECE and organize ERP outside the UN framework was thus a decisive turning point in the reorganization of international relations at the onset of the Cold War.

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<sup>18</sup> Quoted in Appelqvist, "Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery," 342.

<sup>19</sup> Berthelot and Rayment, "The ECE: A Bridge between East and West," 64.

### III.2.1 BOTTLENECK PROBLEMS

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Acute emergency characterized the first phase of postwar reconstruction, following the armistice and lasting until the so-called 1947 crisis. Immediately after the German surrender, Allied authorities set up several IOs to deal with critical supply shortages. In addition to UNRRA, three so-called emergency or e-organizations were created. These three agencies were ECE's direct predecessors, and a major influence on its organizational setup. The e-organizations were the Emergency Economic Committee for Europe (EECE), the European Coal Organization (ECO) and the European Central Inland Transport Organization (ECITO). Their key legacy to ECE was an initial focus on supply shortages, so-called bottleneck problems. These bottlenecks obstructed economic recovery in various sectors.<sup>20</sup> The most severe shortages were coal, transport, food, and housing. Each of these shortages seriously affected the others, and no European nation could tackle them individually. Even after the e-organization's dissolution, bottleneck problems dominated ECE's agenda. But ECE was not the only IO influenced by the e-organizations' precedent. Miriam Camp, who briefly worked at EECE in London and later coordinated US policy at ECE and OEEC, argued that the e-organizations "were really the forerunners of two streams [...]: One was the Economic Commission for Europe and the other was the OEEC".<sup>21</sup> Both ECE and the Marshall Plan organization OEEC inherited the e-organizations' characteristic preoccupation with technical problems, but while ECE continued along their wider geographical premise, OEEC would pioneer an exclusively Western European approach.

Widespread destruction of infrastructure and prevailing bottleneck problems posed severe hindrances to economic recovery. Many Europeans lacked sufficient housing, food, coal, and other necessities, while governments were seeking to make good on their wartime promise to increase living standards. Reconstruction was thus deeply entwined with the transnational debate on economic planning.<sup>22</sup> Planners and technocrats in the governments and at IOs were confronted with the challenge to not only overcome the period of acute emergency, but to reestablish and increase prosperity. The reconstruction of physically devastated areas thus went hand in hand with the construction of richer societies, and the different national reconstruction plans had to deliver quickly. Rebuilding national power was a central objective of reconstruction. French reconstruction plans, for instance, foresaw the exploitation of German coal to help France attain industrial leadership in Western Europe. The British-American refusal to allow France to exploit Ruhr coal marked a clear clash of national interests.<sup>23</sup> For reconstruction plans to work, governments thus had to find ways of coordination with each other. Many materials remained scarce, requiring internationally agreed methods of distribution. Infrastructures and trade connections had to be reinstated across national boundaries. While European reconstruction was thus an

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<sup>20</sup> "Relief and Reconstruction Organizations," *International Organization* 1, no. 2 (1947).

<sup>21</sup> Miriam Camps interviewed by F. Duchêne, London, 30 August 1988. HAEU: EUI Oral History Collections, accessed 20 July 2016 at <http://archives.eui.eu/en/files/transcript/15818?d=inline>

<sup>22</sup> Christian, Kott, and Matějka, *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*.

<sup>23</sup> René Girault, "The Partition of Europe," in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002), 321.

inherently transnational problem, the international agencies trying to solve it had to fight an uphill battle against both economic nationalism and geopolitical bloc formation.

The e-organizations thus faced a challenging task and encountered severe problems. The responsibilities of all three e-organizations overlapped, and each bottleneck problem made it more difficult to solve the others. The most pressing issue was coal: the deficit in Western Europe alone was estimated at 3 million tons per month in the winter of 1945/46.<sup>24</sup> At the same time, there were few railway wagons available to transport coal from the mining areas to the cities.<sup>25</sup> ECO and ECITO thus both had to tackle coal transportation, while EECE needed wagons to transport food and building materials. Different locations further complicated coordination among the e-organizations. EECE and ECO were based in London and dominated by the UK. A member of the French delegation recalled that EECE “looked like an appendix of the Foreign Office”: Its chairman and the majority of its small secretariat at Lancaster House were Britons, and even the stationery bore the letterheads of the Foreign Office.<sup>26</sup> Similarly, the much bigger and better funded ECITO in Paris consisted of predominantly French staff.<sup>27</sup> Coordination problems between the three e-organizations reached their peak during the hunger winter of 1946/47. The shortage of coal was such that even the coal organization ECO’s offices were unheated, and Paul Porter remembered wearing gloves and a coat at his desk.<sup>28</sup>

Next to coal, transport was the second most critical bottleneck to European recovery. Key transport hubs, like the port cities of Rotterdam and Hamburg, had suffered enormous damage. Even transporting the meager harvest of 1945 from the fields to the markets was a task of surpassing difficulty, since many roads, bridges and canals were destroyed or blocked by debris.<sup>29</sup> But the physical destruction of infrastructure was only part of the problem. The other, and arguably more difficult part was the modernization of inland transport, and the restoration of traffic for goods and people across borders. Inland transport had been a highly regulated sector since the late 19th century. Governments had shielded state-run railways from competition, and actively curtailed the growth of road transport before World War II.<sup>30</sup> The American experience showed that road transport was useful for long distances, and not just for short hauls.<sup>31</sup> To achieve a similar degree of road mobility, European countries had to agree on a number of issues beyond the construction of

<sup>24</sup> A.S.A., “The European Coal Organization: International Cooperation in Practice,” *The World Today* 2, no. 3 (1946): 99.

<sup>25</sup> Mr. Sraffa to Nicholas Kaldor, Gross Haulage Traffic, 18th July 1947. UNARMS S-0543-0012-06 Regional Commissions Section - European Unit - Economic Commission for Europe (ECE) - correspondence 08/47.

<sup>26</sup> Jean Wintier to Václav Kostelecký, 13 September 1981. ARBARK, Václav Kosteleckýs arkiv, 3332-3-1-1.

<sup>27</sup> On ECITO, see Ivan Jakubec, *Schlupflöcher im "Eisernen Vorhang"*. Die tschechoslowakisch-deutsche Verkehrspolitik im Kalten Krieg. Die Eisenbahn und Elbeschiffahrt 1945-1989 (Munich: Franz Steiner Verlag, 2006); E.R. Hondelink, “Transport Problems in Europe,” *International Affairs* 21, no. 4 (1945); “United Nations: Agreement Concerning the Establishment of an European Central Inland Transport Organization,” *The American Journal of International Law* 40, no. 1, Supplement: Official Documents January 1946 (1946).

<sup>28</sup> Footnote 49 in Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 70.

<sup>29</sup> Gilbert, *European Integration. A Concise History*, 10.

<sup>30</sup> Kiran Klaus Patel and Johan Schot, “Twisted Paths to European Integration: Comparing Agriculture and Transport Policies in a Transnational Perspective,” *Contemporary European History* 20, no. 4 (2011): 387.

<sup>31</sup> Frank Schipper, “Changing the face of Europe: European road mobility during the Marshall Plan years” *The Journal of Transport History* 28, no. 2 (2007): 218.

roads, such as standardization, e.g. of packaging or road signs; technical innovation, for instance refrigerated trucks to carry fresh fruit or fish over longer distances; and legal arrangements, like customs duties and transit. Tackling these long-term tasks in the decentralized e-organizations seemed neither practical nor cost-effective.

Anxious to tidy up the sprawl of international agencies concerned with relief and recovery, the State Department suggested merging the emergency organizations into one permanent, all-European organization with consistent membership.<sup>32</sup> When ECE was projected, planners in the State Department presented it as a solution to the serious coordination difficulties troubling the e-organizations.<sup>33</sup> While the e-organizations struggled to deal with the prevailing bottleneck problems, their operation was expensive. The e-organizations' combined annual expenditure amounted to \$1,750,000, while ECE's total 1948 budget was a mere \$825,000.<sup>34</sup> Staff salaries at ECE were budgeted at less than half the costs of the three emergency organizations combined, not even counting the much more expensive UNRRA.<sup>35</sup> Discontinuing UNRRA and combining the three e-organizations into ECE thus meant a significant cost reduction, particularly for the United States, that was crucial for the US Congress' vital approval.

The most troublesome feature of the e-organizations, however, was their varying membership. The e-organizations were founded as inter-Allied organizations, but neutral countries were soon included for practical considerations. The Soviet Union was a member of ECITO but did not join EECE or ECO.<sup>36</sup> The permanent, all-European ECE should solve these problems by coordinating all of Europe's bottleneck problems under one roof with a consistent membership.

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<sup>32</sup> Walt W. Rostow, "The Economic Commission for Europe," *International Organization* 3, no. 2 (1949): 254-56.

<sup>33</sup> Kindleberger, "The American Origins of the Marshall Plan: A View from the State Department," 8.

<sup>34</sup> David Owen, Assistant Secretary-General for Economic Affairs, to Byron Price, Assistant Secretary-General for Administrative and Financial Services, 25 March 1947. UNARMS, S-0543-0001-03.

<sup>35</sup> James Keen: The Economic Commission for Europe, 28 March 1947. UNOG Archives ARR 14/1360, Box 67, Folder "History".

<sup>36</sup> Draft brief on E.C.E. and E.C.A.F.E. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

**Fig. III.1 Membership in the three e-organizations and ECE founding members<sup>37</sup>**

	<b>ECE</b>	<b>EECE</b>	<b>ECO</b>	<b>ECITO</b>
<b>Albania</b>	C	-	-	-
<b>Austria</b>	C	A	-	-
<b>Belgium</b>	M	M	M	M
<b>Bulgaria</b>	C	-	-	-
<b>Byelorussian SSR</b>	M	-	-	-
<b>Czechoslovakia</b>	M	O	M	M
<b>Denmark</b>	M	M	M	-
<b>Finland</b>	C	-	A	-
<b>France</b>	M	M	M	M
<b>Greece</b>	M	M	M	M
<b>Hungary</b>	C	A	-	-
<b>Iceland</b>	M	A	-	-
<b>Ireland</b>	C	A	-	-
<b>Italy</b>	C	A	A	-
<b>Luxembourg</b>	M	M	M	M
<b>Netherlands</b>	M	M	M	M
<b>Norway</b>	M	M	M	M
<b>Poland</b>	M	O	M	M
<b>Portugal</b>	C	A	A	-
<b>Romania</b>	C	-	-	-
<b>Sweden</b>	M	O	A	-
<b>Switzerland</b>	C	A	A	-
<b>Turkey</b>	M	M	M	-
<b>Ukrainian SSR</b>	M	-	-	-
<b>United Kingdom</b>	M	M	M	M
<b>United States</b>	M	M	M	M
<b>USSR</b>	M	-	-	M
<b>Yugoslavia</b>	M	-	-	M

M = Member

C = Not a member of the UN, participating in ECE in a consultative capacity (i.e. without voting rights)

A = Associate

O = Observer

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<sup>37</sup> Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*. See also Annex A (Member Nations of European Economic Organisation) to Brief for the United Kingdom Delegation to the Economic and Social Council on an Economic Commission for Europe. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

Merging the e-organizations into ECE was thus a centralized solution to concrete problems, but it was also a reaction to broader changes in the European economy. The period of immediate emergency was gradually shifting into a reconstruction period that would have to set long-term precedents for the way European economies were organized in peacetime. A British diplomat emphasized in December 1946 that the conception of ECE “was motivated by a desire [...] to establish new machinery adequate for the new problems. The Commission is [...] beginning the longer-run task of economic integration of Europe”.<sup>38</sup> Walt Rostow, who drafted the first plans for a permanent European economic organization, hoped that ECE might “constitute an instrument whereby Europe could ultimately unite on certain key issues [...] ECE appeared as a possible realistic first step along the slow path towards a democratically negotiated, economic unity in Europe”.<sup>39</sup> ECE was a changeover organization, designed to handle both the bottleneck problems to reconstruction and the long-term project of “integrating” European economies.

The most direct form of economic integration remained, for now, the coordination of reconstruction plans. With state planning on the rise across Europe, and with more details of the different national plans emerging, it became obvious that the plans were at conflict with each other: “Most of them contemplate a substantial increase in exports, increase which in aggregate and if uncoordinated could clearly not be achieved”, as ECE’s secretary Eric Wyndham White summarized the problem.<sup>40</sup> Wyndham White later became Secretary-General of the GATT in 1947, and an icon for trade liberalization.<sup>41</sup> But in the context of reconstruction, he rejected unnecessary competition between nations. A lack of dedicated international coordination, he argued, would lead to painful waste and delay:

*“[...] if all [...] countries in Europe decide on a great expansion of their output there will first be acute competition between them for new machinery, plants and spare parts [...] [B]y the time these difficulties are overcome there may [...] not then be a remunerative market. Skill, labour and capital so urgently needed for the economic recovery of Europe would have been misapplied and this at the most critical time.”<sup>42</sup>*

While the most critical shortages during the emergency period were coal, food, housing, transport, and raw materials, the transition into a phase of sustained recovery faced more and broader bottleneck problems.

Personnel quickly emerged as another bottleneck. With regard to IOs, the practical question remained who should be in charge: National delegates or a powerful international administration. With the experience of UNRRA bureaucracy in mind, British Foreign Minister Ernest Bevin insisted that at ECE, “the main work of the Commission should be

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<sup>38</sup> Problems for the proposed Economic Commission for Europe, 11 December 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>39</sup> Rostow, “The Economic Commission for Europe.”

<sup>40</sup> Eric Wyndham White: Draft Note for the Secretariat of the United Nations on the Economic Commission for Europe, 9th January 1947. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>41</sup> Rogério de Souza Farias, “Mr GATT: Eric Wyndham White and the quest for trade liberalization,” *World Trade Review* 12, no. 03 (2013).

<sup>42</sup> Eric Wyndham White: Draft Note for the Secretariat of the United Nations on the Economic Commission for Europe, 9th January 1947. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

conducted by permanent national delegations [...] rather than [...] an inflated United Nations Secretariat”.<sup>43</sup> The Foreign Office tried very hard, but ultimately failed to require all member states to entertain permanent representations in Geneva. The availability of experts who could work on bottleneck problems was thus a bottleneck problem in itself. Delegates in the e-organizations were usually employed in the commercial sections of the embassies in London or Paris, and were not tasked exclusively with Commission work.<sup>44</sup> Paul Porter, for example, represented the United States in all three e-organizations, constantly travelling between London and Paris.<sup>45</sup> British EECE delegate John Troutbeck warned about creating a similar modus of representation at ECE. “[I]f the National Delegate is expected to do the Commission work only as part (and probably a small part) of 101 other jobs”, he wrote, “he cannot hope to do much effective work [...]. This has been precisely the weakness of the EECE”.<sup>46</sup> The State Department agreed that all ECE members “should have a permanent delegate who was able to give full time to the work”, but not with the British preference for a weak secretariat. On the contrary, ECE “should have a strong and efficient Secretariat” that was “prepared to take the initiative”.<sup>47</sup>

The British-American preference for permanent representation was a strong argument for Geneva as the site of ECE, since the UN secretariat’s European Offices were already being established there and it would be more difficult for governments to avoid having a permanent delegate. Other suggested sites for ECE were Paris and London. Rather than setting up a new office and representation in Geneva, the Polish representatives favored London, “because their best economic people were here and they thought that other governments were in the same situation”.<sup>48</sup> This reflects a diverging approach to representation: Whereas the British saw the low diplomatic rank of representatives in the e-organizations as a hindrance and wanted to ensure high-profile permanent representation at ECE, Poland favored ad-hoc expert representatives. British and American negotiators ultimately failed to make permanent representation a rule. This was due to the resistance of continental member states, but also to increasing shortages at the UK Foreign Office itself. When ECE’s terms of reference were formally agreed upon in March 1947, Troutbeck complained:

*“If we ourselves, in view of man-power difficulties, may not find it possible to keep our chief delegate permanently at Geneva, how can we press others to do so? It seems to me that an important point of principle is here involved. The Commission can either be run by the National Delegates or by the Secretariat. Hitherto we have plumped for the former course. But if our own permanent delegate is merely*

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<sup>43</sup> Circular no. 057, Ernest Bevin to His Majesty’s Representatives, 26th March 1947. TNA, CAB 134/415: Steering Committee on International Organisations: Working Party on the Economic Commission for Europe.

<sup>44</sup> Draft brief on E.C.E. and E.C.A.F.E. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>45</sup> John Troutbeck: untitled minutes, dated 31st December 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>46</sup> J.M. Troutbeck (UK Delegation to UN) to Roger Stevens (Foreign Office), March 24, 1947. TNA, FO 371/62385: Establishment of an Economic Commission for Europe.

<sup>47</sup> Minutes of a meeting between representatives of the Foreign Office and the US embassy, 18th January 1947. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>48</sup> P.H. Gore-Booth to Mr. Stevens, 7th February 1947. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

*to hop over to Geneva once a month, stay there a day or so and then come home, should we not do better to change our line completely and go in for a strong Secretariat? If the Secretariat is to be weak and the permanent delegations to consist only of junior officials, how do we expect the Commission to function effectively at all?*"<sup>49</sup>

Troutbeck's proposed change of strategy came too late to be a real turning point, but the Foreign Office did not object to subsequent personnel decisions that strengthened ECE's secretariat vis-à-vis the Commission. High-profile economists like Gunnar Myrdal, Walt Rostow, and Nicholas Kaldor were hired for the ECE secretariat. The British mission in New York was initially worried "whether Myrdal is not too big a shot in view of our wish to enhance [the] position of national delegates", but gave up its resistance because of time pressure and because the Foreign Office wanted to ensure Secretary-Generalship of the then still projected ITO for a Briton, preferably Eric Wyndham White.<sup>50</sup> For Myrdal himself, the ECE appointment offered a convenient way to leave the Swedish cabinet, where he was increasingly isolated after the controversial Swedish-Soviet trade agreement he concluded as minister of commerce. But Myrdal also emphasized his belief in the central importance of the newly founded UN, "not only in preventing a new war but also in rationally organizing economic, social and cultural affairs of the whole world in cooperation with all".<sup>51</sup> Ultimately, ECE gained both: delegates taking decisions and an independent and competent secretariat assisting and supplementing their work.

Only the United States was initially able to entertain a big resident delegation in Geneva, led by Porter and with some 20 members.<sup>52</sup> Most other countries had two to four permanent officials in Switzerland whose main preoccupation was ECE work. During ECE's first years, these people were usually employed at consulates in Geneva or at the embassies in Berne; very few countries had a separate resident delegation to ECE or the UN's European offices.<sup>53</sup> But while the US delegation was thus by far the biggest permanent one, European governments' ad-hoc expert delegations to ECE meetings were usually even bigger. Sending sizeable ad-hoc delegations was easy for countries geographically close to Geneva, like France or Italy. More distant countries, like Norway, found it often difficult enough to participate in ECE meetings at all, due to a lack of personnel and Swiss francs.<sup>54</sup> Iceland very rarely sent any representatives during ECE's first years. While decision making thus continued to lie with the national delegates in the Commission, the secretariat gained a more influential position in ECE's day-to-day work and in agenda setting than was originally projected.

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<sup>49</sup> J.M. Troutbeck (UK Delegation to UN) to Roger Stevens (Foreign Office), March 24, 1947. TNA, FO 371/62385: Establishment of an Economic Commission for Europe.

<sup>50</sup> Quoted in Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 45-46.

<sup>51</sup> Quoted in *ibid.*, 49.

<sup>52</sup> Gunnar Myrdal to Karin Kock, September 29, 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48

<sup>53</sup> Telegram Ward (U.S. Resident Delegation at ECE) to State Department, April 20, 1950. NARA RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>54</sup> Robert E. Asher, memorandum of Conversation with Vill Paus, Norwegian Representative to ECE, April 12, 1949. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 1.Folder 6 Conversations

ECE took up its work in spring 1947, amidst rising political tensions and an economic crisis that showcased the limitations of economic planning. The unusually harsh winter had caused a shortage of fuel, which in turn affected industrial production. The ensuing shortages of fertilizers and other essential inputs caused a particularly bad harvest in the summer. The planning enthusiasm of the 1940s thus faced considerable hurdles in 1947. Jean Monnet, head of the French *Commissariat général du Plan*, had made it his aim to create “considerable stocks of everything that is necessary for the life of a great nation during six months”, be it coal, locomotives, medication or shoes.<sup>55</sup> Listing, let alone stockpiling *everything* a nation needed to prosper was surely an impossible goal, and the crisis of 1947 demonstrated the futility of such efforts. GATT economists Jan Tumlir and Laura La Haye have therefore interpreted the 1947 crisis as “a collapse of government planning and administrative guidance of national economies”.<sup>56</sup> Yet in their critique of the postwar planners’ “unwarranted optimism”, these neoliberal economists displayed doubtful optimism themselves. Tumlir and La Haye insisted that “market economies integrated through trade on a liberal basis cannot be laid low by an unusually hard winter” and put the blame for the 1947 crisis solely on government planning. Their critique ignored the circumstances of 1947: the grave lack of an integrated European economy, the pressing supply shortages worsened by the depletion of stocks in the final war years, the destruction of infrastructure and displacement of people, machinery, and transport equipment; as well as the lack of any sophisticated trading arrangements beyond simple barter agreements. The multilateral innovations, which later allowed parts of Europe to prosper on a basis of liberal trade, first had to be built.

Expectations were thus high toward ECE’s first session in May 1947. The session was the hitherto broadest postwar international meeting on economic issues in Europe.<sup>57</sup> A nuclear team of secretariat officials assembled by Assistant Secretary-General David Owen was sent to Geneva from UNHQ to service the first ECE session. This team included Wladek Malinowski, a personal friend of Myrdal’s from the group of exiled Social Democrats in Stockholm, and several people who would continue to fill important roles in the secretariat. Myrdal himself had learned that he was considered as Executive Secretary only in March and arrived in Geneva just ten days before the session. The nuclear team prepared ECE’s first session in a rush and in an atmosphere of growing pessimism. A meeting of Foreign Ministers in Moscow one month before had stalled over the future of Germany and Austria. While the four powers Britain, France, the United States and the Soviet Union formally maintained their commitment to the economic unity of Germany as agreed at Yalta, French insistence on the Saar’s integration into the French economy and Soviet reservations on reparations moved the meeting into deadlock. *The Economist* hoped that in contrast to the Moscow meeting, the ECE session would be “a useful businesslike forum in which Europeans from East and West could participate”.<sup>58</sup> But the Moscow meeting’s failure created a gloomy outlook for the ongoing reconfiguration of international relations. “My sane judgment was that more probably than not this whole thing would explode”, Myrdal

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<sup>55</sup> Jean Monnet, *Memoirs. The Architect and Master Builder of the European Economic Community* (Garden City, NY: Doubleday, 1978), 257.

<sup>56</sup> Tumlir and La Haye, “The Two Attempts at European Economic Reconstruction After 1945,” 371.

<sup>57</sup> The first ECE session is described in detail by Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 57-82.

<sup>58</sup> Appelqvist, “Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery,” 341.

said about ECE's first session in retrospect.<sup>59</sup> The first days did not provide much reason for optimism. Whatever slim hope remained that ECE might solve the problems over which the Moscow meeting had failed was slashed when the conference stalled already over the minor issue of chairmanship. During the next days, the Eastern countries insisted unsuccessfully on a two-thirds voting majority. Russian was adopted as a third working language, after English and French. The outcomes of the first ECE session were thus meager, and showcased that Europe was heading toward bloc formation.

The division of Europe came to the fore in an even stronger fashion at ECE than it had at Moscow. While the Foreign Ministers' meeting in Moscow had been a confrontation of the Great Powers only, the ECE meeting unequivocally demonstrated the existence of opposing Eastern and Western camps. The UK delegation reported on the first ECE session that "the Commission will form a battleground between ourselves and the US on the one hand, and the Soviet Union and their immediate satellites on the other", with France and the Scandinavian countries taking a middle position. Yet, "this experiment [...] may ultimately make a contribution to maintaining contacts between East and West".<sup>60</sup> While the Cold War was not fully "on" yet, political expectations were significantly lowered. ECE was no longer about preventing the division of Europe, but merely about maintaining a minimum of economic ties across the descending Iron Curtain.



**Fig. III.2** *Keep your friends close and your enemies closer: Valerian Alexandrovich Zorin, Deputy Minister of Foreign Affairs of the USSR (left) and William Clayton, US Undersecretary of State (right), seated next to each other at the first ECE session. May 1947.*<sup>61</sup>

<sup>59</sup> Quoted in footnote 50 in Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 54.

<sup>60</sup> Quoted in *ibid.*, 77.

<sup>61</sup> UN Photo, Photo # 51624.

### III.2.2 THE MARSHALL PLAN

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On his flight back to the United States after the disappointing first ECE session, US Undersecretary of State Will Clayton wrote a memorandum to Secretary of State George Marshall. This four-page document laid out the basic ideas for what would become the Marshall Plan. In it, Clayton argued that the US government had grossly underestimated the degree of devastation in Europe. The continent was damaged not just by physical destruction, but also by countless economic, political, social, and psychological disruptions caused by the war.<sup>62</sup> Clayton estimated that Europe would need a grant of 2,5 billion dollars annually, for at least three years, until its own shipment and production could be rebuilt. Otherwise, Europe's complex industrial society would continue to disintegrate, with unforeseeable consequence. The three-year grant Clayton proposed should be based "on a European plan" which the "principal European countries, headed by the UK, France and Italy, should work out".<sup>63</sup> But previous experiences in international cooperation cautioned Clayton to add: "[W]e must avoid getting into another UNRRA. *The United States must run this show*".<sup>64</sup>

Shortly after Marshall had publicized the plan in a speech at Harvard, Myrdal gave a press conference at ECE. "The Marshall proposals ask for a global European reconstruction plan", he said; "the impetus it gives has the possibility of splitting Europe as well as unifying her".<sup>65</sup> The Marshall Plan ultimately did both: by unifying Western Europe, it split the continent in two. It was the watershed moment in the history of the Cold War when the economic and political division of Europe became manifest.<sup>66</sup> European countries were presented with a decisive choice: linking themselves to American relief aid implied adopting American views on foreign policy. To play the game of the Marshall Plan meant to accept the belief that increased economic exchange within Western Europe could stand in for an all-European circulation of goods. By splitting Europe in two, the Marshall Plan became the instrument for the construction of Western Europe as an economic area. Ideologically, the American liberal universe became finite; the universalism of the UN shrank to the Atlanticism of ERP and NATO.<sup>67</sup>

The idea of a Western European economic federation, however loosely defined, was neither entirely new nor entirely American. In March 1944, Charles de Gaulle had suggested "a sort of western grouping" to the Comité français de libération nationale (CFLN) in Algiers.<sup>68</sup> The CFLN contemplated a political and economic federation between France and

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<sup>62</sup> Kindleberger, "The American Origins of the Marshall Plan: A View from the State Department," 9.

<sup>63</sup> Quoted in Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 92.

<sup>64</sup> "Memorandum by the Under Secretary of State for Economic Affairs (Clayton). May 27, 1947," in *Foreign Relations of the United States, 1947, The British Commonwealth; Europe, Volume III*, ed. S. Everett Gleason (Washington, DC: United States Government Printing Office, 1972).

<sup>65</sup> UN Information Centre, Summary of a Statement made by Dr. Karl Gunnar Myrdal at a Press Conference held in the Palais des Nations on June 26th, 1947. Press Release No. 216. UNARMS, S-0543-0013-06. ECE Memoranda re: Organization & Programme of Research and Planning Division – Memo on Survey and ECE Procedure.

<sup>66</sup> Case, "Reconstruction in East-Central Europe: Clearing the Rubble of Cold War Politics," 79.

<sup>67</sup> Ennio Di Nolfo, "The United States, Europe, and the Marshall Plan," in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002).

<sup>68</sup> Quoted in Georges-Henri Soutou, "De Gaulle's Plans for Postwar Europe," *ibid.*, 50-51.

the Benelux states, including a Rhineland and Ruhr separated from Germany, and, eventually, Britain. But since London refused to support French claims toward German territory and the former French mandates in Syria and Lebanon, this concept of a French-led Western Europe was a non-starter for the time being. The Marshall Plan was thus not the start of Western Europe; it was a political choice for the construction of a specific kind of Western Europe under the supervision and financial control of American agencies.

US policy toward Europe adopted a novel approach in conjuncture with the Truman doctrine of “containing” communism worldwide.<sup>69</sup> In President Truman’s bid to Congress for foreign aid to shore up Greece and Turkey against communist insurgence, the newly founded UN was omitted in favor of a unilateral undertaking. Domestic critics of the Truman Doctrine criticize the president’s bypassing of the UN. Opinion polls found that the public preferred, by a margin of more than two to one, to see the Greek problem handed over to the UN. Republican senator Arthur Vandenberg, who supported Truman’s turn toward internationalism, later called it a “colossal blunder” of the administration to ignore the UN.<sup>70</sup> For the US government, the containment of communist expansion now took precedence over universalism, and the facilitation of Western Europe took priority over the earlier goals of all-European reconstruction.

George F. Kennan, the director of the Policy Planning Staff, the State Department’s internal think-tank, was the apostle of containment. Kennan is also credited with resurrecting the idea of European regionalism as a substitute for the fading Rooseveltian universalism.<sup>71</sup> A regionally integrated Europe, he hoped, would in the not too distant future become economically, and, maybe, militarily self-sufficient. Whether European regionalism would be limited to the Western European states was, however, not clear from the beginning. Kennan and Clayton initially disagreed over the use of ECE for Clayton’s proposed European plan. Kennan suggested to “advance the project in the Economic Commission for Europe, and probably as a proposal for general European (not just Western European) cooperation”. Clayton, on the other hand, “stated his conviction that the Economic Commission for Europe is completely unusable as a forum”. Clayton, who had been an important proponent for the creation of ECE, turned against the all-European solution after ECE’s first session: “While Western Europe is essential to Eastern Europe”, he argued, “the reverse is not true. [...] European economic federation is feasible even without the participation of Eastern European countries”.<sup>72</sup> Kennan eventually conceded. If a regional solution was, under the circumstances, only possible for Western Europe, so be it. Kennan prepared a memo to Acheson in which he outlined several points of principle in connection with a four- to five-year “schedule of American aid” to supplement “a program of intramural economic collaboration among the western European countries”.<sup>73</sup> Notably, the memo made no mention of trade with Eastern Europe as a necessity for recovery. It did, however, leave participation open for states within the Soviet orbit. For the Western countries, it warned that aid might stop without guarantees precluding communist “sabotage or misuse”. “Western Europe as an organized political and economic construct”

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<sup>69</sup> Dennis Merrill, “The Truman Doctrine: Containing Communism and Modernity,” *Presidential Studies Quarterly* 36, no. 1 (2006).

<sup>70</sup> Quoted in Steil, *The Marshall Plan*, 49.

<sup>71</sup> Schwabe, “The United States and Europe from Roosevelt to Truman,” 34.

<sup>72</sup> Quoted in Kostelecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 93.

<sup>73</sup> Quoted in Steil, *The Marshall Plan*, 98-99.

was taking shape here, as Steil observes, “its boundaries marked by willingness and ability to participate in an American-led program, its outlook marked by resistance to Communism”.<sup>74</sup> The new Western Europe was thus a revival of European regionalism fit for a Cold War world.

The US administration’s marked departure from Rooseveltian universalism originated not just from the beginning Cold War, but also from an increasing frustration over the massive American spending in various aid programs. At the end of 1946, there were yet few signs of recovery, despite American aid to Europe amounting to over \$9 billion.<sup>75</sup> The devastating winter of 1946/47 had slowed down recovery, and hunger and malnutrition remained commonplace. The US government was concerned by the political repercussions of Europe’s continuing economic crisis: Electoral support for the governments of France and Italy declined, popular discontent increased in Germany, and the appeal of communist parties rose across Western Europe. Britain curtailed its military commitments in Germany and Greece, further increasing the military burden on the United States. Shoring up Western Europe politically and economically thus became a new American priority. The State Department began to stop viewing a sub-regional approach to Europe negatively, but the change was gradual: some officials lost faith in the Soviet Union and in all-European economic cooperation sooner than others.<sup>76</sup> The experience of wartime relief cooperation contributed to this change of mind. UNRRA, in particular, was criticized as overly expensive, inefficient, and granting too little authority to its main financier. Organizations of the UNRRA type, like ECE, where the United States put up most of the funds but had only one vote like every other member, became increasingly unattractive.

ECE had only just begun its work when the Marshall Plan was announced, but it did have the administrative machinery and a political venue that could have administered ERP. Several US officials considered ECE the most likely option for the administration of ERP. “It is difficult to visualize what the Marshall Plan might have been like if the Soviet Union had decided to take part in it,” Porter wrote in his unpublished memoir, “one thing, however, is evident: The Economic Commission for Europe would have been its instrumentality since there would have been no need to create another outside the United Nations”.<sup>77</sup> While Porter was clearly speculating here, evidence from others in the State Department does point in the same direction, rendering an all-European, UN-supervised execution of the Marshall Plan into a serious historical alternative.

Despite hardening disputes over Iran, Eastern Europe, Greece, and Turkey, rapprochement with the Soviet Union was still a goal for the State Department’s economic section when the Marshall Plan was in the making. To junior officials like Porter, Rostow, and Miriam Camp, who had previously promoted the idea of regional planning that led to ECE, sub-regional, i.e. Western European economic cooperation, was not a preferred approach.<sup>78</sup> During 1946/47, said Camp, “the US was very reluctant to do anything that looked as

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<sup>74</sup> Ibid., 98.

<sup>75</sup> Hogan, “European Integration and the Marshall Plan.”

<sup>76</sup> Stanley Hoffmann and Charles Maier, eds., *The Marshall Plan: A Retrospective*, Westview Replica Edition ed. (Boulder and London: Westview Press, 1984), 23.

<sup>77</sup> Paul R. Porter: From Morgenthau Plan to Marshall Plan: A Memoir (draft, 28 April 1980), ARBARK, Václav Kosteckýs arkiv, 3332/3/1/1 Korrespondens 1949-1982.

<sup>78</sup> Hogan, “European Integration and the Marshall Plan,” 4.

though Western Europe was organizing itself without involving Eastern Europe”, including the Soviet Union.<sup>79</sup> Another State Department official, Joseph Marion Jones, described American thinking in the lead-up to the Marshall Plan as guided by two objectives. The primary goal was to “press Soviet leaders to trade a policy of collaboration with regard to Europe as a whole for immediate material benefits“, the secondary objective “to strengthen Western Europe and increase its Western orientation under our leadership [...] in the event the Soviet Union should decline to collaborate“.<sup>80</sup> Jones attributed this line of thinking and the first ideas for what would become the ERP to the same people in the State Department who had been responsible for ECE, chiefly among them Charles P. Kindleberger, the head of the German-Austrian Affairs Unit. Jones insists that like ECE, ERP was first projected as all-European: “The initial approach should be Europe-wide in order to avoid undesirable psychological repercussions in Western Europe and to attract, if possible, the Soviet Union and the satellites. The Economic Commission for Europe was suggested as the most appropriate agency for handling such a program”.<sup>81</sup>

In the higher echelons of the State Department, opinions on the desirability of Soviet participation in the recovery program were divided. Dean Acheson objected that Soviet participation would make ERP unworkable, “because the amount of money involved in restoring both Eastern and Western Europe would be so colossal it could never be got from Congress”.<sup>82</sup> But even Kennan, who would soon give voice to a new group of anti-Soviet hardliners in the State Department, did not rule out Soviet participation just yet.<sup>83</sup> Instead, he argued that if the Soviet Union should choose to participate, it should be made a contributor. “I thought initially that the ECE would have to come into the picture at some point”, he wrote in his memoir. “The best procedure [...] would be to let the Western European countries work out a tentative program and submit it to the Commission. If it found acceptance there, the United Nations could accept sponsorship of it and submit it to [the United States] for support, as a United Nations project.”<sup>84</sup> Secretary of State George Marshall supported the idea that the proposal should be addressed to all of Europe, because the United States could not take the responsibility for dividing the continent. Marshall concluded, “that he would have to take a calculated risk both as regards the Russians and Congress”.<sup>85</sup> Marshall’s first announcement of ERP in a speech at Harvard was therefore very carefully worded, and passed the responsibility to European governments, committing the US to nothing except to consider a plan elaborated by the Europeans. ECE was deliberately not mentioned in Marshall’s speech, even though, according to Jones, “all concerned in the State Department assumed that the ECE would carry the ball”.<sup>86</sup>

In the following weeks, ECE officials actively tried, but failed to make Geneva the venue responsible for the administration of ERP. Marshall’s speech took place in between the first

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<sup>79</sup> Miriam Camps interviewed by F. Duchêne, London, 30 August 1988. HAEU: EUI Oral History Collections, accessed 20 July 2016 at <http://archives.eui.eu/en/files/transcript/15818?d=inline>

<sup>80</sup> Joseph M. Jones, *The Fifteen Weeks (February 21-June 5, 1947)* (New York: Viking Press, 1955).

<sup>81</sup> *Ibid.*

<sup>82</sup> *Ibid.*

<sup>83</sup> Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945-1955. The Germans and French from Ruhr Conflict to Economic Community*, 109.

<sup>84</sup> George F. Kennan, *Memoirs* (Boston: Little, Brown, 1967), 339.

<sup>85</sup> Jones, *The Fifteen Weeks (February 21-June 5, 1947)*.

<sup>86</sup> *Ibid.*, 240-56.

and second session of ECE. The first session had ended in a heated atmosphere, and a wide array of items were left to be discussed, most importantly voting rules and ECE's relation to the Allied Control Authority in Germany. A second plenary session was to be held in the same year. Myrdal was just about to embark on a scheduled tour of European capitals for preparatory negotiations in Paris, London, Stockholm, and Moscow when the news of Marshall's speech reached Geneva.<sup>87</sup> The unexpected American proposition quickly became the main subject of all his conversations with governments, who were not particularly excited about Myrdal's visit. The reception in London was particularly frosty. Foreign Minister Ernest Bevin, who regarded Marshall's announcement as an extraordinary opportunity for the UK, hoped to take ECE out of the equation, fearing that it might serve as an opening wedge for interference from the Soviet Union and from smaller European countries.<sup>88</sup> Myrdal learned of tentative French-British plans to bypass ECE and to invite only a small number of European governments for discussion of the American proposal, including Poland, but not the USSR. Myrdal protested that this would force a split between East and West and "destroy the chances of useful work in ECE and derogate from [the] standing and value of [the] UN". Instead, he proposed to add a discussion on Marshall's proposal to the agenda of ECE's second session. An "ad hoc European planning committee" should be formed at ECE and "remain in practically permanent session" to supervise the elaboration of a European plan.<sup>89</sup> This proposed ECE committee was, in effect, a potential alternative to the Committee on European Economic Co-Operation (CEEC), which later became OEEC. In Stockholm, Myrdal found an ally in his former cabinet colleague Östen Undén, Minister of Foreign Affairs, who publicly supported the proposal.<sup>90</sup> Speaking with Vyacheslav Molotov in Moscow, Myrdal repeated his bid and warned that a "lack of positive Soviet response to [the] Marshall declaration" would "show green light to advocates of [an] ad hoc West Bloc organization for European reconstruction". In this argument, Molotov allegedly "showed great interest and said it was being carefully studied by his Government".<sup>91</sup> When Molotov left for Paris a few days later, he thus had the option to attempt to channel the Marshall Plan through Geneva. The alternative to the UN was bloc formation.<sup>92</sup>

The "calculated risk" Marshall was willing to take paid off: it brought Molotov to follow the French and British Foreign Ministers' invitation of to Paris, but the Soviet delegation famously left the meeting, taking the Polish and Czechoslovak delegations with them. By now, opinions in the State Department had shifted. Kindleberger, who had previously considered Soviet participation possible, recalls feeling "pleased when Poland and Czechoslovakia accepted the Marshall invitations, concerned when the Soviet Union sent Molotov to Paris, [and] relieved when he withdrew because we envisioned the Russian bear

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<sup>87</sup> This episode is described in detail by Sevón, *Visionen om Europa: Svensk neutralitet och europeisk återuppbyggnad 1945-1948*, 122-74.

<sup>88</sup> Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945-1955. The Germans and French from Ruhr Conflict to Economic Community*, 131.

<sup>89</sup> Gunnar Myrdal to Trygve Lie, Telegram, Stockholm, 15 June, 1947. KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>90</sup> Sevón, *Visionen om Europa: Svensk neutralitet och europeisk återuppbyggnad 1945-1948*, 123.

<sup>91</sup> Gunnar Myrdal to Trygve Lie, Telegram, Geneva, 25 June 1947. KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>92</sup> Sevón, *Visionen om Europa: Svensk neutralitet och europeisk återuppbyggnad 1945-1948*, 123.

could choke the program to death by embracing it".<sup>93</sup> Molotov himself was well aware of the intention to construct a Western bloc. In a telegram to Molotov, the Soviet ambassador to the United States, Nikolai V. Novikov, emphasized: "A thorough analysis of the 'Marshall Plan' shows that, in the final analysis, it is directed toward the establishment of a West European bloc as an instrument of American policy".<sup>94</sup> The British Foreign Office took a cynical stance, hoping the Soviet Union would exclude itself. "Nobody seems to think that a 'plan' for Europe is really a serious proposition or anything more than eyewash deigned to extract dollars from a reluctant Congress", an internal document read, "If this is so, the danger of Russia obstructing a plan falls to the ground. It might even be desirable that Russia *should* obstruct and so incur the blame for failure to produce a serious plan".<sup>95</sup> By walking out of the meeting, Molotov thus played into the hands of those who wanted to see the Soviet Union excluded. French Foreign Minister Georges Bidault later asserted that Molotov "had chosen the only way to lose for sure".<sup>96</sup> But while the French, British and Americans hoped that the USSR would exclude itself, they could hardly have outright refused Soviet insistence on the UN after Marshall's open invitation. When Molotov's deputy Andrei Vyschinsky subsequently attacked the Marshall Plan in the UN General Assembly, calling it a violation of the UN's principles and "an attempt to split Europe into two camps", he thus ignored that his government had been offered a potential alternative.<sup>97</sup> Walt Rostow maintained that the choice was, ultimately, Stalin's:

*"My best guess is that with an unconsolidated Poland, unconsolidated Czechoslovakia, unconsolidated Hungary, what Stalin saw was that if he put this thing in Geneva, and the money was coming out of the United Nations, the pull on Eastern Europe would be too much. [...] there's no doubt in my mind that the Russians had the option open to them, of forcing the Marshall Plan into Geneva and the United Nations. [...] once [Molotov] had left, it was clear that the Marshall Plan would be set up and the ECE would be a separate thing".*<sup>98</sup>

Ownership of the ERP at ECE would have implied that the reconstruction program's funding was labeled as UN funds rather than American "Marshall" money. It would also have implied a much stronger standing for the UN, and a continuation of the all-European approach on reconstruction, which saw European cooperation embedded in the UN framework. Moreover, it would have included the possibility for the USSR to participate in ERP, as recipients and donors, and actively taking part in the distribution process. It would also have meant increased Western influence in Eastern Europe and greater independence for the governments. The decision by both sides to forego the UN was a conscious decision for bloc formation, and it laid the foundation for the following economic consolidation of both blocs.

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<sup>93</sup> Kindleberger, "The American Origins of the Marshall Plan: A View from the State Department," 10.

<sup>94</sup> Quoted in Michail M. Narinskii, "The Soviet Union and the Marshall Plan," in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002), 277.

<sup>95</sup> Quoted in Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 102.

<sup>96</sup> Quoted in Narinskii, "The Soviet Union and the Marshall Plan."

<sup>97</sup> Vyshinsky Speech to the United Nations General Assembly, September 1947. In:

Jussi Hanhimäki and Odd Arne Westad, eds., *The Cold War. A History in Documents and Eyewitness Accounts* (New York: Oxford University Press, 2003).

<sup>98</sup> Transcript: Walt Rostow interviewed by Kostecký. ARBARK: 3332 - Václav Kostecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

At the subsequent CEEC meetings of 16 Western European nations in Paris, it was still unclear whether ERP would require a permanent West-bloc organization. The concluding draft report of CEEC maintained that a Western organization “will be of a temporary character and will cease to exist when the special aid necessary for the recovery of Europe comes to an end”, still insisting on the UN as the framework for any long-term economic cooperation in Europe.<sup>99</sup> Agreement on a permanent organization was reached only after an American intervention.<sup>100</sup> The prospect of technical committees under a permanent successor organization to CEEC was worrying to Myrdal, who consigned to Undén:

*“I need hardly tell you that my apprehensions are not primarily motivated by a fear that ECE might get a dangerous competitor in a permanent organization to carry out the ‘Marshall Plan’, but rather by the political implications [...] the establishment of permanent technical committees under the CEEC would mean simply the hardening of the East/West conflict and what would almost amount to a definite closing of the ‘open door’ which exists at the present time in the form of the Economic Commission for Europe”.*<sup>101</sup>

But even though CEEC’s permanent successor OEEC became a “dangerous competitor” to ECE, the sponsors of ERP never intended to close down ECE. On the contrary, the State Department was determined to keep both organizations running in parallel. There were four reasons for the continued American support of ECE while OEEC was taking shape. First, withdrawing from ECE would have had negative repercussions on the UN system as a whole, especially since ECE was still considered one of the more successful early UN organizations.<sup>102</sup> Second, ECE could be used to secure raw materials from Eastern Europe that were crucial for Western recovery. Rostow, by now Myrdal’s right-hand man in the ECE secretariat, wrote to Clayton that “no amount of dollars can [...] compensate for adequate supplies of Eastern European grain, Polish coal, Russian and Finnish timber”, while Eastern Europe badly needed manufactured goods from the West.<sup>103</sup> Third, the ECE machinery could allow OEEC to focus on ERP, without overburdening it with technical problems. Fourth, in the long run, ECE could help to increase the “economic dependence of Eastern Europe on [the] West”, weakening Stalin’s grip on Eastern Europe.<sup>104</sup> The US government thus pursued a double strategy: consolidating Western Europe as an economic bloc by means of OEEC while keeping ECE alive to retain a minimum of economic ties across the Iron Curtain.

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<sup>99</sup> Committee of European Economic Cooperation, General Report / Final Draft, n.d. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>100</sup> Milward, *The Reconstruction of Western Europe, 1945-51*, 81.

<sup>101</sup> Gunnar Myrdal to Östen Undén, 13 January 1948. KB, Karin Kocks paper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>102</sup> Cable Message, Caffery to Nitze (ECA) and Porter (Geneva), November 19, 1948. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 1, 103.01 ECE – General, Cables.

<sup>103</sup> Walt Rostow to William Clayton, The Paris Report and The ECE Agenda, 22 September 1947. ARBARK, Václav Kosteleckýs arkiv, 3332-4-2-1 1946-48.

<sup>104</sup> Paul Porter US Delegation at ECE, to State Department, November 1, 1948. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 1, 103.01 ECE – General, Cables.

The Marshall Plan marked the beginning of ECE's gradual marginalization, as the all-European venue now had to compete with a model of European cooperation that was confined to the West. As parallel structures to ECE were established under OEEC in Paris, the UN lost the ability to incorporate all forms of postwar cooperation. But while ERP was thus a caesura, it did not negate earlier efforts at institutionalized rapprochement. Before ERP, the UN had been the framework for planning economic cooperation in Europe. ERP and OEEC left this frame and introduced Western Europe as a new, concurrent framework.<sup>105</sup> ECE did, however, continue to exist in parallel, and to provide an alternative to the ongoing political and economic bloc formation.



**Fig. III.3** A photograph issued by the UN Information Service shows Myrdal in his office in 1949.<sup>106</sup> His right hand holds a ball bearing, a symbol for heavy industry and, incidentally, one of Sweden's major export items to both East and West. Above his head, the lower right corner of a framed cartoon on the wall is visible.<sup>107</sup> The cartoon depicts European nations as hungry children. The only adults in the room are Stalin and Uncle Sam. Despite their begging, Stalin does not allow the Eastern Europeans to take a piece of the ERP "cake" Uncle Sam is distributing. The cartoon summarizes the state of Europe from the ECE secretariat's perspective: Their dependence on the superpowers leads European nations to split into separate groups, those who are allowed to partake in the Marshall Plan and those who are not.

<sup>105</sup> Daniel Stinsky, "Western European vs. all-European Cooperation? The OEEC, the European Recovery Program, and the United Nations Economic Commission for Europe (ECE), 1947-1961," in *The OECD and the International Political Economy since 1948*, ed. Matthieu Leimgruber and Matthias Schmelzer, *Transnational History Series* (New York: Palgrave Macmillan, 2017).

<sup>106</sup> UN Photo #355892.

<sup>107</sup> The cartoon was reproduced from a booklet issued by the UN Publishing Service in 2007, titled "Gunnar Myrdal. Exhibition on the Occasion of the 60<sup>th</sup> Anniversary of the United Nations Economic Commission for Europe".

### III.2.3 ECONOMIC BLOC FORMATION

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As East-West relations broke down and the Cold War began in earnest by the end of 1947, bloc formation on both sides became the defining feature of politics in ECE until Stalin's death. In the West, OEEC emerged as a competing international organization with a similar portfolio and overlapping membership. Contention arose among the Western governments over how to use the two venues properly, and while the United States wanted to retain them both, the UK sought to reduce ECE's activity to a minimum. Britain's increasing dislike for the ECE model of all-European reconstruction was a severe obstacle to ECE's agenda, since the UK had a leading role in Western Europe and in the reconstruction process. Its objection to ECE, however, and the presence of a strong American delegation with different priorities, deteriorated British influence at this venue, and the UK often found itself alone in opposition within the Western bloc. In the East, communist proxy governments were installed and Western influence refuted. While Poland and Czechoslovakia in particular had been instrumental in the creation of ECE and in securing Soviet participation, both countries were now increasingly abstained from the technical work done in ECE's committees.

The communist coup in Czechoslovakia in February 1948 was a shock to many in Western Europe. Czechoslovakia's inclusion in the Soviet sphere had in no way been seen as a given.<sup>108</sup> With the death of Czechoslovak foreign minister Jan Masaryk in March 1948, shortly before ECE's third session, Eastern participation in ECE's committees came to a traumatic stop. Masaryk had represented his country at the first two ECE sessions, where he was one of the most prolific delegates.<sup>109</sup> The son of Czechoslovakia's first elected president, Masaryk was the only member of the National Front government who did not resign after the communist coup. Two weeks later, a day before he was set to leave for London, Masaryk was found dead in the courtyard of the Foreign Ministry in Prague.<sup>110</sup> His death marked a turning point in East/West relations, as Masaryk had been a key advocate of Czechoslovakia joining ERP and maintaining close ties with the West. After Masaryk's death, the Eastern countries did not fully take part in ECE's work again until around 1954.<sup>111</sup> The absence of Eastern representatives in ECE's committees further increased the problem of duplication of efforts with OEEC, as active membership in the technical committees at both venues was now effectively limited to Western and neutral countries.

Already within the first two years of its existence, ECE thus had to reinvent itself. It was created as an all-European organization to solve the coordination problems arising from the e-organizations' inconsistent membership, and to provide a forum for a long-term European settlement. With the Marshall Plan facilitating Western Europe and the Iron Curtain cutting it off from the East, all-European economic cooperation became a different, but no less difficult task. While Europe was changing politically in dramatic ways, the reconstruction

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<sup>108</sup> Westad, *The Cold War. A World History*, 96.

<sup>109</sup> Opening remarks of the Executive Secretary concerning Minister Jan Masaryk's death at the first meeting of the Manpower Sub-Committee, 11 March 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>110</sup> Gunnar Myrdal to Jan Masaryk, 9 March 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>111</sup> Fagen, "Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe," 427.

of its economies and social structure was taking longer than most had expected.<sup>112</sup> ECE's initial purpose of helping to preserve the Alliance had lapsed, and it had to become an organization seeking to bridge rather than prevent the divide. While the US Congress began to pump \$17 billion in aid, spread over four years, into ERP, Myrdal remained convinced that "not even a lavish five-year flow of US dollars could make up for the supplies which had of necessity to come from Eastern Europe". Now that a Western organization existed, Myrdal wrote, "it was up to us in Geneva to use our 'bridgehead' and try to save East/West cooperation".<sup>113</sup>

The assumption underlying ECE's agenda was that Western Europe needed outlets for its exports and a steady supply of grain and raw materials just as much as Eastern Europe needed manufactured goods. East-West cooperation should not only alleviate reconstruction problems, but also help to decrease Western Europe's dependence on America as both a supplier and an outlet for exports. The direction of trade was perhaps the most radical shift in European economies during the immediate postwar years. In Central-Eastern Europe, import and export figures for trade with the Soviet Union were around zero percent throughout the region in 1938. By 1950, however, that figure had risen as high as 63% for some countries and was significant for all of them.<sup>114</sup> The foreseeable expansion of German production would only aggravate the problem, as West Germany's exports were increasingly guided toward Western Europe and the US, instead of what the ECE secretariat regarded as their "natural" outlets in Eastern Europe. This view, propagated by the head of the ECE research division Nicholas Kaldor, was harshly criticized in the British Foreign Office:

*"[...] what the ECE Secretariat cannot bring themselves to realise is that Eastern Europe is a fundamentally different economic entity now [...] and no amount of tinkering with trade [...] will alter this fact. [...] the grain surplus areas of Eastern Europe are planning to become industrialised [...]. We cannot encourage the long-term developments of trade [...] on a basis which may change in four or five years [...]. Without such further assurances, our trading policy in Eastern Europe is bound to be very hard to mouth. This is, surely, the real case against the grandiose ideas put forward by the ECE Secretariat."*<sup>115</sup>

While the British stance on ECE turned hostile, American support continued. Porter, now head of the resident delegation in Geneva, sought to use ECE to allow Poland and Czechoslovakia "a marginal backdoor relationship with the Marshall Plan, even though they had been barred from direct participation by the Soviet Union".<sup>116</sup> The secretariat embraced this new role for ECE. In a letter to his former Stockholm University colleague Karin Kock, by now Swedish head delegate to ECE, Myrdal wrote that "it is obviously not sufficient that the door should merely be 'left open'. We must now ensure that [...] the Eastern European countries, and in particular Poland and Czechoslovakia, will actually

<sup>112</sup> Westad, *The Cold War. A World History*, 98.

<sup>113</sup> Gunnar Myrdal, Report on development in relations with Paris Conference, 24 September 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>114</sup> Case, "Reconstruction in East-Central Europe: Clearing the Rubble of Cold War Politics," 83.

<sup>115</sup> E.A. Radice, untitled document, 20 July, 1948. TNA, ECE and OEEC relations, FO 371-71802.

<sup>116</sup> Paul R. Porter: From Morgenthau Plan to Marshall Plan: A Memoir (draft, 28 April 1980), ARBARK, Václav Kosteckýs arkiv, 3332/3/1/1 Korrespondens 1949-1982.

‘walk’ through this door’.<sup>117</sup> A revival of intra-European trade was Myrdal’s preferred method to achieve this. Walt Rostow outlined a strategy akin to Porter’s thinking about a backdoor relationship, replacing direct Eastern participation in ERP with “a massive version of a bilateral trade pact between the East and the West” facilitated at ECE, which “would have within it the requisite elements of credit for Eastern Europe”.<sup>118</sup> Myrdal ensured Porter that Poland and Czechoslovakia were still “anxious to use the ECE”.<sup>119</sup> The UK, on the other hand, rejected this prospect. Echoing the language used by Porter, the Foreign Office feared that the Soviet Union would try “to obtain by the back-door for their satellites some of the benefits now beginning to flow to Europe”.<sup>120</sup> Already, the term “Europe” was used to describe Western Europe alone.

The second session of the Commission saw a further extension of ECE activity against the backdrop of rising international tension. The prospect of a continuing organization to CEEC pushed ECE to act quickly and widen its activities into other sectors before the new organization, OEEC, could put a claim on them. “If we survive the second session”, Myrdal told his secretary, “we shall survive”.<sup>121</sup> New committees on steel and manpower were established at the end of 1947. The French delegation took the leadership in this proposal and was supported by Masaryk as well as the delegates of Poland, Yugoslavia, and the Scandinavian countries, while the USSR did not participate in the meeting.<sup>122</sup> The UK led the opposition, preferring instead to keep both matters exclusive to OEEC. Their position could not be maintained, however, after Porter came out in support of the proposal – to the dismay of others in the State Department, who favored the Western European model of OEEC to the all-European ECE.<sup>123</sup> This established a pattern that would continue well into the 1950s: shifting coalitions of governments sought to widen ECE activity, while the UK was opposed and the United States was either making or breaking the deal. European governments were cautiously looking for American leadership, but US policy was in many instances formulated on the spot and therefore often inconsistent across different venues. While Porter pursued the idea of an “open door” at ECE through trade, the United States began to erect a trade embargo against the Soviet Union and its allies.

As a reaction, the Soviet Union proposed another expansion of ECE activity with new committees on agriculture and trade at the third Commission session in May 1948, while East-West tensions continued to increase after the Czechoslovak coup and in the build-up to the Berlin crisis. Previously, the Soviet Union had been a champion of bilateralism in

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<sup>117</sup> Gunnar Myrdal to Karin Kock, 14 October 1947. KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>118</sup> Walt Rostow to Gunnar Myrdal, Marshall Plan and the East, 16 January, 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>119</sup> Gunnar Myrdal to Paul Porter, 26 September, 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>120</sup> Kostecký's notes on Foreign Office files, Summary minute by Gore-Booth, 11 May 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>121</sup> Quoted in Anika de la Grandville to Václav Kostecký, 28 April 1980. ARBARK, Václav Kosteckýs arkiv, 3332/4/3/5 Övriga handlingar rörande ECE.

<sup>122</sup> Walt Rostow to Charles Kindleberger, November 23, 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>123</sup> Charles Kindleberger to Walt Rostow, 9 December 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

international trade and eschewed multilateral arrangements.<sup>124</sup> To the surprise of delegates and the secretariat, Soviet head delegate Amazasp Arutiunian now told the plenary that bilateral trading was not sufficient, and that a committee should be set up at ECE to “uncover new ideas which would facilitate multilateral trading”.<sup>125</sup> While the American response was cautiously positive, the UK Foreign Office found the Soviet proposal alarming, regarding it as a strategy to sabotage OEEC. “The immediate Soviet objective”, a British minute read, “is to prevent the consolidation of Western Europe [...]. [B]y playing up ECE [...] they may still hope to create a UNO which will over-shadow the ERP organization. [...] We should see that no org[anisation] is created which can [...] hamper [...] the ERP”.<sup>126</sup> British officials thus increasingly saw ECE as not an alternative, but a threat to the Western European model.

British opposition to ECE arose from geopolitical considerations as well as a pronounced dislike for Myrdal in the Foreign Office. Soviet hegemony in Eastern Europe had been accepted in London even before the end of World War II as a consequence of wartime diplomacy.<sup>127</sup> Already in January 1947, Bevin presented a memorandum to the cabinet which argued that the UK should be prepared for the possibility that “the Eastern half of Europe will continue to be excluded from the general free expansion of trade and that the USSR will seek to extend its political and economic influence into Western Europe.”<sup>128</sup> Minister of State Hector McNeil, who himself had been instrumental in ECE’s creation at the UN, increasingly regarded the organization as a means for the Soviet Union to cause trouble and impinge on Western cooperation. McNeil considered cooperation with the East, like ECE hoped to achieve, as dangerous to British interests. Expecting that Britain would act as the chief economic motor for Western Europe, the United States had granted hefty postwar loans of over \$4 billion dollars to the UK.<sup>129</sup> After Arutiunian proposed new ECE committees on trade and agriculture at the third session, McNeil allegedly exclaimed over dinner that “ECE stinks”, and that in order to ensure continued American aid for Western Europe, it must be “steadily demonstrated that economic cooperation with the east is impossible”.<sup>130</sup>

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<sup>124</sup> Alvin Zachary Rubinstein, *An Analysis of Soviet Policy in the Economic and Social Council and the Economic Commission for Europe, 1946-1951* (Philadelphia: University of Pennsylvania Press, 1954), 40.

<sup>125</sup> Hector McNeil, Report on a private meeting with Soviet delegate Arutiunian, UR 1363/16/98, 4 May 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>126</sup> Kosteckýs notes on Foreign Office files, Minute by R.M.A. Hanbury, 20 May 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>127</sup> Ann Lane, “British Perceptions of the Sovietization of Eastern Europe, 1947-48,” in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002), 219.

<sup>128</sup> Quoted in *ibid.*, 220.

<sup>129</sup> Mark Gilbert, *European Integration: A Concise History* (Lanham, MD: Rowman & Littlefield, 2012), 11-13.

<sup>130</sup> Notes on Conversation with the Rt. Hon Hector McNeil at a dinner on 6 May, 1948, Geneva. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.



**Fig. III.4** *ECE's most outspoken critic, British Minister of State Hector McNeil, speaks at the first ECE session. On the left, US Undersecretary of State William B. Clayton. Opposite Clayton, with her back to the camera, Swedish Minister of Commerce Karin Kock. 02 May 1947.*<sup>131</sup>

British opposition increased further due to a dislike for the ambition and active involvement of the ECE secretariat. "Our European messiah is at large again", was a British diplomat's handwritten comment on a report on Myrdal's activities.<sup>132</sup> The Foreign Office had not forgotten Myrdal's meddling in international affairs after the announcement of the Marshall Plan, and deemed his behavior inappropriate for a UN official. Throughout 1947-49, the Foreign Office even regarded it as "one of the main preoccupations" of its people in Geneva "to keep the activities of the Secretariat within bounds".<sup>133</sup> An internal report characterized Myrdal as "a fanatic, incapable of giving weight to practical limitations, and

<sup>131</sup> UN Photo, Photo # 201889.

<sup>132</sup> J.V. Rob to E.R. Warner, 29 May, 1948. TNA: ECE and OEEC relations, FO 371-71802.

<sup>133</sup> E.R. Warner to Sir John Magowan, 10<sup>th</sup> March, 1948. TNA, FO 371-71802: E.C.E. and C.E.E.C. relations.

a Jesuit in his pursuit of his ends”.<sup>134</sup> Myrdal was, indeed, enthusiastic about his new position. His ideas on planning, developed in interwar Sweden, were now elevated to an all-European scale. The challenges of reconstruction, encapsulated in the bottleneck problems of transport and resource distribution, called for the rational judgment of the planner. Likewise, the preference for a recovery of East-West trade over a full *Westintegration* that guided his actions as minister of commerce in Sweden now became a leitmotif for ECE. With Paul Porter, a likeminded individual occupied the crucial post at the US resident delegation in Geneva, and Georges Boris, another Keynesian and planner, headed the French delegation. Myrdal tried to convince them to tackle a long range of issues in Geneva, among them East-West reconciliation, the German problem, and a reorganization of trade patterns to counter Western Europe’s dependence on American imports.

During a dinner conversation in May 1948, Myrdal’s ideas of all-European cooperation clashed sharply with proponents of the emerging Western European model. Present were three influential figures in OEEC: the chairman of the executive committee, UK diplomat Sir Edmund Hall-Patch; Secretary-General Robert Marjolin; and Dag Hammarskjöld, who as Swedish representative on the OEEC Council was then drafting a long-term program for OEEC. Hall-Patch reported:

*“[Myrdal’s] main theme was that the objectives of the European Recovery Program could not be achieved without a greatly increased volume of East-West trade. [...] I pointed out that the Soviet government had made it perfectly clear that they were out to wreck ERP and I did not share his optimism [...]. Mr. Myrdal [...] said we were always far too suspicious of the Russians and that cooperation was possible. [...] On the morning following this dinner I received a note from Mr. Hammarskjöld [...]: ‘One comment to yesterday night: If I had felt that I had to regard M. as a Swede I would have apologized. As it is I can only deplore his lack of tact and naiveté.’ This note [...] is, I think, sufficient comment on what Mr. Myrdal had to say.”*<sup>135</sup>

Hammarskjöld’s own long-term program for OEEC was very much in line with British preferences for exclusive consolidation of the Western bloc.<sup>136</sup> As state secretary in the Foreign Office, Hammarskjöld was the key figure organizing Sweden’s *Westintegration*, a role the Social democratic government had originally intended for Myrdal when he was appointed minister of commerce in 1945. Hammarskjöld’s plan did not involve East-West trade, but focused instead on productivity, a strategy that was later continued with the US-financed European Productivity Agency (EPA).<sup>137</sup> Hammarskjöld sought to use Marshall Aid for an increase in production of such goods that could either replace imports from

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<sup>134</sup> Kostecky’s note on UK Foreign Office files, UE 12438/1190/53. Warner to Foreign Office, 13 December 1947. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>135</sup> E.A. Berthoud to E. Hall Patch, 20 May 1948. TNA: ECE and OEEC relations, FO 371-71802.

<sup>136</sup> OEEC Long Term Programme. Organisation of work of the Executive Committee, Note by the Secretariat General, 25 August 1948, CE(48)73. KB, Karin Kocks paper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>137</sup> Bent Boel, *The European Productivity Agency and Transatlantic Relations, 1953-1961* (Copenhagen: Museum Tusulanum Press, 2003).

America or could be exported there.<sup>138</sup> This was a marked departure from the pre-war patterns of European trade whose revival Myrdal and ECE propagated, and that were also underlying the State Department's original assumptions about ERP.

The Foreign Office's distrust regarding Soviet intentions to build up ECE as an opposition to OEEC was not entirely unfounded, even though the Soviets did not pursue this strategy as consequentially as British diplomats feared. The Stalinist Soviet Union was critical toward IOs and especially economic cooperation out of principle, for ideological as well as geopolitical reasons. Ideologically, Lenin's writings had framed non-socialist internationalism as an imperialist tendency to form temporary coalitions of capitalist states against domestic progressive forces, and as a means to maintain their colonies. IOs were hence framed as inherently reactionary.<sup>139</sup> The *New York Times'* Geneva correspondent Michael L. Hoffman speculated that the "Russian tolerance of ECE is a sign that Russia is not in a position to face the consequences of a complete break between East and West in the economic field".<sup>140</sup> Geopolitically, the Soviet leadership hoped Europe would return to a system of weak and unstable nation states, leaving the Soviet Union as the only major power in Europe. American military spending had fallen from \$83 billion in 1945 to \$12.8 billion in 1947.<sup>141</sup> Stalin therefore expected the imminent departure of American forces from Europe, and saw time working in his favor. ERP was thus perceived as a threat to Soviet interests, as it stabilized capitalism in its participating countries and jeopardized the ongoing consolidation of Soviet supremacy in Eastern Europe.

To avoid an armed conflict, Soviet counter measures to Western consolidation were limited to diplomatic and propagandistic means. The Soviet proposal to add committees on trade and agriculture to ECE's portfolio should be seen in this context, especially since the Soviet Union did not participate in either committee once they were established. At the same time, and partly as a reaction to Western bloc formation, the Soviet Union consolidated the Eastern bloc by force and by instigating communist governments in Eastern Europe. The Soviet leadership attached special importance to East Germany, Poland, and Czechoslovakia. Not only had the latter two historically been the corridor for attacks on Russia from the west, but they now also became crucial logistical and communication links between Moscow and the Soviet forces in Germany.<sup>142</sup> The three territories furthermore possessed the most economic and military potential, which made them, and to a lesser extent Hungary, the key countries in Eastern Europe. The southeastern states of Romania, Bulgaria, Albania and Yugoslavia were less central to strategic thinking in both Moscow and Washington, D.C. While the Soviet Union rarely participated in ECE committee meetings from the beginning, Eastern European governments were initially

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<sup>138</sup> Industrial Council of the Danish Labor Movement, Present-day problems before the Organisation for European Economic Cooperation, 9 August 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>139</sup> Wolfgang Mueller, "Die UdSSR und die europäische Integration," in *Vom gemeinsamen Markt zur europäischen Unionsbildung. 50 Jahre Römische Verträge 1957-2007*, ed. Michael Gehler (Wien / Köln / Weimar: Böhlau Verlag, 2009), 617-62.

<sup>140</sup> Michael L. Hoffman, They show that Nations can cooperate, draft article for the *The New York Times Magazine*, 12 September 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>141</sup> Steil, *The Marshall Plan*, 92.

<sup>142</sup> Mark Kramer, "Stalin, Soviet Policy, and the Establishment of a Communist Bloc in Eastern Europe, 1941-1948," in *Stalin and Europe. Imitation and Domination, 1928-1953*, ed. Timothy Snyder and Ray Brandon (Oxford and New York: Oxford University Press, 2014).

allowed to partake. Eastern European delegates began to stay away from ECE's committees only after the Prague Coup and the murder of Masaryk.

While ECE's committees thus became effectively "non-Eastern"<sup>143</sup> – meaning that only Western and neutral countries continued to participate – the Commission's plenary sessions turned into a public display of Europe's rummaging disunion. Clashes between the blocs became a constant feature of almost every meeting. The pan-European Commission reflected the Cold War in a microcosm: it included the two superpowers, their respective European allies, and neutral countries. The Commission was, formally, the highest decision-making body of ECE. In practice, the annual Commission session devolved into a Cold War battleground. "The whole meeting of the plenary session of ECE is a propaganda 'slug-fest' between the East and West", the State Department's instructions warned US delegates to the fifth ECE session in 1950.<sup>144</sup> The use of language was one of the most visible indicators of bloc discipline being established. During the first years, most Eastern delegates delivered their statements in French; by 1950, all of them used Russian.<sup>145</sup> Soviet indifference toward ECE's practical work hardened into obstruction once bloc discipline was established. Soviet bloc countries used the Commission sessions to each read hour-long statements demonizing Western bloc organizations from OEEC to the Brussels Pact, the Council of Europe, NATO, and, later on, ECSC, as aggressive institutions bent on establishing American imperialism.<sup>146</sup> ECE itself was an important venue for this never ending stream of critique, but rarely its target.<sup>147</sup> The US delegation usually found itself at the center of Soviet attacks and reacted in kind, increasingly regarding the Commission sessions primarily as a propaganda exercise. Ever more obsessed with public opinion and the challenge of winning hearts and minds, American diplomats began to put a higher emphasis on appearances than on the actual work of ECE. One telegram by the US resident delegation complained about the fact that the Western European allies "tend to send economists and trade experts rather than speakers effective in political debate" to the Commission sessions. The USSR's presence "transforms economic discussion into political debate", the telegram argued; "adequate counter-propaganda is needed".<sup>148</sup>

Ironically, bloc formation thus occurred in a tangible manner at ECE, the one forum explicitly dedicated to all-European cooperation. Myrdal made no secret of his frustration when he described the Commission sessions as "our yearly headache".<sup>149</sup> His initial enthusiasm for ECE declined and gave way to a cynical pragmatism. At the third session,

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<sup>143</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>144</sup> Instructions to US Delegation, Fifth Session of the Economic Commission for Europe, Geneva, May 31, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>145</sup> Ward (U.S. Resident Delegation at ECE) to State Department, March 23, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1344.

<sup>146</sup> US Resident Delegation at ECE to State Department, Analysis of the Eighth Plenary Session of the Economic Commission for Europe – Geneva, March 3-18, 30 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>147</sup> Rubinstein, *An Analysis of Soviet Policy in the Economic and Social Council and the Economic Commission for Europe, 1946-1951*.

<sup>148</sup> Telegram US Resident Delegation at ECE to State Department, June 16, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>149</sup> Quoted by Anders Frihagen, Statement at ECE Luncheon, 13.02.1950. UNOG Archives ARR 13/1460, Box 64.

Myrdal “got so sick and tired [...] that I used to sleep while these propaganda tirades went on on both sides”, hiding behind “a pair of big dark glasses so that they should not see that I am asleep”.<sup>150</sup> The Commission sessions thus showcased not only the gravity of international tensions, but also the UN’s frustrating powerlessness.

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<sup>150</sup> Václav Kostecký intervjuar Gunnar Myrdal, Stockholm 1978-08-01 (tape recording). KB: Svensk Mediedatabas.

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### III.3 EAST-WEST TRADE IN THE EARLY COLD WAR

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Along with bloc formation went the breakdown of East-West trade. ECE stylized itself as the champion of East-West trade in the years of peak tension 1947-1952 – a course that not only went against the trend toward bloc formation, but also alienated important supporters of the Commission, particularly in the United States. While bloc formation frustrated ECE's pan-European ambitions, its Commission sessions remained a space where East and West continued to meet on economic issues, albeit under very difficult circumstances. Eastern bloc governments stayed away from the technical committees. The trade committee, established on Soviet insistence and against British resistance, was in complete deadlock by May 1949, and lay dormant for several years. "As this situation developed, the Commission was confronted with a crucial policy choice", Myrdal wrote in retrospect:

*"The Commission could have accepted this development and become, in fact, a Western organization, the more naturally so as the Western countries constituted the majority. However, the position I took as Executive Secretary was that I felt bound by the terms of reference given the Commission by the UN to do whatever I could, against all odds – and forsaking the greater practical responsibilities the Commission could have attained by restricting itself to a Western orientation – to preserve the Commission as an all-European body."*<sup>151</sup>

East-West trade was at the heart of ECE's problems. Not only was trade the central means through which a continental division of labor in the service of primary and secondary reconstruction could be achieved. The persistent deadlock in ECE's trade committee drastically affected other work of the Commission, as a lack of agreement on the movement of goods precluded agreement on other projects. In the Commission sessions, the US-led export discrimination against the Soviet bloc countries quickly became the main issue in propaganda battles threatening the breakup of ECE. Moreover, ECE officials remained convinced that "[n]o political division of Europe will easily break the economic interdependence of the Continent".<sup>152</sup> A revival of East-West trade was thus vital to ECE.

Although it yielded no success before the start of the Soviet peace offensive, ECE's effort to restore East-West trade had some important repercussions. First, ECE was able to maintain a forum where talk about trade was possible – machinery for international conferencing that stood ready in the event political circumstances changed, permitting the resumption of commerce. Second, the ECE secretariat displayed a remarkable degree of institutional independence when it continued to pursue this agenda in spite of small prospects of success and growing frustration in the United States. Third, the prevailing deadlock in ECE's trade committee and a number of failed extraordinary trade consultations led to a refinement of conferencing techniques that later proved important in the eventual breakthrough in trade relations that was achieved after Stalin's death.

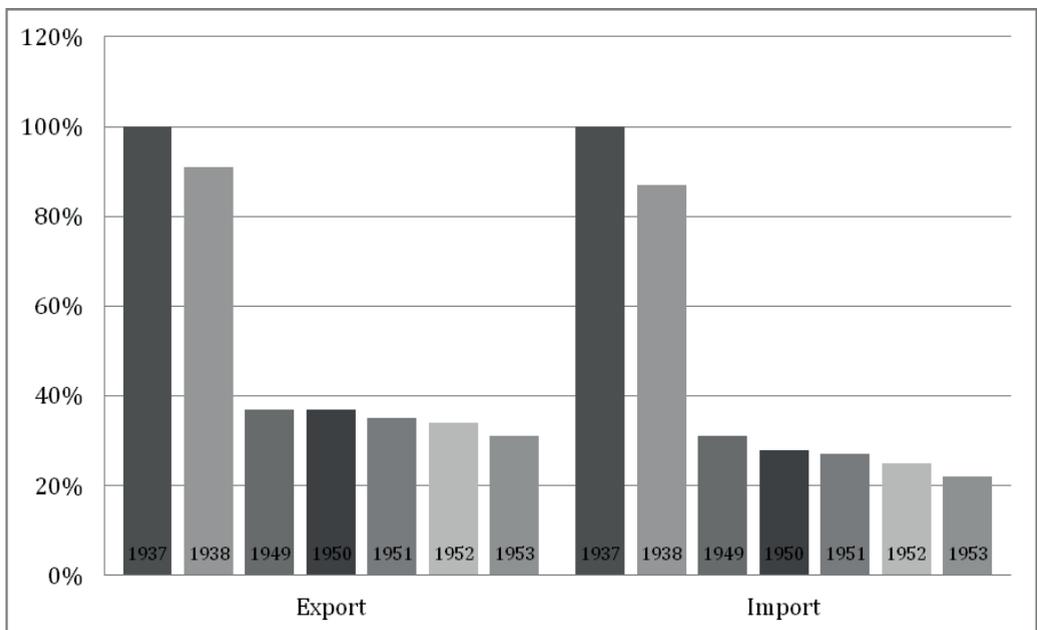
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<sup>151</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 618.

<sup>152</sup> UNOG Information Centre, Myrdal Stresses Urgency Greater East-West Economic Cooperation. ECE/GEN/36, 19.04.1950. UNOG Archives ARR 14/1360 - Box 64.

In 1947, the volume of trade between Western and Eastern Europe was only 41-44% of pre-war figures.<sup>153</sup> The heaviest decline was in exports from Germany, which before the war was the major supplier of industrial products to Eastern Europe. Western European exports, excluding Germany, to the USSR amounted to only 45% of the pre-war volume. The decline in the flow of trade from East to West was even sharper: 1947 shipments from the Eastern European countries were about one-third, while shipments from the USSR to Western Europe excluding Germany were only about 17% of the 1938 volume. Over the following years, the total volume of East-West trade continued to fall. It was already below 40% of pre-war figures in 1949, the year when the Western bloc established the Coordinating Committee for Multilateral Export Controls (CoCom). CoCom became synonymous with a policy of Western export discrimination led by the United States. Western export controls were not solely responsible for the breakdown of East-West trade; but they were a severe obstacle to its reinvigoration as well as a key element in bloc formation. After the establishment of CoCom, the volume of East-West trade in Europe declined further every year until the second half of 1953 (Fig. III.5).<sup>154</sup>

**Fig. III.5:** OEEC countries' volume of trade with Eastern Europe, incl. USSR, 1937-1938 and 1949-1953. (1937 value = 100%)<sup>155</sup>



<sup>153</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG ARR 14/1360 – Box 13, Folder “Ad Hoc Committee on Industrial Development and Trade 1948”

<sup>154</sup> Consultations on East-West Trade, ECE/TC.54/7, 25 March 1954. UNOG ARR 14/1360 – Box 13, Folder “Committee on the Development of Trade 1954”.

<sup>155</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

Postwar trade was conducted on the basis of bilateral barter arrangements, agreed for relatively short time spans and lacking important legal provisions. While this system was recognized as insufficient and gradually replaced with more integrated forms of trade and production *within* the two blocs, trade *between* them remained on a bilateral basis. This was partly for systemic reasons, as bilateral trade was more reliable for the centrally planned economies, and partly because the USSR and Eastern Europe were purposefully excluded from the emerging Western trade regime. Due to the prevalence of bilateralism, East-West trade proved vulnerable to tactics of economic warfare increasingly employed by the United States and its allies. Anti-Communism and fear of an imminent war with the Soviet Union prompted Western governments to adopt a policy of export discrimination, designed to keep the Soviet Union and its allies from acquiring certain goods.

From June 1950 onwards, the Cold War standoff escalated in Korea. Due to a Soviet boycott of the UN Security Council in protest of the non-recognition of Mainland China, the United States was able to forego a Soviet veto and gain a UN mandate for military interference in Korea. Sixteen countries sent troops as part of the UN coalition force, but the vast majority of soldiers were Americans. The impact of American soldiers fighting Soviet-supplied North Korean and Chinese troops was felt around the world.<sup>156</sup> In the United States, anti-communist excesses that had started in the 1940s went into overdrive. Senator Joseph McCarthy accused the government of being soft on communism at home, and pressed for the installation of so-called loyalty boards that questioned millions of public employees. Thousands of workers, among them many teachers, journalists, and artists, were shunned and blacklisted for alleged Communist sympathies. McCarthyist hysteria also shook the UN secretariat, where several American employees were investigated. In Western Europe, leaders feared an imminent attack by the Red Army. Charles de Gaulle wondered whether military actions in Korea “were tests [...] to prepare for the ‘great shock’ of a final push through Europe”.<sup>157</sup> Fear of an imminent attack further militarized the Cold War. Nuclear weapons projects were put in high gear. The US defense budget more than doubled, and only part of the money was spent in Korea. US military assistance bolstered the British, French, and other NATO partner’s armies, and the American determination to re-arm West Germany grew. As Western Europe feared Soviet domination, it increasingly accepted American hegemony, with profound impacts on European trade.

Trade was never a purely economic issue. Commerce had always been loaded with political and ideological assumptions. “Free trade” had long been at the center of an influential ideology that saw unhindered commercial exchange between nations as equivalent to peace and prosperity.<sup>158</sup> But the experience of the Victorian age, when the British Empire and its military dominated global trade relations, had shown that the pursuit of free trade was not a peaceful exercise by default.<sup>159</sup> Free trade could serve as an instrument of self-interest for whichever state enjoyed the competitive advantage, and protectionism gained traction not least from the resistance against British dominance. After the UK abandoned its traditional advocacy of free trade during the interwar period, free trade became a crucial part of the

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<sup>156</sup> On the global ramifications of the Korean War, see Westad, *The Cold War. A World History*, 159-82.

<sup>157</sup> Quoted in *ibid.*, 176-77.

<sup>158</sup> Mazower, *Governing the World. The History of an Idea*, 38-48.

<sup>159</sup> Anthony Howe, “Free Trade and Global Order. The Rise and Fall of a Victorian Vision,” in *Victorian Visions of Global Order*, ed. Duncan Bell (Cambridge: Cambridge University Press, 2007).

capitalist liberal order promoted by the United States during World War II.<sup>160</sup> Karin Kock, leader of the Swedish ECE delegation and Commission chairman during the years of deadlock, wrote in her book on the GATT that

*“‘free trade’ in the American opinion was identical with the trade policy of the United States during the 1930s, for which Cordell Hull had been responsible, and not with ‘free trade’ in the laissez-faire sense. ‘Today a free trader is an individual who believes that tariff protection is sufficient and that duties should be fairly stable and should be subject to the most-favoured-nation principle, i.e. should be non-discriminatory.’ [...] Foreign trade should be handled by free enterprises without governmental control. [...] Even protectionists could accept this definition, as nothing was said about the height of the tariffs”.*<sup>161</sup>

Definitions of what constituted “free trade” thus changed in the Cold War context. Free trade and protectionism had seemed insoluble opposites in the 19<sup>th</sup> and early 20<sup>th</sup> centuries; now, the criterion for what constituted “free” trade shifted to *who* was trading, and no longer depended so much on *how* trade was conducted. “Free trade”, at its core, became simply the opposite of state trade: a new definition fit for a bipolar understanding of the world, brushing over existing differences within the West. “Free trade was not the link which brought together postwar America and Europe”, US scholars wrote already in 1973, “On the contrary, it was the issue that divided them [...]. The post-war Atlantic community came into being only after the United States, prompted by its fear of Russian and domestic European Communism, suppressed its liberal economic scruples in the interest of ‘mutual security’ and Europe’s rapid recovery”.<sup>162</sup> While free trade was thus an ideological cornerstone of the liberal capitalist order the United States promoted, American policy in Europe contradicted this principle in practice.

While some of the earlier historiography took the breakdown of East-West trade and the triumph of CoCom more or less for granted, an increasingly complex and nuanced image of East-West trade has emerged since the 2000s.<sup>163</sup> Cold War historiography has acknowledged trade and economic connections as important loopholes in the East-West divide, particularly in the 1960s and 70s.<sup>164</sup> There is, however, an important prelude to this development already during the early Cold War that is still underrepresented in the historiography. East-West trade questions “repeatedly demonstrated a singular ability to bring forth discordant views at every level” writes historian Robert Spaulding, “between East and West, within the Western alliance, and inside Western governments”.<sup>165</sup> While the

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<sup>160</sup> John Burley and Stephen Browne, "The United Nations and Development. From the Origins to Current Challenges," in *Wartime Origins and the Future United Nations*, ed. Dan Plesch and Thomas G. Weiss, *Global Institutions* (London and New York: Routledge, 2015), 139.

<sup>161</sup> Karin Kock, *International Trade Policy and the Gatt 1947-1967* (Stockholm: Almqvist & Wiksell, 1969), 7.

<sup>162</sup> David P. Calleo and Benjamin M. Rowland, *America and the World Political Economy. Atlantic Dreams and National Realities* (Bloomington: Indiana University Press, 1973), 42-43.

<sup>163</sup> For an overview, see Førlund, *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954*.

<sup>164</sup> Villaume and Westad, *Perforating the Iron Curtain: European Détente, Transatlantic Relations, and the Cold War, 1965-1985*.

<sup>165</sup> Robert Mark Spaulding, "East-West Trade at the Geneva Summit," in *Cold War Respite. The Geneva Summit of 1955*, ed. Günther Bischof and Saki Dockrill (Baton Rouge: Louisiana State University Press, 2000), 234.

United States pushed for strict export discrimination, and used its political and economic weight to ensure Western European governments' compliance, its policy was never unopposed. Tor Egil Førland has argued that "the Europeans never went along with the US embargo proposals to the degree earlier scholarship has taken for granted [...] the picture of CoCom in the peak years 1950-53 as a near complete triumph for US export control policy cracks upon further scrutiny".<sup>166</sup> This insight shows that efforts to overcome the persistent deadlock in trade during that time were never completely hopeless; it also gives reason and context to the remarkable tenacity on the part of ECE.

"Amongst international organizations", Myrdal told Soviet economists in Moscow in 1956, "ECE has from the outset enjoyed almost a generally recognized monopoly in dealing with the East-West trade problem on a governmental level".<sup>167</sup> After the failure to set up an ITO as part of the Bretton Woods institutions, ECE was the only IO with a mandate to pursue multilateral trade relations including Socialist countries. Other venues, like the GATT rounds or OEEC, did not offer this possibility. East-West trade was hence a standout feature ECE actively promoted, particularly in the face of growing competition from OEEC. East-West trade was "our responsibility *par préférence*" Myrdal wrote in his confidential letters to UNHQ, because "it cannot be taken over by OEEC".<sup>168</sup> With growing frustration over the tenacity of East-West tension and the paralysis in the Commission, the secretariat took an increasingly proactive stance. When the Committee on the Development of Trade reached complete deadlock in 1949, "we had to choose between two alternatives: we could either accept defeat and allow the deadlock to stop all further efforts with regard to trade, or else we, as the Secretariat, had to assume responsibility and take the initiative for further action", Myrdal told ECOSOC in 1951.<sup>169</sup> Genevan scholar Jean Siotis summarized ECE's thinking "[d]uring the 'lean years' of the cold war" as follows:

*"unless the conditions and flow of East-West trade in Europe would be improved drastically, the Commission would find it impossible to fulfill its other tasks. The promotion of trade thus became the cornerstone of the Commission's work, and the Executive Secretary exerted intensive efforts, during the five years when the Trade Committee was dormant, to find a way out of the deadlock. The Secretariat's initiatives during this period followed two complementary directions: the search for a method to 'depoliticize' problems related to trade; and the attempt to use the need felt by several European countries to establish, re-establish, or improve their trade with partners on the 'other side' of the line of partition by offering them a multilateral framework in which bilateral negotiations could take place".*<sup>170</sup>

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<sup>166</sup> Førland, *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954*, 10.

<sup>167</sup> The United Nations Economic Commission for Europe as an Organ of All-European Economic Co-Operation. Lecture given under the auspices of the Institute of Economic of the Academy of Sciences of the USSR, 09.03.1956. UNOG Archives ARR 14/1360, Box 1, Folder 'Gunnar Myrdal Important'.

<sup>168</sup> Gunnar Myrdal, Two Notes on ERP and East-West Trade, December 1949. UNOG Archives ARR 14/1360, Box 71.

<sup>169</sup> Statement by the Executive Secretary of the Economic Commission for Europe to the Economic and Social Council, 14 September 1951. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>170</sup> Siotis, "ECE in the emerging European System," 23.

This was a remarkable display of organizational independence, although it initially produced few tangible results. Proclaiming ECE as the champion of East-West trade was a bold move at a time when the Iron Curtain was still descending. The ECE secretariat proved capable of adopting a proactive role even against the interests of the hegemonic United States, and despite the absence of Eastern member states in ECE's committees.

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### III.3.1 POSTWAR TRADE RELATIONS

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In 1945, global trade was a far cry from the high degree of interconnectedness that had existed at the beginning of the 20<sup>th</sup> century. For European economic recovery, the low level of commercial exchange was a core problem. Remnants of protectionism, diverging technical standards, inconvertible currencies, and severe balance of payments problems placed high trade barriers into Europe. A return to pre-1914 levels of international trade proved to be the most difficult and the most long-standing problem of secondary reconstruction. Europe's trade regime in the immediate postwar years was thus a hapless network of ineffective barter practices, frequently disturbed by legal, political, and technical hindrances. In the first five years after the war, there was significant progress in reducing these barriers within the two blocs, while trade between them remained on a basis of unsophisticated, bilateral barter agreements.

In 1945-47, the bulk of intra-European trade, as well as Europe's trade with the United States and with South America, were conducted on the basis of bilateral payments agreements. This meant that two governments agreed to exchange amounts of merchandise of an agreed value over a specified amount of time. Each central bank then opened a credit of the agreed amount to the other country, against which each country's purchases were charged.<sup>171</sup> Bilateralism in trade thus required balance of payments between two countries. France and Switzerland, for example, two closely connected economies, signed a bilateral trade and payments agreement for three years in March 1945. During that time, both countries granted each other payment facilities up to 250,000,000 Swiss francs or the equivalent in French francs.<sup>172</sup> The necessity of equilibrium between the partners put a hard limit on exports and imports, and thus stifled economic growth.<sup>173</sup> Commercial agents were effectively restricted to such markets abroad as their governments could negotiate for them. This meant that the prevalence of bilateralism in trade put severe limitations to private actors' freedom to trade. If all bilateral trade agreements in Europe, agreed between the end of World War II and the first ECE session in 1947, regardless of volume and other limitations, are transferred into a matrix (Fig. III.6), the resulting depiction of the European trade network is patchy at best:

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<sup>171</sup> Tumlrir and La Haye, "The Two Attempts at European Economic Reconstruction After 1945," 382.

<sup>172</sup> New York Times Index of Trade Agreements, July 1947. UNARMS: S-0543-0008-05. Regional Commissions Section – Trade Agreements 01/1946-07/1947.

<sup>173</sup> Gilbert, *European Integration. A Concise History*, 45.

**Fig. III.6:** *Bilateral trade agreements in Europe concluded between May 1945 and May 1947.*<sup>174</sup>

	Albania	Austria	Belgium	Bulgaria	Czechoslovakia	Denmark	Finland	France	Greece	Hungary	Iceland	Italy	Luxembourg	Netherlands	Norway	Poland	Portugal	Romania	Spain	Sweden	Switzerland	Turkey	United Kingdom	USSR	Yugoslavia	
Albania	x																								x	
Austria		x			x			x						x	x	x					x					x
Belgium		x	x		x	x	x	x					x	x							x		x			
Bulgaria				x	x			x													x				x	x
Czechosl.		x	x	x	x	x	x				x			x		x					x	x	x	x	x	x
Denmark			x		x	x	x			x				x	x		x				x	x		x	x	
Finland			x			x	x				x			x	x	x					x	x	x	x	x	
France		x	x	x	x	x	x	x		x		x	x	x	x	x		x	x		x	x	x	x	x	x
Greece									x			x									x					
Hungary						x	x			x		x				x									x	x
Iceland					x		x				x													x	x	
Italy								x	x	x		x		x	x	x					x		x	x		x
Luxembourg			x					x					x								x					
Netherlands		x	x		x	x	x	x				x		x		x				x	x	x		x		x
Norway		x				x	x	x				x			x						x	x		x	x	
Poland		x			x		x	x		x		x		x	x	x					x	x		x	x	x
Portugal						x											x									
Romania								x										x							x	
Spain								x						x							x	x				
Sweden			x		x	x	x	x				x		x	x	x				x	x				x	
Switzerland				x	x	x	x	x	x					x	x	x		x	x	x	x	x	x	x	x	x
Turkey			x		x		x	x				x										x				
UK					x	x	x	x			x	x		x	x	x						x			x	
USSR				x	x	x	x	x		x	x				x	x		x		x	x		x		x	
Yugoslavia	x	x		x	x			x		x		x		x		x					x				x	

Trade with the world's biggest economy, the United States, created additional problems for Western Europe. With European industry stifled by wartime destruction and ongoing supply problems, Europeans turned to the United States to buy machinery, ships, tractors, and airplanes. Lacking US dollars, Europeans could not afford to buy sufficient American goods at a time when only American production could satisfy their needs. This created a drastic trade deficit between European nations and the USA. Raw materials like coal,

<sup>174</sup> Based on the New York Times Index of Trade Agreements, July 1947. UNARMS: S-0543-0008-05. Regional Commissions Section – Trade Agreements 01/1946-07/1947.

which Europe used to export, now had to be imported from America, further increasing the deficit. The so-called “dollar gap” became one of the gravest bottleneck problems in the perception of contemporaries. It also illustrated how the inward-looking perspective of economic planners could encounter severe difficulties in the global arena. While imports of American products and raw materials were crucial for economic recovery, Europeans struggled to export to America. Heavy competition and the necessity of publicity campaigns, large stocks, and a vast network of outlets made it difficult for European producers to gain a foothold in the American market.<sup>175</sup> The result was thus not equilibrium, but a widening deficit between individual Western European countries and the United States, increasing the scarcity of hard currency. US dollars were not only important for imports from America, but also the principal currency used in intra-European trade not covered by payments agreements. Western governments had to carefully manage their dollar reserves through a strict system of import-export licenses, foreign exchange controls, and other administrative arrangements. The dollar gap was thus one of the main obstacles to trade in Europe.

Several IOs and international agreements were created in order to improve conditions for commerce. The failure to establish an ITO, as a comprehensive trade organization and the third pillar of Bretton Woods, left plenty of room for other IOs to occupy different niches pertaining to international trade. GATT, which took effect in January 1948, significantly reduced tariffs worldwide. GATT extended the coveted “most favored nation” status to all its signatories. This meant that all states offered the same conditions to every GATT member they offered to the nation with which they had the lowest trade barrier. GATT was a wedge to pry open the protectionism and bilateralism that dominated international trade since the 1930s.<sup>176</sup> Halting the trend toward bilateralism and reducing the dollar gap was also a crucial motivation for ERP.<sup>177</sup> Neither GATT nor ERP, however, sufficed to solve the dollar gap problem.

Broadly speaking, there were two strategies available to close the dollar gap: diversification of trade or increase of productivity. Western European economies needed to either diversify their trade to markets other than the United States, or undertake structural changes that reduced their dependence on American imports, while at the same time increasing their exports to the United States. Somewhat simplified, ECE and GATT adopted the former strategy, while ERP and OEEC stood for the latter. This becomes clear when two early ECE and OEEC reports, both published in August 1948, are compared. The ECE report argued that closing the dollar gap “will require strong export drives in virtually all directions”, while emphasizing that only increased intra-European trade could address the problem effectively.<sup>178</sup> Other potential outlets in China and India were discussed, but the report concluded that these markets were not sufficient. For Western Europe, “geographic propinquity and differences in relative stages of industrial development make of Eastern

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<sup>175</sup> Former French Finance Minister André Philip listed these reasons at ECE. Summary of Proceedings of the Eighth Session of the ECE, 12 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>176</sup> Giuliano Garavini, *After Empires. European Integration, Decolonization, and the Challenge from the Global South, 1957-1986*, Oxford Studies in Modern European History (Oxford: Oxford University Press, 2012), 23.

<sup>177</sup> Hogan, “European Integration and the Marshall Plan.”

<sup>178</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG Box 13, Folder “Ad Hoc Committee on Industrial Development and Trade 1948”

Europe both a market for manufactured goods and a source of supply for essential foodstuffs and materials without giving rise to major difficulties in balancing trade between the two areas”, the ECE report concluded.<sup>179</sup> OEEC’s long-term program, on the other hand, emphasized productivity over diversification. Drafted under Dag Hammarskjöld’s chairmanship, the long-term program’s strategy was to reduce European imports from the United States and increase its exports. The OEEC long-term program urged participating countries “to seize every opportunity of developing trade with Eastern Europe”, but referred them to an upcoming ECE meeting.<sup>180</sup> Between the IOs, there was thus a division of approaches and responsibilities. While OEEC focused on reducing trade barriers within the Western camp and on increasing productivity, responsibility for East-West trade shifted to ECE.

While the postwar system of bilateral trading was eventually overcome within Western Europe, it remained in place for East-West trade. Before ERP ended in 1952, OEEC achieved a great deal of trade liberalization in a remarkably short time.<sup>181</sup> Most importantly, OEEC brokered the establishment of the European Payments Union (EPU) in September 1950.<sup>182</sup> The EPU allowed member states to settle accounts multilaterally, committing them to the coordinated liberalization of commercial and financial barriers. OEEC helped to redirect traditional European trade flows to new outlets within the Western bloc and in the United States. Additionally, it presided over the gradual elimination of nontariff barriers such as quotas. By the mid-1950s, quotas on trade in manufactured goods had been almost abolished across the OEEC region. Even countries with long protectionist traditions, such as Italy, adopted a liberal trading policy to modernize more quickly. ERP money helped to gradually close the dollar gap, and to bring about the structural changes required for a significant increase in productivity. The Korean War pumped further billions of US dollars into the world economy, like ERP before it, curbing the dollar shortage even further. Against the backdrop of these successes within the OEEC region, East-West trade, still conducted under the bilateral trading mode, increasingly became a sideshow managed at ECE.

Trade with the East never became a significant proportion of Western Europe’s economic performance. ERP luminaries like William Clayton were quick to point out that while Eastern Europe needed the West, the reverse was not true. However, East-West trade was not significant for Western Europe because of its total volume, but because specific goods, such as grains, timber, coal, oil, manganese, nickel, and chrome, had to be imported from the East. A successful recovery thus still seemed impossible without a resurgence of East-West trade. Economists feared that reconstruction and recovery would be deterred, and Western Europe’s dependence on American aid prolonged. An OEEC study postulated in 1948 that Western Europe could only become independent from American money if the

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<sup>179</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG Box 13, Folder “Ad Hoc Committee on Industrial Development and Trade 1948”

<sup>180</sup> OEEC Long Term Programme. Organisation of work of the Executive Committee, Note by the Secretariat General, 25 August 1948, CE(48)73. KB, Karin Kocks paper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>181</sup> Frederic Boyer and Jean-Paul Sallé, “The Liberalization of Intra-European Trade in the Framework of OEEC,” *Staff Papers - International Monetary Fund* 4, no. 2 (1955).

<sup>182</sup> On EPU, see Barry Eichengreen and Jeffrey Frieden, *Monetary and fiscal policy in an integrated Europe*, European and transatlantic studies; European and transatlantic studies (Berlin: Springer, 1995), 171-82.

volume of imports from and exports to Eastern Europe were to triple from its 1947 value and return to 75-80% of the 1938 figures.<sup>183</sup> Even at OEEC, there was thus a continuous interest in overcoming commercial barriers not only within the Western bloc, but also across the Cold War divide.

In the East, however, the Stalinist USSR was aiming for strategic autarky through rapid industrialization. The erection of a Soviet empire in Eastern Europe disrupted traditional trade patterns, wherein food and raw materials were exchanged for industrial goods. Instead, Eastern Europe's economies were redirected toward the Soviet Union as their main market and supplier of raw materials. After a devastating famine in 1946, the Soviet Union underwent a fairly quick recovery, comparable to that of Western Europe.<sup>184</sup> Its political system, however, underwent no significant reforms. Besides the United Kingdom, the USSR was the only belligerent European country that emerged from the war with no constitutional changes. The Soviet recovery was organized by a centralized command system with a state monopoly on trade, and commerce was subordinate to domestic five-year-plans. Ideologically, the breakdown of East-West trade was seen as a natural development. From a Marxist-Leninist point of view, the deterioration of commercial relations and the division of world markets were part of the wider crisis of capitalism.<sup>185</sup> To achieve the goals set out in the communist five-year-plans, however, Western industrial technology and know-how were still essential. Moreover, the emphasis on heavy industry over the production of consumer products created additional demand for imports from the West.

The few trade agreements that existed between centrally planned economies and market economies were unsophisticated barter agreements, far less complex than GATT or the EPU.<sup>186</sup> The reason for the prevalence of bilateralism in East-West trade was mainly bloc formation, but partly also Soviet preference. For the Soviet Union, 3-5 year long, bilateral agreements remained the preferred modus of trade. These agreements covered basic quantities of staple goods, and were amended annually to list more specific goods for import and export. The stability and predictability of such agreements helped the USSR to elaborate domestic economic plans. This mode of trade was, however, difficult to maintain opposite market economies, since it presupposed that governments were commercial actors, and could mobilize producers within their own countries to gather the goods their foreign partners demanded. Western European governments, however, often had difficulties in keeping their end of the bargain, since they had to work within unruly market parameters. To the Soviet Union, Western trade was therefore unreliable. Western producers, moreover, hesitated to agree on long-term settlements on the basis of the USSR's rapidly changing

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<sup>183</sup> Gunther Mai, "Osthandel und Westintegration 1947-1957. Europa, die USA und die Entstehung einer hegemonialen Partnerschaft," in *Vom Marshallplan zur EWG. Die Eingliederung der Bundesrepublik Deutschland in die westliche Welt*, ed. Ludolf Herbst, Werner Bührer, and Hanno Sowade (Munich: R. Oldenbourg Verlag, 1990), 204.

<sup>184</sup> Mark Harrison, "The Soviet Union after 1945. Economic Recovery and Political Repression," *Past and Present*, no. 6 (2011).

<sup>185</sup> Mai, "Osthandel und Westintegration 1947-1957. Europa, die USA und die Entstehung einer hegemonialen Partnerschaft," 205-06.

<sup>186</sup> On GATT, see Kock, *International Trade Policy and the Gatt 1947-1967*.

economic structure.<sup>187</sup> In fact, the credit agreement for the purchase of Swedish goods offered by Myrdal as minister of trade in mid-1946 (SEK equivalent to 55 million USD) was the biggest trade deal Stalin obtained in Europe after the war.<sup>188</sup> Although there was continuous interest for an increase in East-West trade on both sides, trade between the blocs thus remained on very low levels, and continued to decline between 1949 and 1953.

On the legal side, there was no procedure for international commercial arbitration recognized by both sides. An ECE report asserted in 1954 that “traders are obliged to designate a tribunal for each separate East-West trade operation”.<sup>189</sup> Traditional commercial law assumed that parties in trade were private entities, either individuals or enterprises, not states. This rendered existing international law on arbitration or payments rather useless for East-West trade. There was hence no overarching legal framework for commercial arbitration in East-West trade until the 1960s. The *European Convention on International Commercial Arbitration*, concluded under ECE auspices in 1961, was the first international agreement on arbitration that specifically took socialist countries into account. For the period before, there is astonishingly little talk about commercial law and legal concerns in the ECE files. East-West trade problems rested on a far less sophisticated, much more fundamental basis. Governments prepared lists of commodities available for export or in demand and agreed on simple bilateral agreements, avoiding more complex issues like commercial arbitration. Discussion about legal questions in East-West trade only took off after Stalin’s death and the ECE trade consultations in 1953 and 1954.

The absence of legal precautions meant that any larger trade arrangements between market economies and centralized economies included a tremendous risk for both sides. While centralized economies could not rely on market economies to successfully mobilize producers, smaller Western European countries trading with the USSR risked severe disruptions if the USSR stopped buying a particular commodity.<sup>190</sup> A short timeframe for bilateral agreements could contain these risks to some degree, but made commerce unstable. “At the present time, with few exceptions, East-West trade is organized through short-term agreements generally negotiated on an annual basis”, ECE reported in 1954, “[t]his makes for instability and discontinuity in trading relationships”.<sup>191</sup> The immediate goals of ECE to stabilize trade relations were thus trade agreements over a longer time period, and, where possible, multilateral instead of bilateral arrangements. Facilitating East-West trade thus had to start from a very low level, and was complicated further by Western embargo policy.

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<sup>187</sup> Sanchez-Sibony, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*, 96-97.

<sup>188</sup> *Ibid.*, 64.

<sup>189</sup> Structural Problems in East-West Trading Relations, ECE/TC.54/10, 29 March 1954.UNOG, ARR 14/1360, Box 13.

<sup>190</sup> Myrdal, "Political factors affecting East-West trade in Europe," 146.

<sup>191</sup> Structural Problems in East-West Trading Relations, ECE/TC.54/10, 29 March 1954.UNOG, ARR 14/1360, Box 13.

### III.3.2 ECONOMIC WARFARE: THE COCOM EMBARGO

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For American policy planners, the prevalent bilateralism in East-West trade opened the opportunity to impede on the Communist countries' industrialization effort through trade denial. The stated primary objective of American foreign economic policy may have been the creation of a liberal international order, characterized by the free movement of goods and capital across borders and by stable exchange rates. In practice, however, these stated aims were contradicted by America's East-West trade policy. Rather than promoting economic openness, US officials worked hard to close off trade with the Soviet bloc.<sup>192</sup> Domestically, US commercial policy sought to minimize state intervention. But in East-West trade, the pattern of government behavior was reversed. Security concerns and ideological reservations prohibited American promotion of trade between the blocs. In a letter to Karin Kock, Hammarskjöld reported already in September 1948 that Averell Harriman, the American official in charge of ERP, had told OEEC Secretary-General Robert Marjolin that

*"The American side would like to see an increase in East-West trade, but only under two conditions: first, that goods contributing to the Eastern powers' military potential should not be exported eastwards, and second, that the trade should not assume such a volume or composition that a more pronounced East-West interdependency is created".*<sup>193</sup>

In the following year, the United States introduced a system of discriminatory export controls against the USSR and its allies, affecting the Western European partners, and taking up in peacetime practices of economic warfare.

Economic warfare was a strategy much more far-reaching than the blockades and commercial raiding which had been part of conventional warfare for centuries.<sup>194</sup> The goal of economic warfare was to decrease a national economy's military potential. Two world wars had demonstrated that entire national economies could be mobilized under the doctrine of total war. All resources and infrastructures became part of the war effort, blurring the lines between combatants and non-combatants. Besides direct attacks on trade routes and production facilities, economic warfare included the subtler control of trade flows and comprehensive export denial. Companies trading with the enemy at home or in neutral countries were blacklisted and sanctioned, strategic goods available on world markets were bought up and stockpiled, and import quotas were introduced for third countries. The Japanese attack on Pearl Harbor in 1941 was a catalyst and a reference point for the embracing of economic warfare in the United States. Japanese fighter planes, built with American machines and technology freely available on the world market, carried out the attack. Ten days after Pearl Harbor, the US government introduced a new agency, the

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<sup>192</sup> Michael Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," *International Organization* 42, no. 1 (1988): 122.

<sup>193</sup> Dag Hammarskjöld to Karin Kock, Förhållandet mellan Paris-organisationen och Europa-kommissionen, 23 September 1948. KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>194</sup> Tor Egil Førland, "Economic Warfare' and 'Strategic Goods': A Conceptual Framework for Analyzing COCOM," *Journal of Peace Research* 28, no. 2 (1991); *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954*, 8-10.

Board of Economic Warfare. World War II was a “battle of economics”, Roosevelt proclaimed:

*“It is a war of commerce and shipping, of barter and buying, of loans and agreements, of blacklist and blockade. It is starvation for our enemies and food for our friends [...]. It means fighting the Messerschmitt before it is a Messerschmitt, fighting the tank before it is a tank, smashing the submarine before it can go to sea”.*<sup>195</sup>

Economic warfare as a pre-emptive strategy was thus deeply engrained in American strategic thinking even before the Cold War began. But in the emerging conflict with the USSR, tactics of economic warfare were applied in peacetime, a practice hitherto unprecedented in American history.<sup>196</sup>

In the absence of a “hot” war, economic warfare came down to an active control over trade flows and the transfer of technology, with the latter gaining additional importance due to the spread of nuclear weapons. The Truman administration contemplated an embargo against the USSR already since 1947. The planners of the export control policy were, then, firmly convinced that the Soviet economy was a “war economy”, subservient to the demands of military production.<sup>197</sup> The National Security Council (NSC) advised the introduction of peacetime export controls against the Soviet Union and its allies: The Soviet bloc’s opposition to the Marshall Plan, the NSC stated, was “a threat to world peace and to US security”. Europe, including the USSR, should thus be declared “a recovery zone to which all exports should be controlled”.<sup>198</sup> A ban was put in place on military goods, but also on generators, heavy machinery, and equipment for railroad construction – goods that were crucial for the Soviet industrialization effort.<sup>199</sup> Whether it was true that export controls would weaken economic development and, by extension, Soviet military capacity was contested from the beginning. “[A]nalysis shows [...] that a US embargo alone could hardly affect the over-all economic development of the Eastern Bloc”, a State Department dossier concluded. However, “the planned rate of development of the Eastern Bloc [...] may be so much greater than that in the United States and Western Europe that [...] it may be desirable or necessary to use every means at our disposal to interfere with their

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<sup>195</sup> Quoted in “Economic Warfare’ and ‘Strategic Goods’: A Conceptual Framework for Analyzing COCOM,” 193.

<sup>196</sup> Alan Dobson, *US Economic Statecraft for Survival 1933-1991: Of Embargoes, Strategic Embargoes, and Economic Warfare* (London: Routledge, 2002). Førland, *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954*. Mats Ingulstad, “Winning the Hearths and Mines: Strategic Materials and American Foreign Policy, 1939-1953” (EUI Florence, Unpublished PhD Thesis).

<sup>197</sup> Mastanduno, “Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period,” 127.

<sup>198</sup> Quoted in Yoko Yashuara, “The Myth of Free Trade. The Origins of COCOM 1945-1950,” *The Japanese Journal of American Studies*, no. 4 (1991).

<sup>199</sup> Gunnar Adler-Karlsson, *Western Economic Warfare 1947-1967. A Case Study in Foreign Economic Policy* (Stockholm: Almqvist & Wiksell, 1968), 22-23.

plans”.<sup>200</sup> In March 1948, officials from the Departments of State and Commerce agreed that the

*“objective of the U.S. was to inflict the greatest economic injury to the USSR and its satellites, and, at the same time, to minimize the damage to the U.S. and the Western Powers resulting from (a) probable Soviet retaliation and (b) inability of the East to continue exports of certain supplies to the West”.*<sup>201</sup>

With the Export Control Act of 1949, Congress gave the executive branch the right to restrict exports routinely.<sup>202</sup> Definitions of what constituted “strategic” goods were gradually expanded. Lists of goods under export control were continuously revised and prolonged. Private companies and individuals had to acquire permission from the Commerce Department before they could export items on these lists. By 1950, the lists contained approximately 500 categories, including many items with little to no obvious strategic value. Even such innocuous items as plastic combs were temporarily under embargo. “There is no rigid definition that holds good for all times, places, and circumstances”, a Congress report read,

*“strategic goods don’t have the same degree of strategicness. [...] Since there is no distinctly visible boundary between ‘strategic’ and ‘nonstrategic’, some people insist that even bicycles, typewriters, or ordinary hardware may help the other fellow by strengthening his general economy. And these people argue that anything that contributes to the general economy helps in a military way, too.”*<sup>203</sup>

Robert Amory Jr., deputy director of intelligence at the CIA, held this hardline view. “[A]nything, e.g. a textile spinning frame or shoe machine equipment, which contributes to their industrial potential, contributes to their military potential”, Amory explained. “[A]ny finished product frees their basic machinery to make end-items enhancing their military potential”.<sup>204</sup> The embargo was thus not limited to weaponry and other strictly “strategic” goods, but could potentially include anything that could contribute to growth and development.

For American producers, this meant that the traditional right to trade freely became a privilege granted by the state.<sup>205</sup> There was, however, very little domestic backlash against these restrictions. This can be explained partially by the relatively low importance of trade with the Soviet Union and its allies for American businesses. Unlike Western Europe, the United States had little at stake when cutting down East-West trade. In 1949, US exports to

<sup>200</sup> Preliminary Note on US-Eastern Bloc Trade Relationships, n.d. (1949?). NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 4, Folder 63, 109.04 Soviet Affairs Correspondence.

<sup>201</sup> Quoted in Alan Dobson, “From Instrumental to Expressive: The Changing Goals of the U.S. Cold War Strategic Embargo,” *Journal of Cold War Studies* 12, no. 1 (2010): 102.

<sup>202</sup> Mastanduno, “Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period,” 129.

<sup>203</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

<sup>204</sup> Quoted in Spaulding, “East-West Trade at the Geneva Summit,” 236.

<sup>205</sup> Mastanduno, “Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period,” 129.

the Soviet Union and Eastern Europe amounted to a rather insignificant amount of approximately \$150 million.<sup>206</sup> Additionally, there was an immense social pressure working beyond the legal restrictions. Extreme anti-communism after the coup in Czechoslovakia exposed businesses that expressed an interest in East-West commerce to the charge of trading with the enemy.<sup>207</sup> During McCarthyism and the Second Red Scare, a hard line on export controls became politically attractive. This disturbed intra-European trade as well. Congressmen asked vehemently whether American aid to Europe should continue, if aid recipients in Western Europe engaged in trade beneficial to the USSR.<sup>208</sup>

For economic warfare to be effective, US officials needed the cooperation of their Western European allies, who might otherwise act as alternative suppliers of strategic materials to the Soviet bloc, or even re-sell American goods they received under ERP.<sup>209</sup> A first test run in coercing Western Europe to comply with American export controls took place in September 1948. As a response to the Soviet blockade of West Berlin and the coup in Czechoslovakia, Western governments agreed on a counter-blockade. This disrupted primarily the inter-zonal trade in Germany.<sup>210</sup> Throughout 1949, Western governments continued to cut down trade in specific goods. In January 1950, the Coordinating Committee for East West Trade Policy (CoCom) took up its work in Paris, after initial attempts to coordinate export controls at OEEC had failed.<sup>211</sup> CoCom was not an IO based on international treaties, but an informal organ coordinating export control lists between the United States, its NATO allies (with the exception of Iceland), and Japan. CoCom's existence was initially kept secret, because European governments declared they would withdraw if their participation became public.<sup>212</sup> CoCom decisions thus had no binding authority over its members, but the United States used its political weight to ensure European compliance. The Western embargo policy soon became synonymous with CoCom. For ECE, CoCom was a central problem: It adversely affected East-West trade, encouraged bloc formation on both sides, and was the express reason for the shutdown of ECE's trade committee. Openly opposing CoCom, meanwhile, risked alienating ECE's most important supporter, the United States.

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<sup>206</sup> Dobson, "From Instrumental to Expressive: The Changing Goals of the U.S. Cold War Strategic Embargo," 99.

<sup>207</sup> Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," 129.

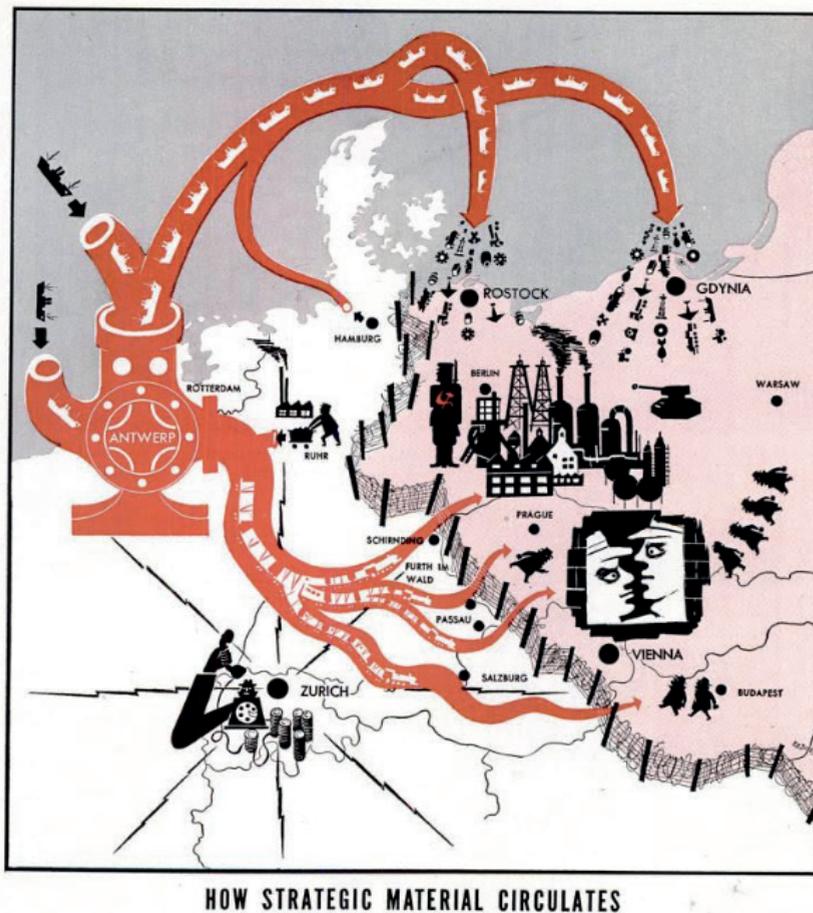
<sup>208</sup> Dobson, "From Instrumental to Expressive: The Changing Goals of the U.S. Cold War Strategic Embargo," 101.

<sup>209</sup> Frank Cain, *Economic Statecraft during the Cold War: European Responses to the US Trade Embargo* (New York: Routledge, 2007); Ian Jackson, *The Economic Cold War: America, Britain and East-West trade, 1948-63* (New York: St. Martin's Press, 2001).

<sup>210</sup> Mai, "Osthandel und Westintegration 1947-1957. Europa, die USA und die Entstehung einer hegemonialen Partnerschaft," 205-06.

<sup>211</sup> Yashuara, "The Myth of Free Trade. The Origins of COCOM 1945-1950," 136-37.

<sup>212</sup> Adler-Karlsson, *Western Economic Warfare 1947-1967. A Case Study in Foreign Economic Policy*, 6.



**Fig. III.7:** A cover story in *LIFE Magazine* presented American readers in January 1953 with “Stalin’s Sixth Column”: the misappropriation of “Western aid for Red build-up” through trade.<sup>213</sup> An illustration in the article describes the circulation of strategic goods within Europe as one big conspiracy: Shady figures in Vienna conspire with financiers from Zurich to purchase embargoed materials and feed them into the “pump” of commercial harbors in Antwerp and Rotterdam. Goods purchased “around the world” (including the United States) under an innocent pretense and fed into this “strategic pipeline” shower down as weaponry on Rostock and Gdansk. The illustration suggests that any trade with the East will bolster the enemy’s military capacity, and that a unilateral American embargo will not suffice to stop American goods from being used for Soviet bloc armament.

For the US government, there was an underlying dilemma between halting Western Europe’s trade with the East for strategic considerations and the objective of

<sup>213</sup> *LIFE Magazine* (26 January 1953), accessed 19-02-2017 at <https://books.google.nl/books?id=JEIEAAAAMBAJ&printsec=frontcover#v=onepage&q&f=true>

reconstruction. US naval intelligence reported in 1950 that “[i]f the United States were able to establish an effective economic ‘iron curtain’, it would result in the Russian economy’s grinding to a stop within a period of five to ten years”.<sup>214</sup> On the other hand, reports by the State Department’s Office of Intelligence Research and by the Central Intelligence Agency (CIA) concluded in 1951 that the Soviet economy, especially when integrated with that of Eastern Europe, was relatively self-sufficient, rendering export denial useless.<sup>215</sup> The State Department warned that extending export controls to Western Europe might “jeopardize the success of the European Recovery Program”.<sup>216</sup> While the executive branch, and particularly the State Department, was thus hesitant to force Western Europe into complying with American export controls, Congress took a much stricter line. There were two main reasons for this harsh attitude in Congress, as Michael Mastanduno points out: First, due to the secrecy of export controls, Congressmen were unaware of the extent Western Europe already participated in the program. Second, congressional sentiment reflected a larger discontent about foreign policy. Those Congressmen who were skeptical of the multilateral, anti-isolationist thrust of US policy anyways argued that aid recipients in Europe should, at the very least, display their gratitude by supporting American export controls.<sup>217</sup>

From the beginning, ECE officials sought to influence the American debate by criticizing export controls. “This policy is a bad policy”, Walt Rostow told American journalist Walter Lippman in 1949,

*“because it does not seriously affect the war potential of Eastern Europe, while at the same time it disrupts a commercial relationship on which the future position of western Europe depends. It is denying the Western European countries one important but partial method for ending their dependence on the U.S.”*<sup>218</sup>

Rostow’s critique, however, drowned in the wave of violent anti-Communism that took hold of American politics in the early 1950s. In 1950 and 1951, Congress passed a series of legislation explicitly linking US aid to full acceptance of export controls. In October 1951, the Mutual Defense Assistance Control Act, or Battle Act, made the link between economic and military aid and compliance with US export controls permanent. It forbade military, economic, and financial assistance to any country that knowingly permitted the shipment of items listed for embargo.<sup>219</sup> The Battle Act thus provided the executive with a legal

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<sup>214</sup> Yashuara, “The Myth of Free Trade. The Origins of COCOM 1945-1950,” 140.

<sup>215</sup> Mastanduno, “Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period,” 127.

<sup>216</sup> Preliminary Note on US-Eastern Bloc Trade Relationships, n.d. (1949?). NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 4, Folder 63, 109.04 Soviet Affairs Correspondence.

<sup>217</sup> Mastanduno, “Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period,” 136.

<sup>218</sup> Walt Rostow to Walter Lippman, 17 March 1949. UNOG ARR 14/1360 – Box 73 Folder “Germany”.

<sup>219</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

obligation to terminate assistance to countries exporting strategic materials to the Soviet bloc, unless the president determined that it was in the national interest not to do so.<sup>220</sup>

Reactions in Western Europe and neutral countries were generally negative. Congressional action unleashed a wave of indignation that never fully subsided.<sup>221</sup> Nonetheless, Western Europe largely complied with American demands. Coercion through the threat of aid withdrawal was not the only reason for this. The security crisis during the Korean War was probably more effective in ensuring European compliance than American pressure. Despite the Battle Act's provisions, American aid was never actually withdrawn, and exceptions were granted every year. The Korean War, however, gave credence to the claim that the Soviets were preparing for imminent conventional war in Europe. The argument that all trade with the East would bolster Soviet military capacity, which was already deeply entrenched in the American discussion, gained widespread credibility in Western Europe only in this context.<sup>222</sup> At the beginning of 1951, Hammarskjöld told the head of the Swedish Foreign Office's political section that "the situation is getting dangerous, the threat of war is real; already in the upcoming months, we will be faced with difficult choices toward the Western powers, and we must be prepared to give in to far-reaching concessions, short of joining the NATO".<sup>223</sup> In February 1951, Hammarskjöld became state secretary in the Foreign Office. With Hammarskjöld as the responsible official, even neutral Sweden – which had previously granted the biggest postwar loan to the Soviet Union – gradually adopted CoCom policy.<sup>224</sup> But despite the effects of the Korean War, and despite America's preponderance of power resources and a sustained, high-level diplomatic effort, the United States' rigid policy on trade could not be maintained for long. Alliance policy on multilateral export controls reflected American preferences only for a relatively brief period between 1950 and 1953.<sup>225</sup> During that time, exports from Western to Eastern Europe declined significantly, particularly in sectors that constituted so-called "dual-use" goods of both military and non-military value, e.g. machinery. "The major change in the commodity composition of western Europe's exports was the decline in machinery exports by 10 to 15 per cent from 1950 to 1951 and by a further 25 per cent from 1951 to 1952", ECE reported in 1953, "the share of machinery in total exports fell from one third in 1950 to one fifth in 1952. The main reason for this decline was the tightening of export licensing."<sup>226</sup> CoCom embargo lists reached their maximum length in 1953, and were thereafter shortened until the 1970s. For the time the American hardline take on export controls was in place, however, it deeply affected European trade and the work of ECE.

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<sup>220</sup> Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," 134.

<sup>221</sup> Spaulding, "East-West Trade at the Geneva Summit," 237.

<sup>222</sup> Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," 140-41.

<sup>223</sup> Quoted in Nilsson, "Undéns tredje väg: Sverige i det kalla kriget 1950-52," 75.

<sup>224</sup> *Ibid.*

<sup>225</sup> Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," 123.

<sup>226</sup> UN Information Centre, Developments in Trade Between Eastern and Western Europe from 1951 to 1952, Press Release No. ECE/GEN/215, 30 July 1953. UNOG Box 12, Folder "Trade – Correspondence 1953".

At ECE, the effects of export discrimination were felt almost immediately, even before CoCom. Already in his opening statement at ECE's fourth session in May 1949, Myrdal told delegates that

*"A number of governments represented here have suggested on various occasions that discriminatory trade practices [...] have been inhibiting the natural and desirable flow of European trade over the past year. I have made every effort to establish the nature and extent of such alleged practices; but I have received little or no authoritative information from the governments. As our current Survey shows, however, in several cases available data reflect the existence of such practices."*<sup>227</sup>

CoCom became effective in January 1950. Despite its initial secrecy, the effects of the export controls were clearly visible in the statistics and economic analyses compiled by ECE. In fact, ECE publications were one of very few publicly available sources on the embargo, as one German legal scholar pointed out in 1956.<sup>228</sup> Delegates at OEEC considered the American licensing policy "a business for Geneva", consciously avoiding this difficult and divisive subject.<sup>229</sup> The CoCom embargo thus became a core problem for ECE, and one that severely impeded on other areas of its work.

Export controls quickly became a dominant topic in the Commission sessions and committee meetings. They also led to the shutdown of the newly created ECE trade committee. After only two meetings, a deadlock developed in May 1949: "[T]he eastern European countries stressed the futility of any efforts [...] as long as discriminatory export licensing policies were practiced against them", wrote Myrdal's assistant Melvin Fagen, who coordinated East-West trade questions in the secretariat.<sup>230</sup> The secretariat did not reconvene the trade committee after this. Additionally, the Eastern bloc countries insisted that they were not going to allow discussion on trade in agricultural products in the absence of a trade committee, killing off the newly established agriculture committee as well.<sup>231</sup> "USSR has now succeeded in anaesthetizing if not killing, [the] second of the only two technical ECE committees [...] in which it ever pretended to have any interest", a US delegate cabled to Washington. "Executive Secretary Myrdal stated bluntly on several occasions", the message continued, "that he had no intention convening committees that did no useful work. Stressed jeopardy to good work being done by other ECE committees since 'one rotten apple can spoil barrel'".<sup>232</sup> Shutting down the two committees was a

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<sup>227</sup> Gunnar Myrdal, Opening Statement of the Executive Secretary of the Economic Commission for Europe at the Fourth Session of the Commission, 09.05.1949. UNOG ARR 14/1360 - Box 64.

<sup>228</sup> Hans Jürgen Lambers, *Das Ost-Embargo. Dokumentensammlung*, ed. Forschungsstelle für Völkerrecht und ausländisches öffentliches Recht der Universität Hamburg, Dokumente (Frankfurt a. M. / Berlin: Albert Metzner Verlag, 1956), 3.

<sup>229</sup> Gunnar Myrdal, Memorandum on conversations with Arne Skaug, Norwegian representative to OEEC and member of the Executive Council, in Paris, 6 March 1950. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>230</sup> Melvin M. Fagen, "The Work of the Committee on the Development of Trade, 1949-1957," in *The Economic Commission for Europe. A General Appraisal*, ed. UNECE (Geneva: United Nations, 1957), VII-2.

<sup>231</sup> Wightman, "East-West Cooperation and the United Nations Economic Commission for Europe," 3.

<sup>232</sup> Telegram Ward (U.S. Resident Delegation at ECE) to State Department, March 27, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

serious setback for ECE. But the alternative seemed worse to Myrdal and the secretariat: If the committees on trade and agriculture would continue to meet without producing results, not only would it impede on the work of other technical committees; it would showcase the futility of ECE's insistence on the necessity of East-West trade, and risk alienating member states.

In the West, CoCom and the enforcement of export controls were one of the means of bloc formation; but so was the agitation against it in the East. For the USSR, agitation against Western export controls proved useful as a propagandistic tool. It served as a rallying cry to its Eastern European allies, and helped to solidify the bloc, as Eastern European countries all suffered from export discrimination. The Communist nations did not organize a counter-embargo on lines similar to CoCom. This was, however, not necessary, since the centrally planned economies held state monopolies on trade that made export coordination comparatively easy.<sup>233</sup> In fact, ECE publications pointed out that exports from East to West suffered a greater decline both in relation to 1949 and to the pre-war level.<sup>234</sup> "During the Stalin era the main objective was the political and economic consolidation of the Eastern bloc under Moscow", Myrdal later wrote about this time,

*"The propaganda against the Marshall Plan and, in particular, the American-inspired embargo-policy undoubtedly served this purpose, as it could be used to impress upon the Soviet Union's East-European allies that they depended upon each other and the Soviet Union for economic development as well as for defence."*<sup>235</sup>

Gunnar Adler-Karlsson's *Western Economic Warfare* (1968) is still among the most widely cited studies on the American embargo policy.<sup>236</sup> The book is based on a dissertation Myrdal supervised at Stockholm University. In its preface, written ten years after he left Geneva in 1957, Myrdal reflected on the embargo's effect on the Soviet bloc:

*"I believed then, and still believe, that from the Stalinist point of view the Western embargo policy was on balance advantageous [...]. This explains a certain unmistakable hollowness in the Eastern propaganda against the embargo policy as carried on at the meetings of the ECE [...]. [T]he embargo policy gave the Eastern countries a complaint for use in the propaganda warfare that threw a burden of guilt on the Western bloc and specifically on the United States. [...] Above all, the export embargo served as a most important and almost incontrovertible argument for consolidating the communist bloc [...]. It could be held up to demonstrate that for their economic development they had to rely upon each other and on the Soviet Union. Much that happened in these years testifies to Stalin's determination to keep down to a minimum the volume of these countries*

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<sup>233</sup> Adler-Karlsson, *Western Economic Warfare 1947-1967. A Case Study in Foreign Economic Policy*, 7.

<sup>234</sup> UN Information Centre, Developments in Trade Between Eastern and Western Europe from 1951 to 1952, Press Release No. ECE/GEN/215, 30 July 1953. UNOG Box 12, Folder "Trade – Correspondence 1953".

<sup>235</sup> Myrdal, "Political factors affecting East-West trade in Europe," 143.

<sup>236</sup> Adler-Karlsson, *Western Economic Warfare 1947-1967. A Case Study in Foreign Economic Policy*.

*economic and other relations with the countries in the Western bloc, and from this point of view the embargo policy came as a God-sent aid”.*<sup>237</sup>

While the export controls were thus indeed useful for bloc formation in the East, they did affect Eastern trade. The Soviet Union and its partners in the Council for Mutual Economic Assistance (CMEA, founded in 1949) lacked a system remotely as effective or far-reaching as the Bretton Woods institutions, as Oscar Sanchez-Siboni has pointed out. The Soviet Union and the CMEA remained appendages to the much larger and dominant liberal construct. “Commercial and financial interaction between East and West would resume only when the system’s dollar shortage resolved itself and the stringent European currency controls gradually receded”, writes Sanchez-Siboni, “Until then, the Soviet could do little else but complain about commercial discrimination and embargo – mostly rightly – and gripe about the import-export licensing system”.<sup>238</sup>

The USSR and its allies repeatedly used the platform ECE’s public Commission sessions provided for concerted attacks on the embargo policy. At the 5<sup>th</sup> Commission session in 1950, four months after CoCom took up its work in secret, the USSR brought in a draft resolution condemning American export discrimination. Similar resolutions had previously been brought in and rejected by the Western majority at ECOSOC and at the two meetings of the ECE trade committee.<sup>239</sup> At the 1950 Commission session, the “Satellite countries gave [their] most disciplined and coordinated performance to date“, a US delegate reported, “All slavishly following [the] Soviet line on virtually every point”.<sup>240</sup> One Polish delegate said that the end of export discrimination was the condition for reactivating the ECE trade committee:

*“If [...] the trade committee has to fulfill its mandate, the policy of discrimination must be rejected and it is quite clear that with the trade committee working satisfactorily, the other technical committees of the Commission will get a new stimulant, so that the whole Commission will be able to revive its activities and will come closer to the fulfillment of those tasks for which it has been created.”*<sup>241</sup>

The deadlock in trade was thus at the heart of ECE’s problems, and overcoming it was the organization’s central conundrum. “Much, if not most of the work of the Commission through its several operational committees was concerned with international trade”, Myrdal wrote in the preface to *Western Economic Warfare*, “and the embargo policy stood in the center of attention, both during the years of its intensification and during the years of its decline.”<sup>242</sup>

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<sup>237</sup> Ibid., xi-xii.

<sup>238</sup> Sanchez-Siboni, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*, 72.

<sup>239</sup> Telegram US Resident Delegation at ECE to State Department, June 9, 1950. By Robert E. Asher (US) and Joza Vilfan (Yugo). NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>240</sup> Telegram Ward (U.S. Resident Delegation at ECE) to State Department, March 27, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>241</sup> Telegram US Resident Delegation at ECE to State Department, June 2, 1950. Speeches of UK, Polish and Yugoslav Dels at Fifth Session. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>242</sup> Adler-Karlsson, *Western Economic Warfare 1947-1967. A Case Study in Foreign Economic Policy*, xi-xii.

### III.3.3 ECE TRADE CONSULTATIONS

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Between the shutdown of its trade committee in 1949 and the first delicate steps of the Soviet peace offensive in late 1952, ECE undertook a series of unsuccessful attempts to revive East-West trade. While these extraordinary trade consultations failed to bring about a breakthrough in East-West relations, it is still remarkable that they took place at all. During that time, CoCom was in its heyday, and international tension escalated into the Cold War's first full-blown proxy war in Korea. Despite these severe obstacles, the ECE secretariat took on an increasingly active stance on trying to revive East-West trade. This was not least due to ECE's executive secretary, a man priding himself of the proverbial stubbornness of the Swedish *dalabonde*, a farmer from the province of Dalecarlia. Myrdal's insistence on continuing East-West trade negotiations in Europe in the face of open conflict in Korea, and his use of the secretariat's agenda-setting power to pursue this end, was a risky gamble that paid off only after Stalin's death. During the critical years before, Myrdal jeopardized the support of ECE's most important ally, the US Department of State, which had ensured ECE's survival during its first existential crisis after the introduction of ERP. The US resident delegation in Geneva complained about "Myrdal's density in comprehending that none of the countries really want the trade meeting that he is foisting upon them".<sup>243</sup> While Myrdal's and ECE's attempts to revitalize trade between the blocs produced little to no results between 1949 and 1952, these trade consultations were important for ECE's survival and its reinvention as a reserve organization. They also laid important groundwork and set several precedents that came to play a role in the eventual breakthrough of 1953/54 (see chapter VII).

ECE officials saw trade as the foundation for Europe's shared prosperity, and for reconciliation between the blocs. In a lecture before Soviet economists in Moscow, Myrdal insisted that

*"intra-European trade can be regarded as the common denominator of East-West economic co-operation. Healthy, normal and growing commercial exchanges between countries with different economic and social systems constitute, if not an absolute pre-condition, at least a most necessary material basis on which other types of contacts between east and west European countries can develop. It is through trade that the advantages inherent in the international division of labour accrue and economic advantages can be extended across frontiers".*<sup>244</sup>

Myrdal's stalwart insistence that trade would relax international tension seemed dangerously naïve to others. Miklós Nyárádi, Hungarian minister of finance before the communist takeover, wrote in American exile in 1952 that he "could hardly keep a straight face" whilst discussing East-West trade with Myrdal:

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<sup>243</sup> Robert E. Asher to Beth L. Preston, ECE Industry and Materials Committee, July 29, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>244</sup> The United Nations Economic Commission for Europe as an Organ of All-European Economic Co-Operation. Lecture given under the auspices of the Institute of Economic of the Academy of Sciences of the USSR, 09.03.1956. UNOG Archives ARR 14/1360, Box 1, Folder 'Gunnar Myrdal Important'.

*“This tall, blond, dry Swedish country gentleman [...] stressed that his main goal was to achieve friendly trade agreements between the Soviet bloc and the Western world. [...] he believed in this way friendly political relations could be re-established [...]. I warned Myrdal of the consequences [...]. I told him what I had seen with my own eyes, how the most innocent-seeming export was immediately used for Red Army equipment [...]. Russia has become a huge military camp where everything is subordinated to war needs. [...] Myrdal, who is certainly a brilliant and conscienceous man with a passionate interest in world peace, still would not be convinced, and even today there is a strong trend in western European countries to reflect his trusting attitude. [...] An official report of the U.N. Economic Commission for Europe, dated May 6, 1951 - when the Russian-supplied Chinese Communist troops were busily killing the soldiers of the U.N. forces in Korea - disclosed that the European nations who were benefiting by Marshall Plan aid had doubled their shipments of engineering products to Russia!”<sup>245</sup>*

Under the new Cold War realities, the wartime planners’ ideas about international trade and economic cooperation as instruments of peace did not die, however. With the first successful test of a hydrogen bomb in 1952, Winston Churchill told the House of Commons, “the entire foundation of human affairs was revolutionized, and mankind placed in a situation both measureless and laden with doom”. But diplomacy and economic cooperation, he continued, still offered “an escape before the prospect of mutual thermonuclear annihilation”.<sup>246</sup> The argument that economic cooperation was an essential part of peace thus carried over from the period of wartime planning into the Cold War, and ECE was one of its most outspoken proponents.

With the trade committee inactive, the secretariat took it upon itself to call extraordinary meetings on trade at its own responsibility. These meetings in 1950 and 1951 were very limited in scope: not all member states participated, and the only commodities discussed were grains and forestry products.<sup>247</sup> The secretariat tried to break the deadlock in East-West trade by focusing on basic commodities for which there was steady demand. Agricultural products were an obvious starting point. Among the major pre-war commodities supplied by Eastern Europe, foodstuffs had declined most sharply: In 1947, shipments of food, beverages, and tobacco were less than 10 per cent of the 1937 volume. Trade in cereals, which alone accounted for 13 per cent of the pre-war total trade between Eastern and Western Europe, had practically disappeared.<sup>248</sup> After the shutdown of the ECE trade and agriculture committees in 1949, Myrdal conducted extraordinary, informal consultations with governments about a potential multilateral trade agreement, centered on shipments of grains to the Western European states.

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<sup>245</sup> Nicholas Nyárádi, *My ringside seat in Moscow* (New York: Crowell, 1952), 211.

<sup>246</sup> Quoted in Ernest R. May, “The Early Cold War,” in *Cold War Respite. The Geneva Summit of 1955*, ed. Günther Bischof and Saki Dockrill (Baton Rouge: Louisiana State University Press, 2000), 33.

<sup>247</sup> Preliminary Consultation on Ad Hoc Trade Meeting. Opening Statement by the Executive Secretary, n.d. (August 1951?). UNOG Archives ARR 14/1360 - Box 13, Folder “Preparations for an Ad Hoc Meeting on Trade 1951”.

<sup>248</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG Box 13, Folder “Ad Hoc Committee on Industrial Development and Trade 1948”.

In November 1949, Myrdal summarized the results of informal consultations in an aide-mémoire, which outlined a potential agreement.<sup>249</sup> It suggested a multilateral arrangement whereby Western European countries pledged to buy cereals, and possibly other goods, on a more long-term basis than previously. Long-term arrangements should be made possible through agreement on upper and lower price limits and maximum quantity commitments. The Western countries should guarantee that Eastern exporters could use the proceeds gained through the sale of cereals to purchase goods from lists to be agreed upon. These suggested “positive” lists of goods explicitly available for export were a counterpoint to the “negative” lists of goods under the American export licensing policy. Myrdal also suggested provisions for flexibility in payment, so that currencies earned through an export surplus in one country could be used for purchases in another. The aide-mémoire further specified that no meetings of the trade committee would be held until informal pre-negotiations delivered a realistic foundation for agreement.<sup>250</sup>

Reactions to Myrdal’s aide-mémoire were varied. Grain importing nations like Denmark and Norway jumped at the opportunity, and German business actors urged the occupation authorities to sign up to a meeting.<sup>251</sup> France as an exporter of grains was initially not interested, expecting to be able to sell any surplus production to Germany.<sup>252</sup> The UK advised ECE to act as “honest broker” in bringing together Eastern European grain-exporting nations and Western European grain-importing nations to work out bilateral contacts, rather than trying to develop a single multilateral agreement.<sup>253</sup> The Soviet bloc countries did not reply immediately. Myrdal undertook another round of pre-negotiations in Moscow, Prague, and Warsaw in early May 1950 – at the time when the Schuman Plan was announced in Paris. Myrdal’s Moscow trip created some publicity, which the US State Department watched with unease.<sup>254</sup> Fearing information leaks, Myrdal told his Belgian assistant Baron Albert Kervyn de Lettenhove to “keep away from all British and Americans”.<sup>255</sup> Upon their return to Geneva, the US resident delegation reported that Myrdal and Kervyn seemed “exhausted and let down” and that it was “evident that Myrdal had rough going”.<sup>256</sup> Yet by the end of the month, Myrdal received a positive reply to his aide-mémoire from the Soviet Union, Poland, and Czechoslovakia.<sup>257</sup> US Secretary of State

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<sup>249</sup> In international organizations, an aide-mémoire is an informal document outlining a proposed agreement that is circulated among delegations for discussion. Unlike a draft resolution, it does not ask delegations to commit to its contents.

<sup>250</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>251</sup> HICOG Frankfurt to State Department, 31 July 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>252</sup> US Resident Delegation at ECE to State Department, Proposal of ECE Secretariat for European Grain Agreement, 31 July 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>253</sup> US Resident Delegation at ECE to State Department, September 5, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>254</sup> Telegram US Resident Delegation at ECE to State Department, June 16, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>255</sup> U.S. Embassy, Moscow, to State Department, May 15, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>256</sup> Telegram US Resident Delegation at ECE to State Department, May 20, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>257</sup> Telegram US Resident Delegation at ECE to State Department, May 23, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

Dean Acheson assumed that the Soviet response was a propaganda move: “response may be a bait for us to assume negative position”, he cabled to the resident delegation, “[...] our known opposition [to the proposal] might give SOV[iet] propaganda opportunity [to] indicate US blocking East-West trade”.<sup>258</sup> The Soviet reply thus put the United States in a predicament. While a possible agreement on grains and positive lists of counterpart goods would get into conflict with American export licensing policy, openly declining to take part in the ECE meeting would create the public impression that America was unwilling to negotiate. The United States thus did send a delegation; albeit one that was negotiating only on behalf of occupation authorities in Germany, and not of the United States itself.<sup>259</sup> An extraordinary ECE meeting on grains was called for November 1950, a full year after Myrdal’s aide-mémoire.

Secretariat and delegations described the Ad Hoc Meeting on Grains as an experiment: If a multilateral deal on grains could be struck, it could potentially wedge open the deadlock in East-West trade for other commodities. A few days before the meeting, the USSR and the UK announced the conclusion of a bilateral agreement on grains. Myrdal welcomed this agreement between the biggest exporter and the biggest importer of grains in Europe as a good omen for the ECE meeting.<sup>260</sup> ECE requested additional money from UNHQ to hire more staff, as Geneva facilities were pushed to a limit with several parallel conferences.<sup>261</sup> 19 European countries, plus the United States, and Canada as an observer, participated in the meeting.<sup>262</sup> Swedish head delegate and Myrdal-confident Karin Kock was elected chairman. At the meeting, however, it soon became clear that the USSR had overstated the quantities of grains available for export, and with half of them already pledged to the UK, there was little left to be distributed among other importers. Western demand far outweighed the quantities the USSR and its allies were ready to export: nine Western importing countries indicated their willingness to buy 2.5 million tons of coarse grains, and an additional 1.1 million tons of bread grains, while five Eastern countries were willing to sell rather less than 1 million tons of coarse grains and only small quantities of bread grains.<sup>263</sup> The meeting was further complicated by the resistance of the UK, the world’s biggest importer of grains, against long-term trade agreements. The UK delegation circulated a memorandum stating that in its opinion, “coarse grains are totally unsuited for agreements or contracts which exceed one crop year”.<sup>264</sup> While the meeting was followed

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<sup>258</sup> Telegram Dean Acheson to US Resident Delegation at ECE, May 31, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>259</sup> US Resident Delegation at ECE to State Department, Proposal of ECE Secretariat for European Grain Agreement, 31 July 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>260</sup> Speech of the Executive Secretary at the Opening of the Grain Meeting, 14 November 1950. W/GRAIN/4. UNARMS: S-0441-0161-13, ECE Ad Hoc Meeting on Grain Trade in Europe, 10/50-01/52.

<sup>261</sup> Telegram, ECE to UNHQ, 12 October 1950. UNARMS: S-0441-0161-13, ECE Ad Hoc Meeting on Grain Trade in Europe, 10/50-01/52.

<sup>262</sup> Austria, Belgium (also representing Luxembourg), Canada (observer), Czechoslovakia, Denmark, Finland, France, Greece, Hungary, Italy, Netherlands, Norway, Poland, Romania, Sweden, Switzerland (observer), Turkey (observer), USSR (also representing Byelorussia and Ukraine), UK, USA (also representing the occupation authorities of West Germany), and Yugoslavia (observer).

<sup>263</sup> Summary of Information on Grain Meeting, 21 November 1950. UNARMS: S-0441-0161-13, ECE Ad Hoc Meeting on Grain Trade in Europe, 10/50-01/52.

<sup>264</sup> Memorandum by the United Kingdom delegation on long-term arrangements for coarse grains, 20 November 1950. W/GRAIN/6. UNARMS: S-0441-0161-13, ECE Ad Hoc Meeting on Grain Trade in Europe, 10/50-01/52.

up by bilateral talks between some Western countries and the USSR, its results were far too meager for Myrdal to declare sufficient progress and reopen the trade committee. “Indeed, the Palais des Nations is a really impressive entrance into nothing”, a disappointed member of the Danish delegation concluded after the meeting.<sup>265</sup>



**Fig. III.8** *Friends from the faculty: Gunnar Myrdal and chairman Karin Kock during the 6th ECE session, 29 May 1951. The two were close friends and former colleagues at Stockholm University. At Dag Hammarskjöld’s PhD defense, they acted as faculty opponents. As Swedish head delegate to ECE, Kock was elected chairman of ECE’s plenary sessions 1950-52 and of the special East-West trade consultations.*<sup>266</sup>

While the Ad Hoc Meeting on Grains failed to deliver the advance in East-West trade Myrdal had hoped for, it established a number of precedents that would become important in the eventual breakthrough that was achieved at ECE after Stalin’s death in 1953 (see chapter VII). First, delegations at the grains meeting were comprised predominantly of technical experts rather than diplomats. The UK delegation, for instance, consisted entirely of ministry of food officials. The expert-driven, rather than political, mode of negotiations led to a businesslike atmosphere that was unusual under the heated Cold War circumstances, and commended by the participants. Second, West German business actors were able to articulate their interests despite the lack of German representation at ECE.

<sup>265</sup> Extract from a personal letter to Mr. Kostelecky from Mr. Dahlgaard, 13 December 1950. UNARMS, S-0240-0003-05. ECE Correspondence – Myrdal to Trygve Lie 01-03/51.

<sup>266</sup> UN Photo, Photo # 350259. Ingvar Ohlsson, “Karin Kock, 1891-1976,” *International Statistical Review* 45, no. 1 (1977): 109.

Germany, traditionally a huge importer of grains from Eastern Europe, had the most to gain from the meeting. While the grains meeting did not produce the desired outcome, German businesses' sustained interest in a revival of East-West commercial contacts later became a significant factor in the eventual breakthrough in 1953. Third, the grains meeting experimented with procedural techniques involving both plenary and bilateral discussions, and a strong agenda-setting role for the chairman. This conference technique was refined and developed over the next two years, and became another important factor in 1953.

The importance of the grains meeting lay also in recreating a sense of purpose for ECE when serious doubt was cast upon the all-European organization. At the same time when Myrdal and Kervyn were negotiating in Moscow, the UK government suggested to significantly reduce ECE activity by abolishing all committees except coal, timber, and inland transport. "The ineffectiveness [of ECE's committees] is readily apparent when compared to its OEEC counterpart", British diplomats argued, adding that "Eastern European countries have shown no signs of desiring to cooperate [...] and have used [ECE] solely for the purposes of political propaganda".<sup>267</sup> While the State Department was pondering "whether the US should oppose the continuation of the committees outright or should permit them to die from desuetude", the British suggestion did not find support among Western European governments.<sup>268</sup> The Italian government's response was that

*"ECE [...] still represents a means of possible contact between Eastern and Western Europe. Even if such contacts are, in practice, non-existent or ineffective at present, it may still be preferable to maintain the body through which it may some day be possible to 'speak' with Eastern Europe. [...] An ECE reduced to only three committees [...] could not constitute the European observatory and the program of economic cooperation for our entire continent which was the intention of the United Nations when it established ECE."*<sup>269</sup>

While the original agenda of all-European economic cooperation thus continued to play a role, a new institutional *raison d'être* began to emerge: one that re-framed ECE as a reserve instrument, standing ready for an unspecified time in the future when international tension would recede and permit East-West exchange on economic subjects.

This new role was quickly adopted by the secretariat. "The Commission represents a reserve for the time when, as we hope, political settlements will again permit more intensive and all-European economic co-operation and trade", Myrdal told ECOSOC at its 1951 session, when the superior body had to decide over the future of the UN regional commissions. But, he added,

*"it would be an illusion to believe that it is feasible to preserve the Commission merely as an empty structure with the sole purpose and function that it shall constitute a reserve for the future. It is easy to destroy an institution like the ECE."*

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<sup>267</sup> Telegram U.S. Embassy Rome, to State Department, May 5, 1950. British proposal to Abolish ECE Committees and Italian Response. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>268</sup> Instructions to US Delegation, Fifth Session of the Economic Commission for Europe, Geneva, May 31, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>269</sup> Telegram U.S. Embassy Rome, to State Department, May 5, 1950. British proposal to Abolish ECE Committees and Italian Response. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

*It would be difficult to build it up again and give it life and efficiency if once by default it had been crippled. The Commission cannot live as an empty shell. The Economic Commission for Europe, as it stands today, fulfills its function as a reserve for the future only because it is a living centre, not only for economic research but also for practical co-operation in the technical Committees”.*<sup>270</sup>

Breaking the deadlock in trade was thus both a goal and an existential question for ECE. While ECE had some success as a technical agency, most notably in the fields of infrastructure (see chapter V) and coal (see chapter VI), the absence of Eastern European countries in its technical committees and the Commission sessions’ deterioration into annual propaganda battles rendered its all-European premise almost farcical. Extraordinary meetings on trade, like the grains meeting, therefore had special importance for ECE if it wanted to maintain its status as one of the few points of regular contact between the blocs.

The grains meeting, although unsuccessful, set a precedent for a particular format of ad hoc consultations on trade. While the deadlock on principles, particularly the policy of Western export discrimination, was acknowledged, the ad hoc consultations sought to circumvent it by focusing on specific goods. “Would the Governments be prepared to conduct another trade meeting on the basis agreed last year”, Myrdal asked the delegations of Hungary, Poland, and the USSR in June 1951, “namely that despite the continuing deadlock on the level of principles, for instance with respect to export licensing, the discussion on both grain and counterpart deliveries should be carried out without raising issues of principle, as is normal in bilateral negotiations?”<sup>271</sup> After a positive reply, received at the last minute before the deadline, ECE held another consultation on grain, timber, and counterpart goods in August 1951. Again, this meeting did not produce sufficient results to reinstate the trade committee. It did, however, see a further evolution of conferencing technique. The ad hoc format, which was not bound by a regular committee meeting’s rules of procedure, allowed the secretariat and chairman Karin Kock to experiment with new forms of conferencing. The technique first developed in 1951 had three stages: an initial plenary session was followed by a series of bilateral consultations between each of the delegations, and concluded with a further multilateral session.<sup>272</sup> The seemingly banal question of how to hold a meeting evolved into a conference technique best described as bilateralism in a multilateral framework, that later proved capable of producing some remarkable results in the context of the Soviet peace offensive.

For now, however, ECE’s attempts to revive East-West trade remained futile. At the seventh session of the Commission in May 1952, Myrdal’s opening statement was largely pessimistic. “[W]e owe it to ourselves to admit that the achievements of the Economic Commission for Europe [...] fall short both of what would have been technically possible, and what is obviously desirable”, he said:

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<sup>270</sup> Statement by the Executive Secretary of the Economic Commission for Europe to the Economic and Social Council, 14 September 1951. ARBARK: Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>271</sup> Note Verbale to the Foreign Ministries of Hungary, Poland and the USSR regarding a further Trade Meeting, 14 June 1951. UNOG Box 13, Folder “Preparations for an Ad Hoc Meeting on Trade 1951”.

<sup>272</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

*“The man-in-the-street who hears about another session of the United Nations Economic Commission for Europe wonders whether the big powers on both sides are still sincere when they proclaim themselves in favour of all-European cooperation and trade, and whether, in the present development, the ECE and, indeed, the United Nations are not a historical anomaly. How could he feel otherwise when he sees every day that the positions of both sides become increasingly frozen and hostile? [...] I must admit that even I, and many of my colleagues, sometimes wonder whether the man-in-the-street is not right, and whether the unanimous mandates and resolutions under which we are still working [...] do correspond to the situation and do reflect the real policies of member Governments.”*<sup>273</sup>

In the context of East-West tension as the defining feature of international relations, ECE and its insistence on all-European cooperation and East-West commercial exchange were indeed a “historical anomaly”. Tension was so strong that no agreement was reached on chairmanship for the 1952 Commission session; despite her initial refusal, Karin Kock was forced to resume chairmanship for a hitherto unprecedented third time. For the remainder of the session, Eastern European and Soviet representatives made East-West trade and Western export discrimination the dominant topic. Polish head delegate Juliusz Katz-Suchy stated that “the expansion of such mutually beneficial trade would not only contribute substantially towards resolving the crisis at present threatening western Europe, but would also assist in easing international tension and promoting international peace and friendly international relations”.<sup>274</sup> For other delegates and the ECE secretariat, it was difficult to assess how genuine such statements were. While the two previous ad hoc consultations gave little reason for optimism, the Commission passed a resolution calling the executive secretary to convene a third consultation of trade experts in autumn 1952, “if his explorations indicated a reasonable prospect of concrete results”.<sup>275</sup>

The failure to convene this third ad hoc consultation was a fiasco for ECE, severely jeopardizing American goodwill in the process. The American leadership, increasingly obsessed with anti-Communism and strict export controls as part of economic warfare, agreed to the meeting for propagandistic reasons, but expected it to die at the preparatory stage. In July 1952, Myrdal sent another aide-mémoire to governments, bringing forth concrete proposals for a more ambitious East-West trade consultation to be held in September. This move caused a lot of uproar at the US resident delegation. “I think there is no doubt that the trade consultations will be held [...] only because Myrdal and the ECE secretariat want them to be held and because no country is prepared to take a strong position against them”, one officer wrote to Washington.<sup>276</sup> Dean Acheson personally cabled to US embassies in Europe, directly criticizing Myrdal and instructing American

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<sup>273</sup> Opening Speech of the Executive Secretary to the Seventh Session of the Economic Commission for Europe, E/ECE/145, 3 March 1952. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>274</sup> Intelligence Report: The Eastern European Line at the Seventh Session of ECE, 13 May 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>275</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>276</sup> Joseph Greenwald, Economic Officer, US Resident Delegation to ECE, to Ruth Philipps, State Department, July 10, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

diplomats to urge Western European governments to withhold a reply until a Soviet response was received.<sup>277</sup> Myrdal had stepped on a lot of people's toes to get the trade meeting going, and severely angered the Americans. He did not, however, receive a reply from the USSR by the 15 August deadline. Three days later, the ad hoc consultation was cancelled. The *Manchester Guardian* called the failed trade meeting "the end of [ECE's] efforts to expand trade with Eastern Europe".<sup>278</sup>

The US resident delegation in Geneva had hitherto been ECE's most important supporter. Paul Porter, the first head of the resident delegation, who had also been instrumental in the creation of ECE, left Geneva in late 1949 to head ECA operations in Greece. Following his departure and the debacle of the 1952 trade meeting, the resident delegation became increasingly critical of the ECE secretariat. "In view of the Soviet rebuff on the E-W trade consultations", one official wrote,

*"and the likelihood that nothing more will happen in this field in the near future, it seems to me that it is necessary at this time to make a general statement to the Secretariat on their abuse of the discretion given to them by the Commission resolutions. Although the activities of the Secretariat were rather disturbing, our Soviet friends have made the Secretariat's E-W trade activities a moot point. [...] The Secretariat tends to get over-enthusiastic [...] but the apathy of the governments, both East and West, usually keeps any of these bright ideas from being implemented."*<sup>279</sup>

While the resident delegation and the State Department thus grew increasingly critical of ECE, they still defended the organization against more radical opinions in Congress. Following the trade meeting's cancellation, US Representative Laurie C. Battle, the sponsor of the Mutual Defense Assistance Act, the so-called Battle Act, visited Geneva. The discussion between him and Porter's successor Avery B. Cohan highlighted how for the United States, ECE was increasingly problematic, but still too useful to be abolished. Cohan pointed out that ever since the establishment of ERP, "the more important and more dramatic economic problems had been dealt with by the OEEC rather than by the ECE", but added "that there were a good many matters of secondary importance" related to "western European economic integration" which were being dealt with at ECE.<sup>280</sup> A consultant to the House Committee on Foreign Affairs travelling with Battle observed that "ever since the establishment of the OEEC, the people in the ECE had been devoting their energies, for the most part unsuccessfully, to the business of trying to find something useful to do". He also claimed to have overheard the Commander in Chief of US Forces in Europe and military governor of the US zone in Germany, General Lucius D. Clay, to have said

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<sup>277</sup> Telegram Dean Acheson to US Representations in London, Paris, Geneva, Bonn, Moscow, 17 July 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>278</sup> US Embassy London the State Department, *Manchester Guardian* Comment on the Economic Commission for Europe, 5 September 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>279</sup> Joseph Greenwald, Economic Officer, US Resident Delegation to ECE, to Ruth Philipps, State Department, August 22, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>280</sup> Memorandum of Conversation between Congressman Laurie C. Battle and Avery B. Cohan, US Resident Delegation to ECE, September 8, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

several times that ECE was “useless”. Battle himself took a direct interest in ECE’s East-West trade activities, asking Cohan

*“whether I had been kept fully informed [...] about the Battle Act and whether I had been instructed by the Department of State to make clear US policy in this matter to Gunnar Myrdal and his associates in the Secretariat [...]. Congressman Battle then manifested some interest in what was being done by the ECE in the field of East-West trade. I recounted briefly the history of Myrdal’s efforts in this field since the middle of 1950 and stated that, for the time being at least, it looked as though East-West trade activity here was pretty much dead, given the fact that the USSR had not replied to Mr. Myrdal’s latest aide-memoire”.*

Battle then asked what would happen if ECE were to close down tomorrow. Cohan, who was by no means a supporter of Myrdal’s way of handling ECE, ended up defending the organization. “127 days of meetings are scheduled between the end of August and the end of March”, Cohan said, “most of the meetings relate, albeit often in undramatic ways, to the problem of facilitating the movement of goods, services and persons across European frontiers—i.e. to the broad problem, in which the US is vitally interested, of Western European integration”.<sup>281</sup> Despite bloc formation, the Eastern boycott of its committees, the competition from Western IOs, and despite the failure to achieve a breakthrough in East-West trade, ECE was thus a busy organization. During the first five years of its existence, ECE thus got off to a rocky start, but against the odds, it became entrenched in various functions of international cooperation by the early 1950s.

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<sup>281</sup> Avery B. Cohan, US Resident Delegation at ECE, to Congressman Laurie C. Battle, 10 September 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

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 III.4 CONCLUSION
 

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“The Marshall Plan unintentionally, but not unhappily created the bipolar division of world trade”, a German journalist summarized in 1956.<sup>282</sup> This second part of the thesis has shown how, by foregoing ECE and the UN, the Marshall Plan left the hitherto dominant all-European thinking on reconstruction behind and helped to create a Western bloc. The Eastern bloc, on the other hand, constituted itself by cutting off economic ties with the West. Moscow, reacting to the Marshall Plan, asserted its dominance in the East in September 1947 with the creation of the Cominform.<sup>283</sup> Oscar Sanchez-Siboni has argued that the Soviet Union was “ostracized” from the liberal system of international trade.<sup>284</sup> But since the Soviets did not participate constructively in ECE, the one bridge that was open to them for all these years, this explanation is doubtful. Bloc formation in Eastern Europe took precedence, and only once established did the Soviet bloc actively seek to reinstate East-West trade connections. As bloc formation became the dominant feature of international relations, wartime conceptions of all-European cooperation, and ECE as their institutional result, were relegated to the sidelines. Bloc formation resulted in a breakdown of East-West trade, further paralyzing ECE. In a remarkable show of institutional independence, ECE stylized itself as the champion of East-West trade, actively working against the overwhelming geopolitical trends of its time. This strategy risked the goodwill of important supporters, particularly in the United States, and had little success initially. ECE was recast as a reserve organization, standing ready for an unspecified day in the future when international tension would recede and render East-West cooperation possible.

The re-direction of traditional European trade flows was one of the key features of bloc formation on both sides. Both East and West began to integrate economically within their respective blocs, rendering the political division between them even more tangible, and fundamentally challenging the global premise of the UN. George F. Kennan warned in his famous “long telegram” of 1946 that “Moscow sees in UNO not the mechanism for a permanent and stable world society founded on mutual interest and aims of all nations, but an arena in which aims [...] can be favorably pursued”.<sup>285</sup> The UN and ECE, although young institutions, suddenly became relics of a bygone age. But this did not mean that they did not matter. “[T]o all the cynics who regard the UN as a forum for empty talk“, the catholic left-wing *Frankfurter Hefte* retorted in 1949 that the task “in the current situation is not to accomplish quick solutions [...] but to make sure future solutions are not rendered impossible. It is not about gluing the world back together, but about preventing it from falling completely apart”.<sup>286</sup> During the years of peak tension 1948-1953, ECE remained one of the few brackets keeping East and West together on trade policy. American hopes

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<sup>282</sup> Fritz Seidenzahl, *Geschäfte mit dem Osten. Der Eiserne Vorhang hat Löcher* (Düsseldorf: Econ-Verlag, 1956), 25.

<sup>283</sup> Girault, "The Partition of Europe," 319.

<sup>284</sup> Sanchez-Siboni, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*, 78.

<sup>285</sup> The Charge in the Soviet Union (Kennan) to the Secretary of State, February 22, 1946. The National Security Archive – George Washington University. <http://nsarchive.gwu.edu/coldwar/documents/episode-1/kennan.htm> [accessed 19 March 2017].

<sup>286</sup> R. Proske, Erfolg und Mißerfolg der UNO, in: *Frankfurter Hefte* 4 (1949), 1-2. Quoted in Bernd Stöver, *Der Kalte Krieg. Geschichte eines radikalen Zeitalters, 1947-1991* (Munich: C.H. Beck, 2011), 88.

that ECE could be an “open door” for potential defectors from the Soviet sphere faded during the Korean War, and US support for ECE declined. Instead, the US began to subordinate (European) economic interests to security concerns, while the USSR continued to tighten its grip on Eastern Europe. But while both blocs were closing their ranks during the early 1950s, economic bloc formation was not unopposed. Myrdal was outspoken about his refusal of “this abnormal state of affairs” and the “perverse but effective cooperation between those on each of the two sides who sought to solidify the blocs against each other”.<sup>287</sup>

Trade between the blocs was both a highly contentious issue and a potential wedge to break the deadlock with. In the Western discussion, trade with the East was framed as perilous by some and as promising by others: trading with the East was either an existential threat or a potential basis for détente. The question whether trade was a possible route to reconciliation or a boost to Soviet military capacity framed the discussion on East-West trade within Western societies, among governments, and at the pan-European ECE. The introduction of strategic controls on exports to the USSR and Eastern Europe put a strain on the alliance, as Western Europe complied only grudgingly with American demands. The Truman- and Eisenhower administrations had to mitigate between popular calls for stricter export controls in Congress and the resistance from European governments. For Stalin himself, the Western embargo against the Soviet bloc was not entirely unwelcome. It provided a pretense for the goal of strategic autarky as well as a rallying cry to Eastern Europe, which was increasingly cut off from Western trade and thus all the more dependent on the USSR. ECE’s self-styling as the champion of East-West trade was thus at odds with the trend toward bloc formation as well as the strategic and political interests of both superpowers.<sup>288</sup>

The future of ECE was thus looking bleak in the early 1950s. Speaking at ECOSOC in September 1951, at the session that was to review the regional commissions’ work and decide on their future, Myrdal admitted that

*“the political division of Europe and the artificial economic separation from each other which it imposes upon Eastern and Western countries alike have prevented ECE from becoming the strong and effective organization for all-European economic co-operation which it was the Council’s intention that the Commission should become when it was planned and set up”.*<sup>289</sup>

While ECE thus failed to live up to its ambitions – neither to those of its founders, who imagined a centralized European planning agency, nor to those of its Executive Secretary, who wanted to use it to overcome the Cold War through trade – ECE thus had a function. This function was threefold, as we shall see in part IV. First, ECE did busy work as a technical agency, contributing significantly to what has been labeled the “hidden integration” of Europe through norms, standards, and infrastructures. Second, it was an

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<sup>287</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 617.

<sup>288</sup> Sara Cardelli, "Challenging the Economic Cold War: The UN Economic Commission for Europe and East-West Trade, 1947-57" (Unpublished MA Thesis, Università degli studi di Firenze, 2003).

<sup>289</sup> Statement by the Executive Secretary of the Economic Commission for Europe to the Economic and Social Council, 14 September 1951. ARBARK: Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

important supplement to sub-regional organizations, in particular OEEC and the nascent ECSC; and third, it did maintain a bridge between East and West. Against the odds, ECE remained a forum for economic cooperation in Cold War Europe.

PART IV: ECONOMIC COOPERATION IN  
COLD WAR EUROPE, 1949-60

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 IV.1 INTRODUCTION
 

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Peace in Europe had failed, but war was absent – such were the strange dialectics of the Cold War. The standoff between the blocs rendered the international architecture a shaky edifice requiring frequent maintenance work, between the blocs and within them. IOs had a key role in normalizing international relations, but also in establishing and maintaining bloc discipline.<sup>1</sup> In Europe, the Marshall Plan organization OEEC was decisive in making “Western Europe” a viable economic entity, while the Socialist countries organized in CMEA reoriented their economies toward the Soviet Union. This strategy of intra-mural integration within the respective camps succeeded the all-European planning that had led to the foundation of ECE. But all-European connections were not shut down completely. “[F]rom the economic point of view the East needs the West, and [...] the latter can also not very well do without the East”, Viktor von Zahn-Stranik of the German Federal Ministry of Economics noted in 1953:

*“Ever since the Korean crisis started these [economic] relations have weakened but they have not – in contrast to cultural and other relations – come to an end altogether. Along with the intensification of the tensions between East and West went the economic union of the Eastern countries under the guidance of the Soviet Bloc; and the Western European countries on their part – among them the Federal Republic – have increased their Western relations. This made the line of separation stronger and still more remarkable.”<sup>2</sup>*

While intra-mural economic integration thus cemented and deepened the division of Europe, it did not lead to a complete standstill in economic exchange across the Iron Curtain. As a relic of all-European planning, ECE was one of the few remaining institutional settings where both blocs convened regularly on economic issues.

Having declared itself the champion of East-West cooperation among European IOs, ECE seemed to be fighting a losing battle. The Marshall Plan and, subsequently, the EU’s predecessor organizations far outperformed ECE in gathering attention. Much of the historiography sees the foundation of OEEC and the beginning of Western European integration as the point where ECE faded into obscurity. Michael Hogan argues that “it was the strategy of integration as much as the strategy of containment [...] that prevented the sort of all-European settlement envisioned by the junior [U.S. State Dept.] officers who had been the first to champion the cause of European unity”, hinting at people like Walt Rostow or Miriam Camps who had been integral to the foundation of ECE.<sup>3</sup> Likewise, Mark Mazower argues that after the Marshall Plan and the ensuing bloc formation, “the UN’s Economic Commission for Europe was forgotten, its dreams of bridging the East-West divide ignored by those who counted, and the Marshall Plan emerged [...] as a means of generating recovery in western Europe to provide an economic and security partner for the United States”.<sup>4</sup> With regard to European economic cooperation, Örjan Appelqvist argues

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<sup>1</sup> Kott, “International Organizations - A Field of Research for a Global History.”

<sup>2</sup> Oberregierungsrat Dr. v. Zahn-Stranik: The ECE East-West Trade Conference in Geneva, 16 May 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>3</sup> Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*, 53.

<sup>4</sup> Mazower, *Governing the World. The History of an Idea*, 228.

that with the division of Europe sealed, “ECE relegated to the sidelines of European integration”.<sup>5</sup> These assessments capture the significant shift in thinking about postwar economic cooperation in Europe, from an all-European settlement under the UN umbrella to separate European integrations within geopolitical camps. But Hogan, Mazower, and Appelqvist underplay the continued relevance of ECE as part of a postwar system of international governance.

This part of the thesis reevaluates ECE’s role in the postwar European system. It argues that ECE’s essential functions were threefold. First, ECE was a key player in what Thomas J. Misa and Johan Schot have called the “hidden integration” of Europe through technology, norms, and standardization, and thus had a non-negligible role in the construction of today’s highly integrated European economy.<sup>6</sup> Second, ECE was an important player in the developing landscape of European IOs. To other economic organizations with similar or overlapping portfolios and membership, such as OEEC, ECSC, or CMEA, ECE was a competitor, a supplement, and an alter ego. European IOs shared a complex relationship of competition and interdependence that so far received little attention in the historical literature.<sup>7</sup> Third, ECE’s self-styling as the champion of East-West cooperation was a political choice that showcased resilience on the part of UN officials and a remarkable degree of organizational independence from member governments. ECE refused to become a purely Western organization, and thus maintained an important bridge between East and West. While ECE’s most tangible and lasting achievements lay in the scientific and technical field, it thus cannot be reduced to a “purely technical and scientific organization”, as Appelqvist claims.<sup>8</sup> ECE’s functions in the postwar European system were institutional and political as well as technical and scientific.

Two major ongoing problems preoccupied ECE during the first five years of its existence, as Myrdal summarized in 1952: “One was relations with the OEEC and the second, the apparent boycott by eastern European countries of the work of the technical committees”.<sup>9</sup> Faced with an Eastern boycott, declining East-West trade, and increasing competition from Western IOs, ECE officials felt hard pressed to defend their organization. A possible future role for ECE became increasingly important as a justification for its existence, but it masked the fact that ECE was already fulfilling important functions in the present. At the beginning of the critical 8<sup>th</sup> session in March 1953, ECE seemed at the brink of collapse. The stakes were high at this Commission session. Despite ECOSOC’s recent decision to render ECE and the other regional commissions permanent UN organizations, the arguments for ECE’s continued existence were still weak: They hinged on the research work of the secretariat and the promise to stand ready for the day when international

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<sup>5</sup> Appelqvist, “Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery,” 344.

<sup>6</sup> Misa and Schot, “Inventing Europe: Technology and the Hidden Integration of Europe.”

<sup>7</sup> Stinsky, “Western European vs. all-European Cooperation? The OEEC, the European Recovery Program, and the United Nations Economic Commission for Europe (ECE), 1947-1961.”

<sup>8</sup> Appelqvist, “Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery,” 344.

<sup>9</sup> UN Department of Economic Affairs, Fourth Conference with the Regional Secretaries, Summary Record of the First Meeting held at Permanent Headquarters, New York, on Wednesday, 28 May 1952, RS/Conf.4/SR.1. UNARMS: S-0441-0147-10.

tensions recede. The cost of maintaining ECE for these purposes could hardly be justified indefinitely.<sup>10</sup> Myrdal stressed that ECE

*“stands as a reserve for the future. It constitutes an organ available for the day when the trend in East-West relations improves [...]. A normalization of East-West relations must of necessity be a long and slow process [...] ECE offers precisely the type of machinery for such a patient and sustained effort [...] when the time comes. [...] But [...] the Commission cannot be preserved merely as an empty structure with the sole purpose and function that it constitutes a reserve for the future. The Commission can exist only as long as active committees and working parties provide the indispensable under-structure. I am directing this warning primarily to the East but also to the West. The Commission is a technical instrument which the United Nations, at considerable financial costs, have placed at the disposal of the governments of this region. It is an instrument for intergovernmental co-operation; and only on the condition that this instrument is usefully employed for its purpose by the governments in the regions can the United Nations decision to create and maintain the Commission, and defray its costs, be justified.”<sup>11</sup>*

When delivering this blunt speech, Myrdal did not know that the “day when the trend in East-West relations improves” was merely 48 hours away. Stalin’s demise two days later loosened the East-West deadlock significantly, although it did not break it. Shortly after the death of Stalin, Eastern bloc governments returned to the technical ECE committees they had shunned ever since the Czechoslovak coup. Connections were established on the work floor level that were not subsequently broken again when the first phase of Cold War détente ended in 1956 in the dual crises in Hungary and Suez. The difficult, risky strategy Myrdal had set for ECE – that of an organization going against the overwhelming trend toward bloc formation – thus paid off, but it could do so only because the “indispensable under-structure” of day-to-day work in the committees was preserved despite the Eastern boycott and the competition from Western IOs.

This part of the thesis consists of three chapters. They each expand on the technical and scientific, institutional, and political functions of ECE in economic cooperation in Cold War Europe. The chapters are organized in a thematic instead of a chronological order; their focus is on the years of Myrdal’s tenure as Executive Secretary (1947-57).

Chapter IV.2 focuses on ECE’s role as a technical agency, the organization’s main activity during the early Cold War period. The first section (IV.2.1) takes a closer look at ECE’s technical committees and their long-term work on transportation and infrastructure projects as a part of the “hidden integration” of Europe. The second section (IV.2.2) analyzes the complex relationship of antagonism and interdependence between ECE and its main competitor, the Marshall Plan organization OEEC. The third and final section (IV.2.3)

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<sup>10</sup> Opening Statement by the Executive Secretary to the Eighth Session of the Economic Commission for Europe, E/ECE/159, 3 March 1953. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>11</sup> Opening Statement by the Executive Secretary to the Eighth Session of the Economic Commission for Europe, E/ECE/159, 3 March 1953. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955. Original emphasis.

zooms in on the internal dynamics of the ECE secretariat and its struggle to maintain cool, technocratic reasoning during a period of increasing global tension. It also encompasses ECE's relationship with UNHQ in New York, and the continuing personal conflict between Myrdal and Secretary-General Dag Hammarskjöld and their conflicting ideals for an international civil service.

Chapter IV.3 returns to East-West trade, the central, overarching problem for ECE. Expectations for a significant breakthrough were low after the failed 1952 trade consultation, even at ECE. Yet, as the first section (IV.3.1) shows, a new conference shortly after Stalin's death in 1953 produced an unexpected, positive outcome. A first phase of Cold War détente ensued, culminating in the 1955 Four Power Conference in Geneva and ending with simultaneous crises in Hungary and Suez in 1956. Section IV.3.2 shows that while this window for détente was short, it led to the return of Eastern delegations to ECE's technical committees and saw important contacts established between governments that were not subsequently broken again. The last section (IV.3.3) focuses on the problem of Germany, the problem that could not be resolved by ECE.

Chapter IV.4 analyzes ECE's entanglement with the developing integration circles in Europe, focusing on the emergence of the ECSC. It adds an important, hitherto under-researched dimension to the early history of (Western) European integration by including the level of pre-existing IOs. A first section (IV.4.1) on the Schuman Plan and Yugoslavia reconstructs the international system for the allocation of Ruhr coal that was in place before the Schuman proposal, and the way this system was disrupted by the admission of Yugoslavia after the Tito-Stalin split. The second section (IV.4.2) zooms in on the close entanglement of ECE officials in the preparation for ECSC's High Authority, arguing that ECSC's ambitious supranational plans could build on the work and expertise of a pre-existing class of technocratic internationalists. The third and final section (IV.4.3) zooms out again and provides a more long-term overview of ECE's relations with sub-regional IOs in Europe – most notably the Western IOs OEEC/OECD, ECSC/EEC, NATO, the Council of Europe, and the Eastern European CMEA.

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 IV.2 ECE AS A TECHNICAL AGENCY
 

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While the Commission moved into deadlock, particularly during 1948-53, ECE's technical committees and secretariat remained dynamic agencies throughout the Cold War. The committees' focus on narrowly defined technical issues rather than broader, more politicized questions was partly a heritage of the League and the e-organizations, but it was also a consequence of the early Cold War's political paralysis. In stark contrast to the heated propaganda battles of the Commission sessions, ECE's committees dealt with highly specialized, downright boring topics in a cool and reasoned manner. This was the result of a deliberate strategy of de-politicization employed by the secretariat and government experts. The focus on technical issues earned ECE a reputation as a down-to-earth IO, often contrasted with a lofty idealism attributed to the League or other UN organizations. One American reporter called ECE in 1948 "the most businesslike and the least dreamy of any branch of the United Nations", and felt reminded, "of the atmosphere surrounding a Mid-western Chamber of Commerce".<sup>12</sup> Even after Eastern absenteeism and the competition from OEEC ensued, the committees continued to meet frequently. During ECE's first 18 months, a total of 650 meetings were held, with some 4,000 representatives attending sessions of the various committees, sub-committees, working parties, and expert groups.<sup>13</sup> ECE was thus a busy organization, although it received little public attention.

In fact, most of its practical work remained deliberately hidden behind a carefully cultivated veil of dullness. Committee discussions centered on topics such as coal type classification, woodcutting technology, or the packaging of pickled herring. While such issues were rarely high on governments' political agendas, they nevertheless had far-reaching effects on the everyday lives of millions of Europeans. The establishment of common standards for refrigerator freight services, for instance, made it much easier to transport fresh produce over longer distances. This American-inspired ECE project, the *New York Times* suggested, "brought visions to Italy of a prosperous fruit and vegetable empire as rich as California".<sup>14</sup> Trade patterns and diets changed significantly during the 1950s, as perishable foods such as fish from Denmark or lemons from Italy could now be shipped over great distances in refrigerated trucks and standardized packaging.<sup>15</sup>

In facilitating technical agreements of this kind among interested governments, ECE and the other regional commission laid out the groundwork for other states in an beyond Europe to join at a later point in time. Some ECE agreements eventually became global in scope. Wladek Malinowski, the regional commissions' coordinator at UNHQ, spelled this out in 1961: "decisions of the principal organs of the United Nations initiating global policies and activities were frequently taken only after a measure of success had already been achieved

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<sup>12</sup> Michael L. Hoffman, They show that Nations can cooperate, draft article for the The New York Times Magazine, 12 September 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

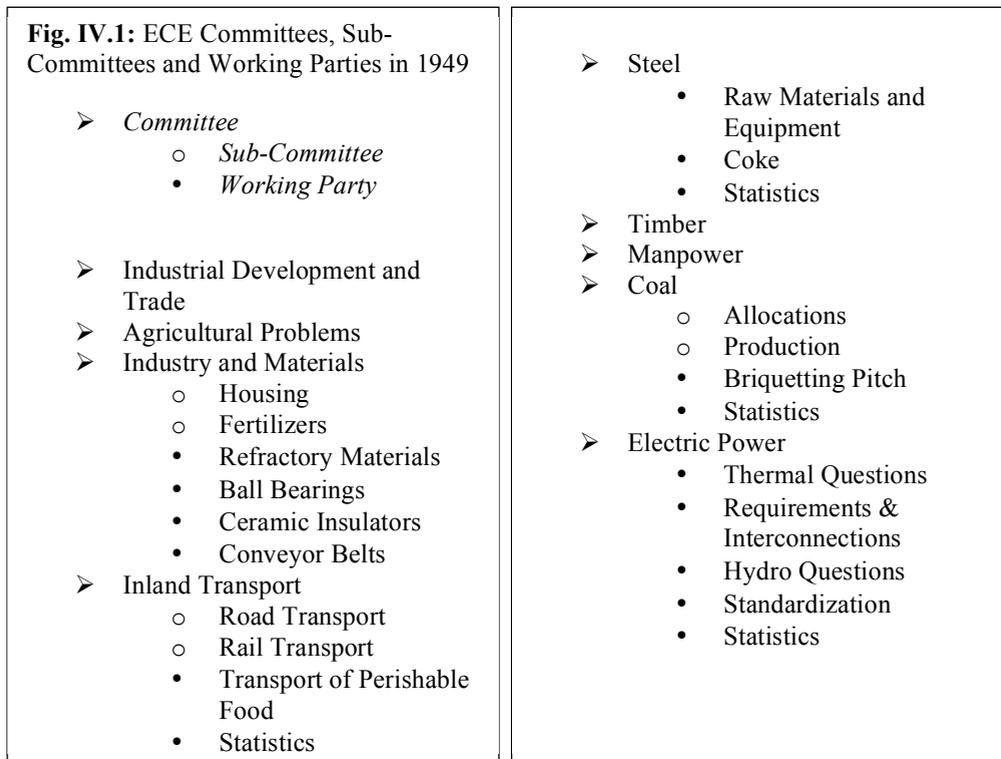
<sup>13</sup> UN Department of Public Information, *ECE in Action. The Story of the United Nations Economic Commission for Europe* (New York: United Nations, 1949), 4.

<sup>14</sup> Michael L. Hoffman, They show that Nations can cooperate. Draft article for The New York Times Magazine, 12 September 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>15</sup> Wolfgang Protzner, "Vom Hungerwinter bis zum Beginn der 'Frefßwelle'," in *Vom Hungerwinter zum kulinarischen Schlaraffenland. Aspekte einer Kulturgeschichte des Essens in der Bundesrepublik Deutschland*, ed. Wolfgang Protzner (Stuttgart: F. Steiner Verlag, 1987).

on the regional level”, he wrote; “a measure of intergovernmental cooperation at least in the economic and social fields may be easier to achieve in the regional than in the global context”.<sup>16</sup> Trade-related problems permeated the majority of issues the technical committees dealt with. Most of ECE’s subcommittees dealt with non-tariff barriers to trade in some form or another, including inland transport, coal, steel or agriculture. By dividing the highly politicized and controversial trade issue into much smaller, technical questions, government representatives and ECE officials actively sought to depoliticize it. Using this strategy, ECE managed to become a going concern, and to deeply impact the practice of economic cooperation in Europe.

While the Commission’s plenary sessions were held only once a year, the committees with their various working parties and expert groups scheduled meetings year-round. The number of committees, sub-committees, and working parties fluctuated over time, pertaining to the Commission’s and the committees’ demands. In 1949, two years after ECE’s foundation, additional committees on trade and agriculture were created. By that time, ECE was actively involved in several fields of economic policy, some rather general, some highly specialized (Fig. IV.1).



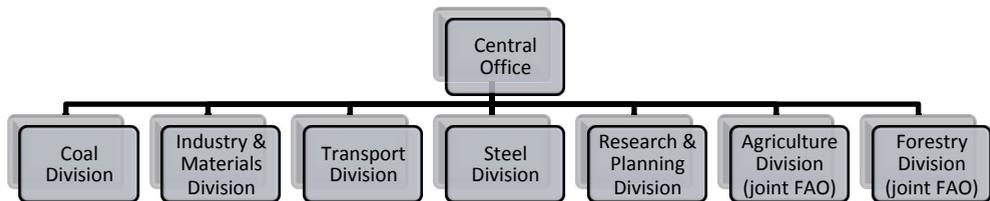
Committees were free to adopt their own rules of procedure. Most of them did not adopt any, making procedural debates rare. Issues were not put to a vote in the committees.

<sup>16</sup> Wladek Malinowski, "Centralization and Decentralization in the United Nations Economic and Social Activities," *International Organization* 16, no. 3 (1962): 525.

Decisions were thus taken only by consensus among interested governments. In most cases, national representatives in the committees were experts from the relevant ministries, seeking to coordinate policies internationally before they themselves implemented them at home. Meetings of the committees and other sub-organs were convened by the secretariat. The secretariat soon adopted the policy that “No meeting is better than a bad one”.<sup>17</sup> This meant that committee meetings only took place if there was a reasonable expectation for agreement. During the peak of cold war tension, the agriculture and trade committees did not convene for several years.

The secretariat was a vital part of the organization. It carried out the research tasks specified in ECE’s mandate. The secretariat enjoyed considerable freedom of research. It published two journals, the quarterly *Economic Bulletin* and the annual *Economic Survey of Europe*, along with other analyses and statistics, under the sole responsibility of the Executive Secretary. Its publications did thus not require green light from the member states, like those of OEEC did. But the secretariat was more than a research agency. It had the power to convene or decline meetings, and serviced the Commission and committees with papers and proposals. The secretariat thus gained an influential role as agenda-setter: Papers it prepared at the request of the Commission or committees usually made up most of a meeting’s agenda. The secretariat’s internal composition into different divisions mirrored the committee structure, with the addition of a research and planning division and the Executive Secretary’s central office (Fig. IV.2). Two divisions, those on agriculture and forestry, joined their facilities with the Food and Agricultural Organization (FAO) in Rome.

**Fig. IV.2 Secretariat Divisions in 1949**



Sticking to the Cold War era’s frosty metaphors, Myrdal told ECOSOC in 1951 that ECE “has the likeness of an iceberg”:

*“Above the surface and in the limelight of wide publicity is the Commission itself [...]. Above the surface are also the published results of economic research, carried out on the responsibility of the Commission’s Secretariat [...]. By far the larger part of the Commission’s real life, however, is lived in the private session of the technical Committees and their Sub-Committees, Working Parties and groups of experts where economic co-operation, focused on concrete and specific*

<sup>17</sup> Richard Jolly, "Myrdal and the Economic Commission for Europe," *UN Chronicle* 46, no. 1&2 (2009).

*technical issues, is continuously taking place and reaching tangible, even if modest, practical results”.*<sup>18</sup>

The Executive Secretary was not merely explaining his organization in this speech - he was fighting for its survival. ECE's initial mandate lasted five years after its foundation in 1947. During these first five years of its existence, ECE faced two critical problems: How to define itself vis-à-vis the Western OEEC, and the boycott of its technical committees by Eastern European countries.<sup>19</sup> Both questions were existential to the organization. Since the communist takeover in Czechoslovakia in 1948, Eastern European delegates rarely participated in the committee work Myrdal was praising. The Marshall Plan organization OEEC offered an alternative, and arguably more successful, forum for the Western countries to congregate. ECE's Commission sessions had deteriorated into annual propaganda battles. Now, in 1951, its superior body ECOSOC had to decide whether or not ECE and the UN's other regional commissions should be terminated or become permanent organizations. The Eastern boycott and the existence of the Western OEEC provided a clear case against ECE. On the wider geopolitical stage, a proxy war between American-led UN forces and Soviet-supplied Chinese troops was still waging in Korea, making scenarios for increased East-West cooperation in Europe look foolishly naive. Despite such gloomy prospects, no one at ECOSOC – not even ECE's most outspoken critics in the British Foreign Office – suggested abolishing the organization when the opportunity was there in 1951. At its sixth session, ECOSOC decided unanimously to render ECE a permanent organ of the UN.<sup>20</sup> Despite its obvious shortcomings, ECOSOC thus recognized that ECE fulfilled a function in the international system that justified its continued existence.

Three reasons help to explain why ECE was preserved in 1951. First, the “tangible, even if modest, practical results” Myrdal pointed out in his speech were real. The technical committees did accomplish concrete results, although the absence of Eastern delegates in the majority of their meetings meant that their scope was limited. Second, ECE's prestige benefitted enormously from the research work and the statistics published by its secretariat. ECE issued two regular publications, the quarterly *Economic Bulletin* and the annual *Economic Survey*.<sup>21</sup> They were published on the sole responsibility of the Executive Secretary, and therefore independent of the member states. Government officials and academic economists habitually praised the high quality of ECE publications, which provided valuable information not available anywhere else: “All over Europe, statesmen, economists and technicians have become accustomed to rely on Geneva for basic information and economic analysis”, Myrdal bragged in his opening speech at the 1952

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<sup>18</sup> Statement by the Executive Secretary of the Economic Commission for Europe to the Economic and Social Council, 14 September 1951. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-2-5 1951-1955.

<sup>19</sup> UN Department of Economic Affairs, Fourth Conference with the Regional Secretaries, Summary Record of the First Meeting held at Permanent Headquarters, New York, on Wednesday, 28 May 1952, RS/Conf.4/SR.1. UNARMS, S-0441-0147-10.

<sup>20</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>21</sup> Fagen, "Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe," 431.

Commission session.<sup>22</sup> Third, and this was the most abstract, but perhaps also the strongest argument: ECE was one of very few institutional settings where East and West still convened regularly, and its very existence gave hope that a return to the conference table might be possible in the future. After one particularly disastrous meeting in 1950, the US resident delegation concluded that despite bleak-looking prospects, “practically all European countries wish to conserve the forum [...]. There is real desire to keep open every possible East-West bridge, whether or not it carries any traffic at the moment”.<sup>23</sup> ECE was thus a reserve organization, standing ready for the day that tensions might recede.

Cooperation on technical questions was part of an international system of “regulated freedom”. This term was used in a 1950 report on road traffic that is highly illustrative of the ECE secretariat’s thinking.<sup>24</sup> Regulated freedom was a logical advancement of the postwar international system’s embedded liberalism. It meant that governments and enterprises were to retain freedom of operations, but within a system of internationally agreed rules. With motor traffic increasing, the report argued, it was “out of question to revert to [the] prewar practice whereby each State had discretionary powers in regulating international road traffic”. At the same time, “it was not thought wise to grant to private carriers unrestricted freedom in this field”. Instead, “regulated freedom was considered as the most appropriate method”. The idea of regulated freedom built on a tradition of technocratic internationalism, at the League and elsewhere, whereby specialists and technicians in government service first agreed on certain norms internationally and then executed them at home.<sup>25</sup> There is also a clear link between ECE’s thinking about regulated freedom and the common law-making and pooling of sovereignty in the EU’s supranational institutions. But unlike the EU and its direct predecessors, ECE had no means of enforcing its decisions. The practice in the committees was not to take decisions by overruling minorities, but rather to reach agreements between interested governments without taking a vote.<sup>26</sup> “Issues were never put to a vote”, Myrdal wrote about the committees, “a vote in an intergovernmental organization devoted to solving practical problems [...] serves no purpose. Practical results of cooperation between governments are reached when several of them – not necessarily all or even a majority – agree on something.”<sup>27</sup> Their meetings were not public, and the secretariat deliberately kept no minutes, so as to encourage delegates to speak freely. For governments, regulated freedom thus also entailed the freedom to not participate.

ECE’s work received little public attention, and its role and its accomplishments remained underpublicized. The lack of public attention “was partly the result of policy deliberately chosen – by the Secretariat and the governments – as a protection for our useful work at a time when in many countries East-West cooperation was considered almost subversive”,

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<sup>22</sup> Opening Speech of the Executive Secretary to the Seventh Session of the Economic Commission for Europe, E/ECE/145, 3 March 1952. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>23</sup> Telegram Robert E. Asher to State Department, April 12, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>24</sup> ECE document TRANS/WP14/1, 2 May 1950. Quoted in Robert E. Asher to Department of State, May 11, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>25</sup> Kaiser and Schot, *Writing the Rules for Europe. Experts, Cartels and International Organisations*

<sup>26</sup> UNECE, *The Economic Commission for Europe: A General Appraisal* (Geneva: United Nations, 1957).

<sup>27</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 620.

Myrdal wrote in retrospect. On the other hand, it was also a result of political priorities set by the member states: “What was propagandized was cooperation within the two subregional blocs, while what we were accomplishing was pushed under the rug”.<sup>28</sup> As the Cold War heated up, disillusionment with the UN grew, most tangibly in America. Some of President Truman’s closest advisers began arguing that American public support for the UN had gone too far. With a grim struggle against the USSR lying ahead, the universalist international machinery the US government had pushed for just a few years earlier was now becoming an anachronistic nuisance: “[W]e still find ourselves the victims of many of the romantic and universalistic concepts with which we emerged from the recent war”, George F. Kennan wrote in 1948: “The initial buildup of the UN in US public opinion was so tremendous that it is possibly true [...] that we have no choice but to make it the cornerstone of our policy in this post-hostilities period. Occasionally it has served a useful purpose. But by and large it has created more problems than it has solved”.<sup>29</sup> By the 1950s, America’s flirtation with the UN was basically over.<sup>30</sup>

While the Marshall Plan was surrounded by a vast public relations effort, UN propaganda was truncated after the start of ERP. In a battle for attention against the Marshall Plan, ECE would have been drowned out anyways, but budget cuts ensured that it could not compete. There were, for example, over 300 films relating to the Marshall Plan.<sup>31</sup> A planned ECE film, on the other hand, was suspended when ECOSOC restricted spending on public relations in 1948.<sup>32</sup> UK representative Hector McNeil had harshly criticized as unnecessary and misleading the previous publication of a small booklet that advertised ECE to the general public.<sup>33</sup> Others at ECOSOC agreed that expenditure on similar publications should be curtailed.<sup>34</sup> The ECE film was therefore cancelled, even though filming had already begun.

The film’s script, however, survives in the Genevan archives.<sup>35</sup> Under the French title “La Chaîne”, the script illustrates the interconnected bottleneck problems that dominated ECE’s agenda in the aftermath of war. International cooperation is conveyed in a mix of pragmatism and heavy symbolism. In the script, youths of different nationalities gather in a ruined village in an undisclosed location. Searching for a solution to prevailing shortages, they come up with a chain of transnational actions: The youths agree to use Belgian machinery to cut Finnish timber and bring it to England, where it can be used for mining coal, allowing French factories to resume their production. After this symbolic introduction, ECE is presented as an institution where similar deals are struck on a daily basis, and in the same spirit of problem-focused, hands-on international cooperation.

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<sup>28</sup> Ibid., 621.

<sup>29</sup> Quoted in Mazower, *Governing the World. The History of an Idea*, 222.

<sup>30</sup> Mazower, *No Enchanted Palace. The End of Empire and the Ideological Origins of the United Nations*, 100.

<sup>31</sup> The George C. Marshall Foundation has compiled a filmography at <http://marshallfoundation.org/library/collection/marshall-plan-films> [accessed 30.07.2016]

<sup>32</sup> Gunnar Myrdal to Tor Gjesdal, Director of UN Department of Public Information. ECE Films, 30 September 1949. UNOG Archives: ARR 14/1360 - Box 22.

<sup>33</sup> UN Department of Public Information, *ECE in Action. The Story of the United Nations Economic Commission for Europe*.

<sup>34</sup> Council Debates Future of ECE. “High-Level Consideration” of Commission’s Work. UN Bulletin, 15 August 1949, 181-190. UNOG Archives ARR 14/1360 - Box 63.

<sup>35</sup> Film CEE No 1. ”La Chaîne”. UNOG Archives: ARR 14/1360 - Box 22.

Only in the mid-1950s, after ERP had ended, did ECE get to produce another film that was successfully concluded and distributed to all member states. Copies of it survive at the Swedish Royal Library under the title “I Europas tjänst” (In Service of Europe).<sup>36</sup> Comparing this two-part film from 1956/57 to the script for the suspended 1948 film “La Chaine” illustrates the change ECE underwent during that time. Reconstruction is referred to only as a concern of the past. “I Europas tjänst” lacks the symbolism of “La Chaine”, and emphasizes recent accomplishments instead: the standardization of packaging for refrigerated goods, the e-roads system of European highways, standardized road signs. Locations in Warsaw and rural Czechoslovakia found their way into the film just like Switzerland and the Netherlands. The speaker concludes in melodic Swedish that “ECE’s work is of practical, not political nature” and that its goal is “to make life better for all Europeans”. After the period of emergency and reconstruction, the split between East and West, and the introduction of competing IOs, ECE found its niche in technical cooperation, and in maintaining the possibility of East-West collaboration. It transformed from an organization fixing bottleneck problems to one aiming for grand, practical projects improving the quality of life across the divided continent.

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<sup>36</sup> I Europas tjänst, del I & II, Producerad av FN:s filmråd 1956-1957. KB: Svensk Mediedatabas.

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 IV.2.1 ROMAN ROADS
 

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The grounds on which ECE's continued existence was justified after the breakdown of East-West relations – ECE being a reserve organization for future détente, the research work of its secretariat, and the limited technical cooperation in its committees – were clearly not sustainable forever. Just two days before Stalin died in March 1953, Myrdal announced in his opening statement at the 8<sup>th</sup> Commission session that ECE “cannot live simply as a reserve” and that “research alone is not a sufficient justification for the maintenance of this Commission”. The future of ECE thus “stands and falls with the day to day performance in our committees and other technical organs”.<sup>37</sup> The emphasis on committee work was partly a legacy of the League and the e-organizations, and partly the outcome of a strategy ECE adopted during its crisis-ridden first years. The secretariat's strategy was to relegate discussions down, from the political level to the expert level. Already in September 1947, “we came to this doctrine that we could only survive if we forced things down and not up”, Walt Rostow recalled:

*“The Commission was a big headache. We knew that the higher up we got the more noise we had; but lower down we had a chance of doing something. So we worked on the principle that sovereignty lay with the governments, any governments could meet at any level, and their decisions were final. That was the natural reaction to the fact that ECE was born at a moment of political passion and debate”.*<sup>38</sup>

Using its power to convene committee meetings, the secretariat called a meeting only once governments had expressed their interest in a particular issue in advance, and invited only those governments that did. While the Commission agreed at its first and second sessions that decisions should be taken by majority voting, ECE's committees and other subsidiary bodies adopted consensus-based decision-making instead.<sup>39</sup> Unlike the Commission, the subsidiary bodies conducted their work in private, without the press or the public being present. Summary records were abolished on the secretariat's initiative, in an attempt to encourage delegates to express their views more freely. These principles were concessions to the international tensions that dominated ECE during these years. They were also part of Myrdal's attempt to depoliticize contentious questions: The “sole possibility to reach practical results for the governments depends on their relative success in depoliticizing the economic issues and in defining them in purely technical terms”, he told ECOSOC.<sup>40</sup>

With these unwritten rules, the secretariat tried to make it easier for Eastern European governments to participate in committee meetings, although this happened only occasionally before Stalin's death. Starting from expert discussions among small groups of

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<sup>37</sup> Opening Statement by the Executive Secretary to the Eighth Session of the Economic Commission for Europe, E/ECE/159, 3 March 1953. ARBARK: Václav Kostecký's arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>38</sup> Walt Rostow interviewed by Kostecký, 1979(?). ARBARK: 3332 - Václav Kostecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

<sup>39</sup> Fagen, "Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe," 430.

<sup>40</sup> Statement by the Executive Secretary of ECE to the Economic and Social Council, 3 August 1954. UNARMS, S-0441-0161-03. Cooperation and Liaison between ECE Secretariat and Regional Economic Commissions Section, part A.

governments, however, a nucleus could be formed for international agreements others could later subscribe to, when geopolitical circumstances changed. Myrdal insisted that a bridge between East and West “must be built, even if no-one crosses it for the time being”.<sup>41</sup> The global success of the *Transports Internationaux Routiers* (TIR) Convention on international road transport, for example, can be related to this built-in long-term perspective of ECE’s work during its first years: While TIR initially involved just a few Western European countries, its scope today goes even beyond that of ECE. The same also applies for other international norms, for instance the Convention on the Transport of Dangerous Goods, which emerged at ECE but have since become global.<sup>42</sup>

The technical, highly specialized nature of these agreements did not mean that their proprietors lacked ambition. Paul Hartmann-Charguéraud, the director of ECE’s Transport Division, had no difficulty in combining seemingly obscure expert discussions on road mobility with a sense of grandeur and historical mission:

*“The Working Party on Highways is concerned with no less a problem than that of developing for Europe roads that will serve the needs of our times at least as well as the Roman roads served in ancient times. This is not an abstract goal. The work being done in the Working Party on Highways is as practical as it is important, even urgent.”*<sup>43</sup>

The reference to antiquity expressed faith in the ability of technical experts to create a legacy of historic proportions. Moreover, the free and easy movement of goods and people across the continent was not only a practical goal, but carried a strong symbolic meaning that is well conveyed in Hartmann-Charguéraud’s “Roman roads” allegory. While it never became the all-encompassing European planning agency it was projected to be, and despite the grave international tensions of the early Cold War, ECE did not curtail its ambition: It transformed from an organization fixing bottleneck problems to one building Roman roads.

ECE became a key site for international cooperation on large-scale infrastructure projects, not just in the field of road mobility, but also in electricity networks, hydroelectricity, or river development.<sup>44</sup> Infrastructures are amongst the largest and most impactful technologies in any society.<sup>45</sup> Recent studies in the history of technology have emphasized the vast importance that policy-makers, thinkers, and engineers have attributed to the role of infrastructures in linking economies and societies, physically, discursively, and

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<sup>41</sup> Quoted in Anika de la Grandville to Václav Kostecký, 28 April 1980. ARBARK, Václav Kosteckýs arkiv, 3332/4/3/5 Övriga handlingar rörande ECE.

<sup>42</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions' Experience," 45.

<sup>43</sup> Paul Charguéraud, Director of ECE's Transport Division, International Cooperation for Improved European Transport, 2 November 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>44</sup> Vincent Lagendijk, "Divided Development: Post-War Ideas on River Utilisation and their Influence on the Development of the Danube," *The International History Review* (2014); "The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975."

<sup>45</sup> Dirk van Laak, *Alles im Fluss. Die Lebensadern unserer Gesellschaft* (Frankfurt am Main: S. Fischer, 2018); Paul N. Edwards, "Infrastructure and Modernity: Force, Time, and Social Organization in the History of Sociotechnological Systems," in *Modernity and Technology*, ed. Thomas J. Misa, Philip Brey, and Andrew Feenberg (Cambridge: MIT Press, 2003).

institutionally.<sup>46</sup> For ECE, infrastructure development was an attractive activity because it allowed cooperation between countries with different economic models, and produced tangible results. It allowed ECE to promote economic development in both parts of Europe as well as limited cooperation between East and West. In the early 1950s, Geneva scholar Jean Siotis visited ECE's offices and saw several maps of existing or planned roads crossing the Iron Curtain. Asking whether it was not premature to elaborate such an ambitious program, Siotis was told that "To us in the Commission, this division is a temporary situation and we are planning for the future of Europe".<sup>47</sup> While ECE's plans thus assumed that the Cold War divide was a passing ailment, infrastructure developed technopolitical meaning in the Cold War context.<sup>48</sup> Per Högselius et al. have shown how infrastructure networks became "both a political tool and a battleground in the intense post-war struggle to shape Europe".<sup>49</sup> The delinking and relinking of infrastructures in relation to the softening and hardening of borders became an integral part of Cold War dynamics.

ECE's role in these dynamics was to keep East-West infrastructure projects on the international agenda, sometimes over several decades, as Vincent Lagendijk has shown for the example of electricity connections.<sup>50</sup> The e-road network of European highways is another example.<sup>51</sup> Comparing one of the earliest projections of the highway network from 1949 (Fig. IV.3) to its state in 1990, just before the collapse of the Soviet Union (Fig. IV.4), conveys an impression of continuous expansion despite the Cold War. The political division of Europe seems to have hardly left a trace on the e-road network. By the time the Berlin Wall fell, Lisbon and Moscow were already connected by e-roads. The construction of a European highway system had already been projected before the war. With the *Declaration on the Construction of Main International Traffic Arteries* in 1950, ECE took ownership of the issue, and sketched a system that would connect Europe from Scandinavia to Sicily. The declaration specified the technical characteristics for highways and the services that should be provided along them, such as gasoline stations, border crossing facilities, and first aid in case of accidents.<sup>52</sup> Not unlike the Roman roads Hartmann-Charguéraud alluded to, roads in the e-road network followed common standards. The e-road system set design standards for motorways and express routes, including the width of lanes, the distance between emergency telephone booths, or the radius of curved sections.

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<sup>46</sup> Frank Schipper and Johan Schot, "Infrastructural Europeanism, or the Project of Building Europe on Infrastructures: An Introduction," *History and Technology* 27, no. 3 (2011); Badenoch and Fickers, *Materializing Europe: Transnational Infrastructures and the Project of Europe*; Erik van der Vleuten and Arne Kaijser, eds., *Networking Europe: Transnational Infrastructures and the Shaping of Europe, 1850-2000* (Sagamore Beach: Science History Publications, 2006).

<sup>47</sup> Siotis, "ECE in the emerging European System," 46.

<sup>48</sup> The term "technopolitics" was coined by Gabrielle Hecht, *The Radiance of France: Nuclear Power and National Identity after World War II* (Cambridge: MIT Press, 1998).

<sup>49</sup> Per Högselius, Arne Kaijser, and Erik van der Vleuten, eds., *Europe's Infrastructure Transition. Economy, War, Nature* (Houndsmills: Palgrave Macmillan, 2015), 47.

<sup>50</sup> Lagendijk, "The Structure of Power: The UNECE and East-West Electricity Connections, 1947-1975."

<sup>51</sup> Frank Schipper has published widely on international organizations and European road mobility: Frank Schipper, "All roads lead to Europe: The E-road network 1950-1970," in *T2M Conference, working document* (Paris: Transnational Infrastructures of Europe, 2006); "Changing the face of Europe: European road mobility during the Marshall Plan years"; *Driving Europe: Building Europe on Roads in the Twentieth Century*.

<sup>52</sup> Vincent Lagendijk and Frank Schipper, "East, West, Home's Best: the Material Links of Cold War Yugoslavia," *Journal of the International Committee for the History of Technology* 22(2017): 38.

Highways were labeled across national borders with green and white road signs. While not all governments chose to put up these signs, they are today ubiquitous in many European countries.

ECE functioned both as a venue for discussions and as a think tank. Studies by the ECE secretariat set the agenda for the meetings of transport experts. These experts agreed on the course of the network and the common standards. Progress was slow, but consistent, and gradually more ECE member states became involved. NGOs, such as the International Road Federation (IRF), were heavily involved in the process from the start, enjoying consultative status in the UN. Nowadays, the longest route in the e-road system is the E40, stretching from Calais to the Kazakh-Chinese border. The e-road system thus has a global dimension, and did so from the start. It was developed in parallel with the American Interstate Highway System, and served as a model for the Trans-African Highway Network and the Asian Highway Network outlined at ECE's sister organizations ECA and ECAFE, respectively. The e-road network illustrates the means as well as the limitations of intergovernmental cooperation. Unlike the EU, which can organize and fund infrastructure projects on a European level, ECE's main purpose was and is coordination. Since ECE could not provide funds for highway construction, its service was limited to the coordination of national construction programs. In some instances, subsidies were acquired from the International Bank for Reconstruction and Development, but the bulk of funding for the construction of e-roads rested with national governments. While ECE served as a hub for government experts to coordinate road construction in the participating countries, its agreements could only be implemented by the member states themselves. None of them were legally binding on an international level; the e-road network is therefore riddled with exceptions to its ambitious design standards. The uniform classification and design standardization of e-roads did make travel and transport across the continent easier; but it also suggested a much greater level of harmonization and integration, not just of highways, than was actually the case.

ECE's remarkable capacity to keep projects like the e-road system on the international agenda for a very long time, and to keep them open for states not involved in the beginning to partake later on, was not least due to the way that the technical committees operated. While the Commission held one annual session lasting two weeks, committee work went on year round. On average, two meetings of committees, sub-committees, or expert groups took place each day in the Palais des Nations.<sup>53</sup> In this way, ECE was a continuing body, not an ad-hoc conference like other intergovernmental organizations.

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<sup>53</sup> Wightman, "East-West Cooperation and the United Nations Economic Commission for Europe," 2.



**Fig. IV.3:** An early projection of a European highway system, February 1949. While Poland and Czechoslovakia were heavily involved in the plans, a French delegate complained that this map made his country “look like Northern Africa”.<sup>54</sup>

<sup>54</sup> ECE Inland Transport Committee, Working Party on Highways, Map dated 2 February 1949. NARA: RG 84 US Representative to ECE 1947-51, Box 5, Folder ‘105 ITC Secretariat Roads Correspondence’.



**Fig. IV.4:** *The e-road network in 1990, after the reunification of Germany, but before the collapse of the Soviet Union. The continent's Cold War divide hardly left a trace on the pan-European highway network.*<sup>55</sup>

This continuity allowed individuals to make a considerable impact through continuous involvement in committee work. Expertise allowed them to pursue agendas shaped by personal experience. Paul Porter for example, the head of the US resident delegation, took a particular interest in road mobility, and threw the political weight of the United States behind ECE's work on road transport. Porter had earned his political spurs as a trade unionist in Wisconsin, where farmers had fought railroad monopolies for decades, and understood road transport as an act of democratic emancipation.<sup>56</sup> In the Coal Committee, the pro-Western Polish representative S. Pilarczyk managed to stay in place despite the Stalinist purges. He had been on ECO since 1945, and finally retired to London late in 1950.<sup>57</sup> Another factor contributing to the longevity of ECE projects was that participation in the committees was not strictly limited to ECE member states. From the beginning, non-member states of ECE or the UN were invited to participate on the authority of the Executive Secretary.<sup>58</sup> This allowed interested governments to partake in the development

<sup>55</sup> [https://commons.wikimedia.org/wiki/File:International\\_E\\_Road\\_Network\\_green.png](https://commons.wikimedia.org/wiki/File:International_E_Road_Network_green.png) [accessed 07 December 2018]

<sup>56</sup> Walt Rostow interviewed by Kostelecký, 1979(?). ARBARK: 3332 - Václav Kostelecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

<sup>57</sup> US Resident Delegation at ECE to State Department, September 15, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>58</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 620.

of ECE projects without committing to them immediately. Available expertise was also not limited to government officials. The delegations usually included experts from industry and trade, and NGOs were involved in a consultative capacity. These non-government actors maintained networks and advocacy coalitions of their own, and were important in keeping topics on the committees' agendas.

ECE's Inland Transport Committee (ITC) quickly became the busiest unit of ECE activity. During 1948 alone, ITC and its working parties held a total of 30 sessions, some of which lasted several weeks.<sup>59</sup> The wide membership of ECE made it the preferred venue to coordinate European transport policy. Myrdal could claim in 1954 that the ITC had been "the centre for practically all the real work of European integration in the transport field accomplished since the war".<sup>60</sup> The restoration of inland transport was one of the most difficult and most urgent problems to the resurgence of economic activity after the war. Not only had roads, railways, bridges and equipment been physically destroyed, but a multitude of civilian and military authorities on local, national and international levels were involved in transport issues. At ECE's direct predecessor in the transport sector, ECITO, military and strategic considerations still took precedence over economic ones. This changed at ECE, where civilian officials from the member states' transport ministries convened. Unlike ECITO, ECE was able to determine transport priorities for various commodities, as it was not just responsible for transport, but also for the allocation of limited supplies and for international trade. One of the most crucial immediate tasks was the restoration of railroad traffic across national borders. The central problem was a shortage of wagons. In December 1946, the total amount of serviceable rolling stock in Europe was estimated at about 50% of the prewar level.<sup>61</sup> During the war, the Wehrmacht had dislocated railed vehicles in large numbers from their countries of origin. Wagons with the marks of the Polish Railway Administration, for example, were found in Belgium, and vice versa. Although ECITO successfully repatriated some of these displaced vehicles, the general scarcity of wagons made it difficult to return the majority of them. Between 1947 and 1950, ECE helped repatriate nearly 250,000 wagons, but the restitution of dislocated rolling stock continued to be a going concern well into the 1950s.<sup>62</sup> With production and international trade beginning to increase, the shortage of rail transport facilities would foreseeably become even bigger during seasonal production peaks. Transport experts encouraged long-distance haulage by road rather than by rail to overcome the bottleneck in inland transport. The ITC picked up on a long process of policy learning on international cooperation in the transport sector. Older, but still active IOs in inland transport like the Union Internationale des Chemins de Fer (UIC) and the Central Commission for Navigation on the Rhine (CCNR) had pioneered international cooperation on railroads and waterways.

Road transport, however, was a largely new field for European IOs after 1945. The United States had an important role in strengthening European road transport, both as an example

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<sup>59</sup> Paul Charguéraud, International Cooperation for Improved European Transport, 2 November 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>60</sup> Quoted in Patel and Schot, "Twisted Paths to European Integration: Comparing Agriculture and Transport Policies in a Transnational Perspective," 398.

<sup>61</sup> Problems for the proposed Economic Commission for Europe, 11 December 1946. TNA, FO 371/62382: Establishment of an Economic Commission for Europe.

<sup>62</sup> Telegram Ward (U.S. Resident Delegation at ECE) to State Department, April 6, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1344.

and as an active agent through its representation in the ITC. Against the backdrop of ERP, trains, trucks, and ships carrying goods and people across borders were not only a necessary instrument for recovery, but also a strong symbol for the agenda of economic integration the Americans pushed for.<sup>63</sup>



**Fig. IV.5** *The first TIR plate is attached to a Swiss truck crossing the border to France in 1949. Nowadays, the TIR-procedure has become unnecessary within the European Single Market, but is still widely used by vehicles crossing from the EU to e.g. Ukraine or Russia. TIR has grown far beyond Europe, and the blue and white TIR plates can be found on Chilean, Iranian, or Tunisian vehicles.*<sup>64</sup>

ITC agreements are some of the most visible outcomes of ECE's work. Besides the e-roads system, they include the TIR scheme abolishing customs duties for goods in transit transported by road, and the EUROP-pool for railway wagons.<sup>65</sup> Road safety, tourism, uniform road signs and traffic rules were on the ITC's agenda during the 1950s. The ITC laid the groundwork for international conventions that went even beyond the scope of ECE. The ECE standards on vehicle parts, for example, set an important precedent for harmonized global standards. The agreement, set up in 1958, established uniform requirements for vehicles, their equipment and their parts and defined the conditions for mutual recognition, the aim being to improve vehicle safety and remove technical barriers to international automotive trade.<sup>66</sup> The TIR Convention is one of ECE's most long-standing achievements, advertised on the ECE website as "one of the most successful

<sup>63</sup> Patel and Schot, "Twisted Paths to European Integration: Comparing Agriculture and Transport Policies in a Transnational Perspective," 396.

<sup>64</sup> Reproduced from a booklet issued by the UN Publishing Service in 2007, titled "Gunnar Myrdal. Exhibition on the Occasion of the 60<sup>th</sup> Anniversary of the United Nations Economic Commission for Europe".

<sup>65</sup> *Ibid.*, 398.

<sup>66</sup> UNECE, *The ECE in the Age of Change* (Geneva: United Nations, 1997), 42-43.

international transport conventions” and “so far the only universal Customs transit system in existence”.<sup>67</sup>TIR began in 1949 as an agreement between a small number of ECE member states that allowed sealing cargo trucks to avoid customs in transit countries. The scope of the TIR convention has since expanded far beyond ECE, and includes 69 contracting parties in Europe, Asia, Africa, and the Americas.<sup>68</sup> In 1952, some 3000 TIR carnets were issued; in 2013, their number exceeded three million.<sup>69</sup> While originally elaborated for European road transport, the TIR system was gradually extended to other areas of the world; it shows that in ECE’s work, the limits of “Europe” are highly permeable.

Together with OEEC and other IOs in- and outside the UN framework, like FAO or the Council of Europe, ECE was thus part of a working system of international governance that developed in the aftermath of World War II and proved remarkably resilient to geopolitical tension. While these IOs laid the groundwork for some notable achievements like OEEC’s work on trade liberalization and ECE’s work on infrastructure, the system also had inherent flaws. In the case of ECE, certain sectors proved too vulnerable to political tension to achieve any significant progress. The first two ECE sessions had introduced committees on Inland Transport, Coal, Electric Power, and Industry and Materials, the latter with sub-committees on Timber, Fertilizers, Alkalis, and Housing. Committees on Agriculture and Trade were introduced on Soviet initiative at the third session, but lay dormant for several years afterwards. No meetings of the Trade Committee were convened 1949-1953, and the Agriculture Committee was dormant 1950-1954. There were thus significant holes in the network of European IOs that allowed an increasing number of organizations to tackle new sectors. By the start of the 1950s, the UN’s economic organizations had failed to become all-encompassing planning agencies. ECE had begun to embark on a long-term trajectory of technical cooperation, while OEEC had pioneered a Western European approach outside the UN framework. But even in sectors where ECE and OEEC were very active and successful, like coal and steel, there was enough room for new organizations to prosper, and to capture a sense of expectation that was connected to the buzzword of European integration.

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<sup>67</sup> UNECE, History of the TIR system, accessed 12-18-2016 on <http://www.unece.org/tir/system/history/tir-history.html>

<sup>68</sup> UNECE, TIR Countries, accessed 12-18-2016 on <http://www.unece.org/tir/system/countries.html>

<sup>69</sup> UNECE, History of the TIR system, accessed 12-18-2016 on <http://www.unece.org/tir/system/history/tir-history.html>

## IV.2.2 INTERDEPENDENT RIVALS: ECE AND OEEC

The breakdown of East-West relations and the UN's internal problems led internationalists to consider alternative solutions to the European problem outside the UN framework. In response to the UN's failure to prevent a split between the victors of World War II, the veteran French socialist politician Léon Blum wrote in 1948 that it now fell to Europe to assume the role of a "third power". A new Europe, he wrote in *Le Populaire*, embracing both personal freedom and social justice, must unite to act as intermediary between the United States and the Soviet Union. Europe's role "is thus the one which the international community, the UNO, should have played, had it not to suffer from its own innate flaws arising from this antagonism, leaving it impotent and paralyzed".<sup>70</sup> The obvious alternative to the UN umbrella was that of the Western European OEEC. With the decision to forego the UN as executive organ for the Marshall Plan, two parallel tracks had been established for the future of economic cooperation in Europe: maintaining the possibility of détente, or exclusive consolidation of the Western bloc. The all-European ECE and the Western European OEEC, both carrying on the technical work on bottleneck problems pioneered by the e-organizations, represented these two possible paths. The secretary of OEEC's electricity committee told a member of the US delegation to ECE in 1949 that, ultimately, "either ECE or OEEC will have to be disbanded in favor of the other, depending whether the present political situation with respect to Eastern Europe continues or improves".<sup>71</sup> This did not happen; instead, both organizations continued to exist in parallel, and there was considerable overlap between their activities. Both IOs were charged with the international coordination of reconstruction, and their work was closely interconnected. Their parallel existence thus reestablished a pattern of competition and interdependence.<sup>72</sup> Matthieu Leimgruber and Matthias Schmelzer have shown how OEEC/OECD played an important, multi-faceted role in Cold War Europe, as a (geo)political platform, an expert think-tank, and as an identity-generating club.<sup>73</sup> While OEEC was ostensibly the more successful organization – with a bigger secretariat and budget and without the ideological rift of the Cold War running through it – ECE still filled several important functions, especially with regard to research, the transport and coal sectors, and maintaining a link across the Iron Curtain.

Overlapping membership and responsibilities on the technical level resulted in a delicate antagonism between ECE and OEEC. Yet, the duplication of efforts was a real fear for both organizations. Yves Berthelot, a former Executive Secretary of ECE, wrote in 2004 that "In the 1940s and 1950s, there was no question of duplication in the case of Europe".<sup>74</sup> The

<sup>70</sup> Léon Blum, "Die internationale Dritte Kraft (1948)," in *Geschichte der europäischen Integration bis 1989. Europäische Geschichte in Quellen und Essays, Band I*, ed. Rüdiger Hohls and Hartmut Kaelble (Stuttgart: Franz Steiner Verlag, 2016), 71-72.

<sup>71</sup> Memorandum of Conversation with Mr. Tsirimokos, Secretary of OEEC Electricity Committee, October 17, 1949. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 1, Folder 6: Conversations.

<sup>72</sup> I describe this relationship in greater detail in Stinsky, "Western European vs. all-European Cooperation? The OEEC, the European Recovery Program, and the United Nations Economic Commission for Europe (ECE), 1947-1961."

<sup>73</sup> Leimgruber and Schmelzer, "From the Marshall Plan to Global Governance: Historical Transformations of the OEEC/OECD, 1948 to Present," 24.

<sup>74</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions' Experience," 13.

opposite of this is true. Next to the absence of Eastern delegates in the committees, its ambivalent relationship with OEEC was ECE's central concern during its first five years. Myrdal was keenly aware of the ambiguous relationship between ECE and OEEC:

*“Right from the start, we in Geneva have been deeply conscious of the community of destiny we share with the ERP. When things go well in Paris, conditions for cooperation in Geneva are also good. When the work in Paris is up to difficulties, the Western countries get sick and tired of international conferences and can, already for political reasons, not allow much progress to be made on an all-European level in Geneva. This is one side of our relationship with OEEC. I am quite conscious of the fact that things can go so ‘well’ in OEEC that there is no space left for us and UN.”<sup>75</sup>*

For some member states, it was difficult to maintain their representation at both venues. The US embassy in Athens, for example, noted that “for a small country such as Greece, with limited resources in money and qualified personnel to send as delegates, participation in ECE [...] is apt to be a burden and seems less useful than participation in OEEC”.<sup>76</sup> Even the Norwegians, who had been against the establishment of a permanent Western organization, now had to give priority to Paris, because they “did not have the personnel, Swiss francs, etc. to keep up with anything except high priority work” at ECE.<sup>77</sup> The American and French governments were the key proponents of keeping both organizations alive. “[T]o abolish [ECE] would resolve nothing”, French delegate Georges Boris argued at ECOSOC, “since it would be tantamount to throwing an instrument away instead of trying to make better use of it”.<sup>78</sup>

Both IOs were designed to be ambitious instruments for the international coordination of general economic policy, but in practice became forums for the non-binding discussion of technical and trade-related issues. How these tasks were to be divided between them was a constant bone of contention that could not be adequately resolved, since all coordination had to remain informal. The ECE secretariat stressed that they could not “deal with a certain number of its participating countries as a collective unit”.<sup>79</sup> Hence, no formal relations between the organizations were established, as this would have been opposed directly by the Eastern European members of ECE.<sup>80</sup> Existing arrangements between ECE

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<sup>75</sup> Gunnar Myrdal, Two Notes on ERP and East-West Trade, December 1949. UNOG Archives ARR 14/1360, Box 71.

<sup>76</sup> C.R. Harvey, First Secretary, U.S. Embassy, Athens, to D.M. Maynard, Counselor of Embassy for Economic Affairs, Memorandum on Informal Inquiry from Greek Foreign Office regarding United States attitude on ECE, April 13, 1950. NARA RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>77</sup> Robert E. Asher, memorandum of Conversation with Vill Paus, Norwegian Representative to ECE, April 12, 1949. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 1. Folder 6 Conversations

<sup>78</sup> Council Debates Future of ECE. “High-Level Consideration” of Commission’s Work. UN Bulletin, 15 August 1949, 181-190. UNOG Archives ARR 14/1360 - Box 63.

<sup>79</sup> Memorandum by the Executive Secretary of the Economic Commission for Europe on General Principles of Relations between the OEEC and the ECE, September 1948. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>80</sup> The relationship between OEEC and the ECE secretariat was regularly challenged at ECE’s Commission sessions. See Untitled Note on ECE and the future Conference of Transport Ministers, 7 October 1953. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

and the Food and Agricultural Organization (FAO) could have served as a model, but were not applicable to OEEC. In the case of FAO, an intimate connection with ECE was established already in 1947/48: ECE's committees on forestry and, later agriculture were serviced by a joint secretariat consisting of FAO technical experts and ECE general service staff.<sup>81</sup> A similar arrangement was impossible between ECE and OEEC. The two secretariats suggested instead that Western governments should send the same delegates to related committee meetings at both IOs, a practice that was largely adopted, but did not solve the coordination problems.<sup>82</sup> Averell Harriman, the American official in charge of the Marshall Plan, told the *Times* that "the work of the ECE, which covers the whole of Europe, and that of the OEEC, which is concerned chiefly with Western Europe, were complementary".<sup>83</sup> The practice behind the scenes, however, was not that simple, and their geographical scope alone did not account for the division of labor between ECE and OEEC.

From the very beginning, both IOs had to carve out their responsibilities and try to shield them from the other. By taking over the work of the e-organizations, ECE inherited working structures and expertise, especially in coal allocations, timber, and inland transport. Parallel structures were established in Paris nonetheless. Oil, textiles and overseas shipping were allocated to OEEC, as ECE was not active in any of those fields. Contestation arose particularly about steel and inland transport. The two secretariats sought to mark the responsibilities by sub-dividing these topics, leaving questions of a more general concern to ECE, and charging OEEC with problems directly related to ERP or American goods.<sup>84</sup> In practice, however, the division of labor agreed upon at the secretariat level was not followed through with in the committees.<sup>85</sup> Western governments began to use the two venues tactically, taking issues to wherever they had the most bargaining value. An unnamed Dutch delegate told a member of the ECE secretariat that even though ECE was better prepared to deal with inland transport, his government preferred to settle transport questions at OEEC, where they could be used as a bargaining chip in other negotiations.<sup>86</sup>

Secretariat cooperation became the most direct form of coordination between the two IOs. It entailed the standardization of statistics, the scheduling of meetings, and the informal exchange of documents.<sup>87</sup> Myrdal urged his Division Directors in the secretariat to "adopt a

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<sup>81</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>82</sup> R. Jeannel to Gunnar Myrdal, Report on trip to Paris to visit OEEC, 30 November 1949. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>83</sup> Newspaper clipping, Mr. Harriman in Geneva. "The Times", 13 February 1950. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>84</sup> Minutes of a Conversation with Monsieur Guéronik, Operational Director of Paris Organization, by Walt W. Rostow [before 22 March 1948]. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>85</sup> Minutes of an Informal Meeting between members of the OEEC and ECE Secretariats in Geneva, 17/18 September 1948. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>86</sup> R. Jeannel to Gunnar Myrdal, OEEC Transport Committee, 30 January 1950. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>87</sup> Minutes of an Informal Meeting between members of the OEEC and ECE Secretariats, Geneva, 17/18 September 1948. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

positive and constructive attitude regarding the OEEC”.<sup>88</sup> Delegates of the Soviet Union and other Eastern governments regularly criticized the secretariat for its informal connections with OEEC, and other Western organizations, accusing it of maintaining contacts with “organizations [...] committed to a policy of aggression under United States guidance”.<sup>89</sup> The ECE secretariat thus had to conduct yet another delicate balancing act, acknowledging the overlap and competition with the West bloc organization, while being unable to enter any formal arrangements with it.

ECE’s independent research facilities gave it a crucial edge over OEEC. Unlike at OEEC, ECE publications did not require the governments’ approval.<sup>90</sup> Arne Skaug, a Norwegian member of OEEC’s Council, told Myrdal confidentially that consensus-based voting on reports prevented the OEEC secretariat from setting up a similar research apparatus, “which would only be prostituted in Paris” and not provide independent analysis.<sup>91</sup> Comparing reports by ECE and OEEC, one American reviewer wrote:

*“[...] whereas the ECE report is mainly the independent expression of the views of the research staff of that organization, the OEEC report required the full agreement [...] of the various participating governments. This helps to explain [...] its tendency at times to indulge in platitudes and generalities, and its obvious effort to avoid offending national sensibilities [...]. The ECE study, on the other hand, has no such inhibitions against taking a stand on more controversial matters.”*<sup>92</sup>

When the government experts in OEEC’s technical committees first took up their work, they relied heavily on studies and other material published by ECE. Several OEEC committees “invited” ECE to make specific reports for them.<sup>93</sup> Such direct requests were eventually ruled out by an informal agreement between the secretariats, but exchange of information remained frequent.<sup>94</sup> After the adaptation of the long-term program for OEEC Dag Hammarskjöld had produced when he was still Swedish state secretary, OEEC’s Secretary-General Robert Marjolin turned to ECE to enquire about a long list of questions

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<sup>88</sup> ECE/DD/17, The Executive Secretary to all Division Directors and Members of the Central Office, Relations with the OEEC (Paris Organization). UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>89</sup> Economic Commission for Europe: Eighth Session, Summary Record of the Thirteenth Meeting held at the Palais des Nations, Geneva, on Wednesday, 11 March 1953. E/ECE/SR.8/13, 27. April 1953. ARBARK: Gunnar Myrdals Arkiv, Handlingar rörande Gunnar Myrdals verksamhet, Economic Commission for Europe 1947-57, 405-4-2-7-1.

<sup>90</sup> Gunnar Myrdal, "The Research Work of the Secretariat of the Economic Commission for Europe," in *25 Economic Essays in English, German and Scandinavian Languages in Honour of Erik Lindahl*, ed. Ekonomisk tidskrift (Stockholm: 1956).

<sup>91</sup> Gunnar Myrdal, Memorandum on conversations with Arne Skaug, Norwegian representative to OEEC and member of the Executive Council, in Paris, 6 March 1950. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>92</sup> Arthur Bloomfield, "Europe. The Way Ahead," *The American Economic Review* (1954).

<sup>93</sup> Questions raised by Technical Committees in Connection with O.E.E.C. Annual Programme for 1948/49. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>94</sup> Memorandum by the Executive Secretary of the Economic Commission for Europe on General Principles of Relations between the OEEC and the ECE, September 1948. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

relating to Eastern Europe.<sup>95</sup> Despite the beginning boycott of ECE's committees, the ECE secretariat was thus recognized as an expert organization on Eastern Europe.

Over the course of 1949, the newly founded NATO, a reluctant US Congress, and European governments' resistance against American demands to "integrate" put OEEC under pressure. NATO was about to take over some of OEEC's responsibilities, and its secretariat was to be downsized considerably.<sup>96</sup> At the same time, Congress remained critical toward the costly ERP, and raised its demands to European governments. The American aim behind ERP and OEEC was never just a short-term recovery. OEEC was meant to provide a stepping-stone toward greater interconnection and liberalization of the Western European economies in the long run. OEEC was not just responsible for splitting the dollars, but also for expanding production, liberalizing trade, dealing with energy issues, and harmonizing monetary policy.<sup>97</sup> By 1952, the sixteen participating countries were supposed to stand on their own two feet again.

When Congress was about to vote on ERP in 1949, opponents of a continuation argued that the most pressing economic emergencies in Europe were already overcome. A group of Congressmen visiting Geneva told Myrdal that ECE and other UN organizations "were carrying out important work on budgets which were drops in the bucket compared with the costs of ERP", and that none of them felt inclined to vote for an extension.<sup>98</sup> The State Department was concerned that if ERP should not succeed to foster stronger economic cooperation, Western Europe's military contribution to the alliance would also be weakened. To make use of its economic and defensive potential, Western Europe had to become more than the sum of its parts, as one internal report in the State Department argued:

*"[...] the Western European economies as a whole without ERP are and would continue to remain in a state of disorganization, [...] making it extremely difficult to count on effective conversion to defense in times of emergency. [...] [W]ithout accomplishing the institutional and economic goals which are expected to be realized under the ERP through co-operative effort of the Western European countries, the economic potential [...], represents hardly more than an addition of individual production figures; the totals are not indicators of the Western European countries' combined strength [...]."*<sup>99</sup>

In Congress and in published opinion, the pressure rose on the US administration to demand more cooperation from the Europeans. Instead of relying on an indefinite

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<sup>95</sup> Robert Marjolin to Gunnar Myrdal, 9 August 1948. ARBARK: Václav Kosteleckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>96</sup> Report on the Informal Meetings between Officials of the OEEC and the ECE Secretariat at the Palais des Nations, 25th and 26th January 1952. UNOG Box 67, Folder 1/3/2 ECE and Paris Conference, 1947-53.

<sup>97</sup> Michael Berger, "Motives for the foundation of the ECSC," *Poznan University of Economics Working Papers* (2012).

<sup>98</sup> Gunnar Myrdal, Two Notes on ERP and East-West Trade, December 1949. UNOG Archives ARR 14/1360, Box 71.

<sup>99</sup> Preliminary Note on US-Eastern Bloc Trade Relationships, n.d. (1949?). NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 4, Folder 63, 109.04 Soviet Affairs Correspondence.

continuation of ERP, the recipient countries should ensure their own subsistence by pooling political and economic resources, and abolishing internal tariff barriers. American policy makers demanded an “integration” of Western European economies to avoid the loss of ERP money due to tariffs, to strengthen Western Europe’s economic and military power, and to secure continued support for ERP in Congress.<sup>100</sup>

After the end of ERP, OEEC shifted its focus to productivity with the introduction of the European Productivity Agency (EPA), a semi-autonomous organization within the OEEC framework in 1952. The purpose of the American-financed EPA was to increase productivity in order to maintain living standards while keeping up with military spending.<sup>101</sup> With EPA, new OEEC committees on housing and inland transport were created, challenging some of ECE’s core competences.<sup>102</sup> The ECE secretariat lobbied unsuccessfully against EPA undertaking any work in these fields, with Myrdal going so far as to threaten governments to close down ECE’s inland transport committee if something comparable were to be set up at EPA.<sup>103</sup>

While the haggling for fields of technical cooperation thus continued beyond ERP, the principles of secretariat cooperation were relaxed. The secretariats agreed to exchange observers to committee meetings, kicking of a lively practice of commuting between Paris and Geneva, particularly for those officials concerned with coal and steel questions.<sup>104</sup> The two secretariats also repeatedly exchanged staff members. Qualified personnel, whose contracts ended at ECE, sometimes took up jobs at OEEC, and vice versa. But both sides stayed guarded: “It is fine”, Myrdal noted on the increasing cooperation between the secretariats, “but we will always have to defend our fortresses.”<sup>105</sup> The pattern of institutional dualism established in the beginning – competition and interdependence – thus initially continued after the end of ERP in 1952. With growing Eastern participation after Stalin’s death in 1953, ECE’s position became much stronger than before, at a time when OEEC was still looking for reorientation. The ECE secretariat declined a proposal by OEEC’s Director of Technical Services to rationalize committee work by abolishing parallel committees. On the contrary, ECE even expanded into agriculture and industry, areas where its committees had previously been dormant.<sup>106</sup>

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<sup>100</sup> Schipper, “Changing the face of Europe: European road mobility during the Marshall Plan years”.

<sup>101</sup> Boel, *The European Productivity Agency and Transatlantic Relations, 1953-1961*; Schmelzer, *The Hegemony of Growth. The OECD and the Making of the Economic Growth Paradigm*, chapter 2.

<sup>102</sup> H.W.A. Waring (Director ECE Industry Division) to E.P. Harten (Director OEEC European Productivity Agency), 6 January 1954. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>103</sup> A.F. Ewing to H.W.A. Waring, The OEEC Productivity Agency and Building, 23 December 1953. A.F. Ewing to Gunnar Myrdal, Report on OEEC Productivity and Applied Research Committee meeting, 5 February 1953. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>104</sup> Wolfram Kaiser, “From Post-War Reconstruction to Multi-level Neo-Corporatism: The OECD and Steel during the Cold War,” in *The OECD and the International Political Economy Since 1948*, ed. Matthieu Leimgruber and Matthias Schmelzer (Palgrave Macmillan, 2017).

<sup>105</sup> Gunnar Myrdal, Memorandum on conversations with Arne Skaug, Norwegian representative to OEEC and member of the Executive Council, in Paris, 6 March 1950. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

<sup>106</sup> A.F. Ewing and Václav Kostecký to Gunnar Myrdal, Report on visit to Paris, 21 and 22 December 1953, 28 December 1953. UNOG Box 67, Folder I/3/2 ECE and Paris Conference, 1947-53.

Myrdal wrote in 1954, when ECE was experiencing its second spring during the Soviet peace offensive, that the only “real difficulty we have now with any Western organization, and I do not think it is really dangerous, concerns the OEEC’s technical committees”:

*“OEEC is still important in the field of trade liberalization and the EPU. [...] Their technical committees, however, are now mostly very inefficient and practically useless. [...] here we are up to serious overlapping which all governments are against. OEEC has still larger staff [...] than we have in ECE for our technical committees, but its efforts in this technical field are becoming more and more sterile. Their technical committees had [...] a very important function when there were American dollars to split [...]. Now their importance is in many cases [...] purely political”.*<sup>107</sup>

The relaxation of competition between the IOs also allowed a significant common project of ECE and OEEC, the Conference of European Statisticians (CES). CES was an important venue for the international harmonization of statistical standards and methods. The heads of national statistical offices in the entire ECE region, including the OEEC members, convened at these meetings that were hosted annually in Geneva. In 1954, CES became a permanent body. CES thus became the “Coordinator of Coordinators” for government statisticians in Europe and beyond.<sup>108</sup> It was particularly important as a venue enabling statisticians and economists from centrally-planned and market economy countries to develop common concepts and understandings.<sup>109</sup> Since the 1990s, the joint steering committee for CES also encompasses OEEC’s successor OECD, the European Communities’ Eurostat, and the UN Statistical Division.

Both ECE and OEEC eventually abandoned grand schemes of international economic policy coordination in favor of less politicized, trade- and productivity-related issues. From the mid-1950s onwards, both IOs became increasingly entrenched in their respective niches of international cooperation, defusing their antagonism. At OEEC, the trade liberalization program largely replaced aspirations for political integration. This was, as Alan Milward put it, “thought of as a more apolitical route to the same goal, the use of Marshall Aid to force European countries to remove legislative and administrative barriers to trade.”<sup>110</sup> At ECE, Myrdal identified East-West trade as “our responsibility *par préférence*. It cannot be taken over by OEEC.”<sup>111</sup> Relations between the organizations were still not formalized, although the question came up repeatedly.<sup>112</sup> The foundation of ECSC in 1952 naturally posed a bigger challenge to the Western OEEC. The institutional dualism of a Western European vs. an all-European venue was overshadowed by a new antagonism arising

<sup>107</sup> Gunnar Myrdal to Dag Hammarskjöld, 13 January 1954. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>108</sup> Tom Griffin, “The Relationship of the United Nations Economic Commission for Europe (UN/ECE, Geneva) to the Organization for Economic Cooperation and Development (OECD, Paris) and the Statistical Office of the European Communities (Eurostat, Luxembourg),” *Statistical Journal of the United Nations ECE* 13, no. 1 (1996).

<sup>109</sup> Siotis, “ECE in the emerging European System,” 13-14.

<sup>110</sup> Milward, *The Reconstruction of Western Europe, 1945-51*, 281.

<sup>111</sup> Gunnar Myrdal, Two Notes on ERP and East-West Trade, December 1949. UNOG Archives ARR 14/1360, Box 71.

<sup>112</sup> Thierry Monnier, Historical note on OECD/ECE relations, 9 July 1981. ARBARK, Václav Kostecký, handlingar lagda enligt arkivplan, 3332-4-1-8: Ekonomiska grupper i Europa (ej FN).

within the Western camp between supranational and intergovernmental approaches to European economic cooperation. OEEC had helped to shape Western Europe as an economic entity, an imagined community of countries not just in the minds of geo-strategists, but also of economists and businessmen. Now, OEEC found itself being challenged *within* Western Europe, while the all-European ECE was getting ever more comfortable in its own niches of technical coordination and East-West cooperation. Neither ECE nor OEEC became the main vehicle of the integration process that was increasingly in demand, not just in the United States but also in Europe. Yet both organizations had a considerable impact on the integration of European economies, particularly on market integration through norms and standards and through infrastructure, trade, and productivity.

### IV.2.3 AN INTERNATIONAL CIVIL SERVICE: THE ECE SECRETARIAT AND UNHQ

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While ECE's Commission quickly moved into deadlock, the secretariat with its research work became an important reason for the organization's continued existence. The secretariat was much more than an administrative unit organizing conferences. It assumed a proactive role in defining the policy outlook for ECE as a whole. The secretariat issued large amounts of documentation, including original research, in advance of committee meetings. Myrdal used his power to convene committee meetings to withhold such meetings he considered not fruitful. He also employed a practice of informal pre-discussions directly with governments. These so-called "consultations by the secretariat" were held either with resident delegations in Geneva or through direct visits to capitals.<sup>113</sup> Yves Berthelot and Paul Rayment have identified three principles on which ECE's work rested during Myrdal's formative tenure from 1947-57: (1) independence of research carried out by the secretariat; (2) practical cooperation on technical problems; (3) responsibility for effective work rested with the member states - the secretariat, while proactive and under a lot of work pressure, remained small.<sup>114</sup> Like its main competitor OEEC, ECE was equal parts intergovernmental forum and technocratic think-tank.<sup>115</sup> Administrators in the secretariat had a critical role in identifying and defining issues where agreement was possible. A key tool for this was the secretariat's strong research apparatus. The Research and Planning Division was the secretariat's biggest administrative unit. By regularly publishing statistics and economic analyses about the European continent as a whole, the ECE secretariat fulfilled a function that was unique in Europe at the time. The preface to ECE's first *Survey*, published in 1948, stressed that its analysis emphasized "those problems that are common to the nations of Europe rather than those which are peculiar to individual countries."<sup>116</sup> ECE's committees could rely on the analyses the Research Division provided, as well as the capacity of the secretariat's dedicated divisions on coal, steel, or transport.<sup>117</sup> "[E]very item on the agenda is a Secretariat paper", an astonished US delegate remarked about a steel committee meeting in 1952.<sup>118</sup> The secretariat thus became decisive as an agenda setter, in a way that even seemed overwhelming at times. Together, UN officials in the secretariat and government experts in the committees formed the mechanisms of an international civil service.

But the secretariat was not a technocratic Moloch dictating its terms to the committees. By charging the secretariat with preparatory and research tasks, delegates gained a substantial basis for their often highly technical and detailed discussions. The delegates in ECE's committees were usually experts from the ministries, in some cases also industry or labor representatives, but rarely full-time diplomats. Their goal was to implement at home the

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<sup>113</sup> Fagen, "Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe," 431.

<sup>114</sup> Berthelot and Rayment, "The ECE: A Bridge between East and West."

<sup>115</sup> Leimgruber and Schmelzer, "From the Marshall Plan to Global Governance: Historical Transformations of the OEEC/OECD, 1948 to Present."

<sup>116</sup> Gunnar Myrdal, "Preface," in *A Survey of the Economic Situation and Prospects of Europe*, ed. UNECE (Geneva: United Nations, 1948), iii.

<sup>117</sup> Chossudovsky and Siotis, "Organized all-European Co-operation: The Role of Existing Institutions," 164.

<sup>118</sup> Avery B. Cohan, Economic Advisor, US Resident Delegation to ECE, to Ruth Philipps, State Department, 23 December 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

international agreements they themselves negotiated at ECE. “In a very apparent contradiction to the excitable politicians, journalists, opinion makers and the general public, their whole training has conditioned them to a calm, cautious and almost unenthusiastic approach”, Myrdal wrote about the government experts he encountered at ECE: “[T]hey are apt to steer for a compromise, not for a usually impossible head-on-victory. For them foreign policy tends to lose most of its moral and absolutistic connotations [...]. As there is nobody listening – the public and the press are excluded – they are not too interested in scoring propaganda points [...]”.<sup>119</sup> The heated discussions in the public Commission sessions were thus met by the cold, technocratic reasoning of ECE’s committees and its secretariat.

ECE staff was part of the UN secretariat, but hired by and under the day-to-day control of the Executive Secretary.<sup>120</sup> During the first years of its existence, the ECE secretariat enjoyed considerable independence from UNHQ in New York. This autonomy emerged not least from practical challenges facing the large, but inexperienced UN bureaucracy. The UN secretariat was divided between different locations, the largest being Headquarters in New York and the European Office in Geneva. When ECE was established in Geneva, Assistant Secretary-General David Owen wrote that,

*“a new organ of the United Nations with a large staff and budget outlay, operating over 3,000 miles away from headquarters raises new and difficult administrative and financial problems. The tendency for the Commission and its Secretariat to rift away from the main organization and operate as though it was an autonomous body, will in any event be difficult to resist”.*<sup>121</sup>

Altogether, the UN employed more than four times as many officials as the League’s secretariat. UN Secretary-General Trygve Lie deliberately avoided seeking the advice of League specialists when hiring personnel. The League had fallen into such disrepute that Lie feared even the appearance of continuity might be harmful to the UN.<sup>122</sup> The consequence was that the UN’s agencies grew chaotically, to the dismay of its main financiers in the United States. A rush of recruitment took place both in New York and in Geneva, and less experienced newcomers swamped the core groups of highly qualified secretariat officials.

ECE could rely on a comparatively experienced staff. It benefitted from the fact that many staff members and delegates were transferred to ECE from the e-organizations. When ECE took up its work in 1947, the vast majority of secretariat members were British nationals who had come from EECE and ECO in London, with the exception of the Transport Division, where the majority was French and had been transferred from ECITO in Paris.<sup>123</sup> At its peak strength in 1949, the ECE secretariat comprised 174 posts, 92 of which were in

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<sup>119</sup> Gunnar Myrdal, “Psychological Impediments to Effective International Cooperation,” *The Journal of Social Issues* 8, no. 6 (1952).

<sup>120</sup> W. Hoo, A note on the background and plans for the immediate organization of the Economic Commission for Europe, 31 March 1947. UNOG Archives ARR 14/1360 - Box 72.

<sup>121</sup> David Owen, Assistant Secretary-General for Economic Affairs, to Byron Price, Assistant Secretary-General for Administrative and Financial Services, 25 March 1947. UNARMS, S-0543-0001-03, 04 1947 – 01 1949.

<sup>122</sup> Mazower, *Governing the World. The History of an Idea*, 218.

<sup>123</sup> ECE Staff as of 25 July 1947, ARBARK, Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

the “professional” category. The others fell into the “general service” category, comprising administrative assistants, secretaries, computers, stenographers and clerks. The major part of administrative and financial services, as well as translating, interpretation, and document services were provided by the staff of the UN’s European Office.<sup>124</sup> ECE’s staff numbers were reduced from 1950 onwards, as the UN was increasingly struggling with budget cuts.

A remarkable number of people with transnational biographies served in the ECE secretariat. In these biographies, the disruptions and surprising continuities of the first half of the 20<sup>th</sup> century shine through, and they help to explain the self-positioning of the ECE secretariat as unapologetic advocates for East-West reconciliation despite the trend toward bloc formation. Annika de la Grandville was Myrdal’s personal secretary and typist. For Myrdal, who only occasionally and with difficulty used a typewriter, she was both a filter for his written communications and a conversational therapist. The dictations she took, usually on Sundays, for Myrdal’s “journal intime” – a series of long, rambling letters to David Owen at UNHQ that fill a large box in the Genevan archives – resemble minutes taken during psychotherapy sessions.<sup>125</sup> An ethnic Hungarian born in Slovakia and fluent in nine languages, Annika de la Grandville studied in Paris during the 1930s and married a French diplomat.<sup>126</sup> Count Jean de la Chevardière de la Grandville was later dismissed from the French diplomatic service for leaking information on President de Gaulle’s nuclear strategy to the United States. De la Grandville spent World War II at the French embassy in Washington with her husband, where she first met Myrdal during his work on *An American Dilemma*. In 1947, she found herself newly divorced, and stranded in Paris with two young children. Grasping for straws, she contacted Myrdal about a job after reading about his appointment at ECE in the papers. Incidentally, Willy Brandt, then a Norwegian citizen who knew Myrdal from the Stockholm group of social democrat exiles, did the same.<sup>127</sup> But unlike Brandt, who rejected a job offered to him at ECE in favor of reclaiming his German citizenship, a decision that would eventually lead him to become chancellor, de la Grandville spent the rest of her professional life at ECE. There, she was one of several secretariat members with roots in the Austro-Hungarian Empire. The Hungarian-born British economist Nicholas Kaldor was the first head of the ECE Research Division. Egon Glesinger, a Czech-Austrian forestry expert, had worked with Myrdal during his visiting professorship in Geneva in the early 1930s. Now, he headed the joint Forestry Division of ECE and FAO.<sup>128</sup> Vacláv Kostecký, special assistant to Myrdal and the successive Executive Secretaries until the late 1970s, was also born in Austria-Hungary. Kostecký earned his spurs at an UNRRA office in Prague before joining ECE as one of Myrdal’s closest assistants. The Czechoslovak government refused to prolong Kostecký’s passport in 1952, rendering him stateless.<sup>129</sup> He and other Eastern European staff members of ECE

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<sup>124</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>125</sup> UNOG Archives ARR 14/1360 - Box 70.

<sup>126</sup> Annika de la Grandville, Short Personal Background. 9 April 1957. UNOG Archives ARR 14/1360 - Box 69, Folder “Annika de la Grandville”.

<sup>127</sup> Krause and Stinsky, “For Europe, Democracy and Peace: Social Democratic Blueprints for Postwar Europe in Willy Brandt and Gunnar Myrdal’s Correspondence”.

<sup>128</sup> UN Department of Public Information, *ECE in Action. The Story of the United Nations Economic Commission for Europe*, 4.

<sup>129</sup> Extracts from a Note by Gunnar Myrdal, 11 July 1957, in: Kostecký, *The United Nations Economic Commission for Europe: The Beginning of a History*, 118-21.

could not take home leave for several years. Myrdal referred to Kostelecký and the other members of the Central Office, the think-tank defining and enforcing policy decisions within the secretariat, as his "hatchet men". Other members of the Central Office included Evgeny Chossudovsky, a Soviet national who came to Geneva with the first group of secretariat officials sent from UNHQ<sup>130</sup>, Baron Albert Kervyn de Lettenhove, a Belgian economist, resistance fighter, and camp survivor who would later serve the European Commission and the World Bank<sup>131</sup>, and a succession line of American academics consisting of the brothers Walt and Eugene Rostow and Melvin M. Fagen. These biographies showcase the lived and breathed internationalism of ECE.

The bread-and-butter business of ECE was technical rules, regulations, standards and agreements, issues that are inherently political.<sup>132</sup> Yet, due to its all-European scope and the increasing international tension, ECE was particularly vulnerable to political disagreement. Secretariat officials and government experts tried to present their work as technical and, therefore, apolitical. Myrdal went even further, suggesting that it was possible to actively de-politicize contentious issues by applying cool, enlightened reason. The Polish newspaper *Robotnik* asked Myrdal in an interview whether an accord between East and West "on the economic level" would be "easier than on the political". Myrdal replied that in ECE's experience, "it is possible to depoliticise the economic problems if the approach is on as clear a technical basis as possible".<sup>133</sup> This strategy of targeted de-politicization – of translating economic policy into ostensibly less politicized technical and administrative issues – yielded some remarkable results.<sup>134</sup> More than 200 conventions and protocols were agreed at ECE during the peak of the Cold War, despite the ideological paralysis of the Commission.<sup>135</sup> Myrdal hoped that in the long run, continuing agreements on de-politicized technical issues might help to decrease political tension and rekindle the cooperative spirit of the UN. In his opening statement at the 5<sup>th</sup> session in 1950, Myrdal urged delegates to use ECE "as an instrument for peace":

*"Our overriding duty, as an organ of the United Nations, is to take every possible step [...] towards re-establishing a more normal and peaceful way of life [...]. In each aspect of our work, we must seek results which can help to restore the broad spirit of mutual respect, of mutual concessions, and of co-operation in which the United Nations was founded. We can hope to do so only by solving each of our*

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<sup>130</sup> Ibid., 50.

<sup>131</sup> Rockefeller Foundation Records, Projects, RG 1.2 (FA387). Series 100: International; Subseries 100.S: International – Social Sciences. Folder: Economic Commission for Europe – Kervyn, Albert (Travel Grant), 1952-53, Box 58, Folder 446. See also Lagendijk, "The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975," 56.

<sup>132</sup> Schueler, Fickers, and Hommels, "Implications for Research and Policy."

<sup>133</sup> Interview with Gunnar Myrdal for the Polish newspaper *Robotnik*, 10 November 1948. ARBARK, Václav Kostelecký's arkiv, 3332-4-2-2 mars-december 1948.

<sup>134</sup> See, for example, Vincent Lagendijk's work on electricity connections: Lagendijk, "The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975."

<sup>135</sup> Berthelot, *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*, 20.

*problems, however small and technical they may be individually, in a spirit which can contribute to lessening the tension of our time”.*<sup>136</sup>

The technocratic internationalism Myrdal promoted at ECE shared several features with the benevolent, post-political social planning Myrdal had imagined as the driving force in modernizing Swedish society in the 1930s.<sup>137</sup> Both were legitimized through a quasi-democratic *volonté générale*, and both shifted political power into the hands of experts and planners, technocrats who based their action on “cool”, post-political reason rather than “hot” political ideology. At ECE, Myrdal saw international civil servants as custodians of a perceived world interest in détente and international cooperation. In the 1930s, the younger Myrdal had based his arguments on a similar, perceived general consensus on enlightenment values of reason, justice, and equality.<sup>138</sup> Back then, Myrdal had postulated a rational, scientific approach to social questions as a basis for political power. He considered shifting political power to experts and planners – social engineers – to be the strategic solution to all kinds of social ailments.<sup>139</sup> To modernize Sweden, Myrdal and his wife Alva advocated the far-reaching interference of experts and planners into the economy, education, housing, and even into family life. They described social policy as a post-political, hands-on solution to practical problems leaving the hitherto dominant political ideologies of bourgeois Liberalism and revolutionary Marxism behind.<sup>140</sup> “This new social policy”, Myrdal argued in 1932, “is free from liberal roadblocks to innovation. It is far too technical, on the other hand, to get lost in overly general and quixotic ideal constructions. It is therefore factual. Its romanticism is the engineer’s.”<sup>141</sup> At ECE, Myrdal adapted his thinking about the post-political role of experts for the international civil service.

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<sup>136</sup> Economic Commission for Europe (Fifth Session). Opening Speech by the Executive Secretary. E/ECE/118, 31 May 1950. UNOG Archives ARR 14/1360, Box 64.

<sup>137</sup> I expand on this argument in Stinsky, “A Bridge between East and West? Gunnar Myrdal and the UN Economic Commission for Europe, 1947-1957.”

<sup>138</sup> Thomas Etzemüller, “Social Engineering als Verhaltenslehre des kühlen Kopfes. Eine einleitende Skizze,” in *Die Ordnung der Moderne. Social Engineering im 20. Jahrhundert*, ed. Thomas Etzemüller (Bielefeld: transcript, 2009).

<sup>139</sup> *Die Romantik der Rationalität. Alva & Gunnar Myrdal. Social Engineering in Schweden.*

<sup>140</sup> Gunnar Myrdal, “Socialpolitikens dilemma,” *Spektrum* 3(1932); Johan Svedjedal, *Spektrum 1931-1935: den Svenska drömmen. Tidskrift och förlag i 1930-talets kultur* (Stockholm: Wahlström & Widstrand, 2011).

<sup>141</sup> Quoted in Göran B. Nilsson, “Den sociala ingenjörskonstens problematik. En orättfärdigt dissektion av den unge Gunnar Myrdal ” in *Den Svenska modellen*, ed. Per Thullberg and Kjell Östberg (Lund: Studentlitteratur, 1998), 167.



**Fig. IV.6** *Lecturing across the Cold War divide: Myrdal (center, standing) delivers his opening speech at the 1951 Commission session. 29 May 1951.*<sup>142</sup>

For the Myrdalian post-political expert, the independent production and dissemination of knowledge was a key responsibility. Research could, in Myrdal's view, establish a factual assessment of reality that was necessary before any political action could be taken. Melvin Fagen, who succeeded the two Rostow brothers as Myrdal's assistant, wrote retrospectively that "the emphasis given by Myrdal to economic analyses of high professional quality reflected essentially his views as a social scientist on the importance of research as a basis for action".<sup>143</sup> Independent research was central to international politics because, according to Myrdal, "false perceptions" of reality were the principal source of international tension: "I retain a general impression from my years as an international civil servant", he told the American Psychological Society, "that international conflicts more often than not emerge from false perceptions of the facts, from people's 'seeing' things as they are not, and the spreading of this false knowledge".<sup>144</sup> To counter the prevalence of "false knowledge" as a source of conflict, Myrdal as Executive Secretary defined a pro-active role for an expert-driven international secretariat. The ideal he pursued for ECE was "an organization accomplishing in its multilateral setting a maximum of practical results with a minimum of

<sup>142</sup> UN Photo, Photo # 440455.

<sup>143</sup> Fagen, "Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe."

<sup>144</sup> Myrdal, "Psychological Impediments to Effective International Cooperation", 22.

secretarial assistance". Nevertheless, this "minimum" of secretariat activity entailed functions essential to the entire organization:

*"You need a secretariat to carry out high level research [...] studies which cannot be prepared by other types of research organs, and also to collect and present the economic statistics [...] on an all-European basis. A Secretariat is further needed for organizing the schedule of meetings for the various working organs of the Commission and to prepare and service the meetings; in the latter respect it will come to function also as a clearing house of individual governmental contributions [...]. You need a secretariat to watch over the observance of due procedure. You will also appreciate the usefulness in your common endeavours of an international centre of cautiously guided initiatives, at strategically important moments, to break the log-jam. Occasionally in special problems you will want in your own interest to utilize your Secretariat by allowing it to be your honest broker."*<sup>145</sup>

Crucially, the secretariat could also exercise two negative powers: First, it could cancel meetings of any committee, sub-committee or working group if preparatory soundings made agreement seem unlikely. This practice reduced the number of committee meetings to allow only such meetings where agreement seemed within reach. The committees on trade and on agriculture, for instance, were not convened for several years between 1949 and 1954. Second, the secretariat also held a veto against studies to be undertaken. If committees or the Commission charged it with research tasks the secretariat regarded as impractical, it had the power to decline, allowing the secretariat to focus its capacity for research on the questions that seemed most promising.<sup>146</sup>

The central role of its research functions was reflected in the secretariat's use of academic habitus and terminology. "[O]ur research set-up here amounts to quite a faculty", Myrdal boasted in a letter to Bertil Ohlin, his former Stockholm university colleague who was now opposition leader in the Swedish parliament, "we certainly keep up the academic spirit".<sup>147</sup> Myrdal insisted that the secretariat had to retain "academic freedom" in its research work: "The independence of the Secretariat in regard to both the initiation and the carrying out of research was the precondition of its high quality".<sup>148</sup> The secretariat also initiated regular exchanges of expertise in the form of conferences and study tours. Groups of timber experts from East and West studied woodcutting methods in Finland or Switzerland, and housing experts were invited to Warsaw.<sup>149</sup> These occasions were paid by host countries, and framed in academic terminology as "excursions" or "seminars", emphasizing their political neutrality. Presenting the secretariat's work as academic was crucial to counter claims of political partiality.

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<sup>145</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>146</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 620.

<sup>147</sup> Gunnar Myrdal to Bertil Ohlin, 15 August 1953. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-5.

<sup>148</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 621.

<sup>149</sup> David Wightman, "East-West Cooperation and the United Nations Economic Commission for Europe," *ibid.* 11, no. 1 (1957): 7.

The Research Division thus pursued an ideal of research on highly politicized subjects from an objective, politically neutral point of view akin to academic research. ECE was the only organization that regularly published comparisons of economic performance indices across the East-West divide. In the Cold War context, this provoked mixed reactions, as the analyses of ECE often clashed with the governments' interest in promoting the superiority of their economic systems. Instead of producing an aura of neutrality, UN studies were often considered untrustworthy by both sides. An internal memo in the US State Department, for instance, found warm words for the quality of ECE's annual Survey, but criticized its pessimistic depiction of Western recovery. "The present survey, like its predecessors, is a rich source book. [...] We would be hard put to name any United Nations publication in the economic field that is more valuable".<sup>150</sup> The same memo, however, went on criticizing ECE's "traditionally gloomy and pessimistic vein": In its discussion of Western problems, the Survey made "debatable references to 'stagnation', 'failure', 'ill-conceived policies', 'disintegration', etc.", while the "totalitarian methods used in Eastern Europe do not come in for equally critical scrutiny although their cost in human misery is almost beyond calculation". Likewise, Soviet representatives regularly criticized ECE publications in the Commission sessions for underplaying the successes of Communism and failing to condemn American exploitation of Western Europe. "It is too bad that the research boys have always found it necessary to disagree with everybody else in order to prove that they were independent", Eugene Rostow regretted after having left ECE.<sup>151</sup> Along with the tightening of Soviet control, countries in Eastern Europe increasingly ignored ECE's requests for information or supplied only fragmentary figures. For Soviet bloc officials, passing on statistical information without party approval fell under regulations for industrial sabotage.<sup>152</sup> In Romania, one official in the Central Directorate of Statistics was imprisoned for providing ECE with requested data before having it "cleared with the appropriate party forum".<sup>153</sup> Despite Myrdal's insistence on research as a factual, non-political basis for action, the production of knowledge thus had a deep-rooted political dimension.

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<sup>150</sup> Economic Survey of Europe Since the War, Informal Comments for US Delegation to 8th Plenary Session of the ECE, 5 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>151</sup> Eugene Rostow to Václav Kostecký, 14 April 1952. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>152</sup> US Resident Delegation at ECE to State Department, Significance of Hungarian and Polish Replies on Availability of Engineering Products for Export, July 10, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>153</sup> Quoted in Case, "Reconstruction in East-Central Europe: Clearing the Rubble of Cold War Politics," 328.



**Fig. IV.7** *Keeping up the academic spirit: A Swiss forestry inspector lectures UN delegates about forest conservation on site. September 1949.*<sup>154</sup>

Like research, recruitment for the international civil service proved difficult in the Cold War context. Some member governments maintained that they should decide who would represent their country in the ECE secretariat. While Myrdal wanted the secretariat to be a body of international civil servants loyal to the organization and not their home countries, the UK Foreign Office repeatedly tried to convince British staff members to prioritize British interests.<sup>155</sup> The Soviet Union, while for the most part disinterested in filling ECE positions, did not allow independent recruitment of its citizens, and usually suggested staff members with political rather than academic qualifications. Since both governments' goodwill was crucial to ECE's success, Myrdal decided early on in the UN hiring spree to fill the two most senior positions in his secretariat with candidates from these two countries. A Briton should become chef de cabinet, and a Soviet national should be appointed as Myrdal's deputy.

The two men who were eventually hired for these positions, Southam and Koktomov, ran into open conflict with each other, and produced a controversy that is illustrative of the difficulty to assemble an international staff at the peak of Cold War tension. Southam was

<sup>154</sup> UN Photo, Photo # 355758.

<sup>155</sup> Appelqvist, "Rediscovering Uncertainty: Early Attempts at a pan-European Post-War Recovery," 342.

initially greeted at ECE with great expectations, but quickly clashed with most other secretariat members. A Briton born in Tsarist Russia, Southam had been an industrialist in the Baltics before the revolution, and harbored strong anti-Soviet feelings. Koktomov's appointment as Deputy Executive Secretary was too much for Southam, who came to see ECE as "playing into the Soviet Union's hands" and working "against the interests of the western democracies".<sup>156</sup> Southam insisted that ECE's work on East-West cooperation was "appeasement" toward Stalin, and that he felt "ashamed to be a member of this club". He openly called it his duty, however, to remain on the ECE staff so he could obstruct Myrdal wherever possible. Southam used his position to withhold information from Myrdal and others in the Central Office, and relegate it to the UK resident delegation instead. Despite his open rebellion, removing Southam from the ECE staff proved highly difficult, as he had the British government's explicit backing. Ultimately, it was only possible to remove Southam by involving Secretary-General Trygve Lie.<sup>157</sup> Koktomov and his successors as Deputy Executive Secretary, on the other hand, are most notable for their nonappearance in the sources relating to any substantial work, and their frequent absences from Geneva. Myrdal kept the position of his deputy reserved for a Soviet national, and it was not always filled, testifying to the Soviet Union's indifference toward ECE during the first years. The Southam-Koktomov affair further devalued their positions in the internal build-up of the secretariat, and cemented the dominance of the Executive Secretary and his "hatchet men" in the Central Office vis-à-vis other senior roles.

Also on the junior level, it proved difficult to incorporate staff members from all member states. To counter a shortage of qualified candidates from particular countries, ECE launched an In-Service Training Scheme for economists in 1948. It was funded by the Rockefeller Foundation, with which Myrdal enjoyed outstanding personal connections since being a Rockefeller stipendiary in 1929/30. The scheme's stated aim was to train "bright young boys" from Eastern Europe for service in IOs directly at ECE.<sup>158</sup> Despite not achieving its original purpose, the scheme was considered a success at the UN and the Rockefeller Foundation. Of the 27 students who participated in the scheme until 1955, only two came from Soviet bloc countries. The majority came from Yugoslavia, Austria, and Finland, and a few even from NATO states such as France, Norway, and West Germany.<sup>159</sup> Eventually, the In-Service Training Scheme was redirected outside Europe, and recruited participants in India and Ceylon.<sup>160</sup> When Rockefeller funding ran out in 1955, In-Service Training continued as part of the UN Technical Assistance program. The scheme thus failed to provide a loophole for recruitment from Eastern Europe, but it did help to mitigate the problem that staff qualified for UN service was more readily available in some countries than in others.

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<sup>156</sup> Gunnar Myrdal to Trygve Lie, 30 April 1949. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-3 1949.

<sup>157</sup> David Owen to Gunnar Myrdal, 12 May 1949. UNOG Archives ARR 14/1360, Box 69, Folder 'Southam'.

<sup>158</sup> Excerpt from letter to NSB from Gunnar Myrdal, 16 November, 1948. Rockefeller Foundation Records, projects, RG 1.2 (FA387), Series 100: International. Folder: Economic Commission for Europe – Scholarships 1947-1951, Box 7 Folder 49.

<sup>159</sup> Gunnar Myrdal, The Research work of the Secretariat of the Economic Commission for Europe (draft), Rockefeller Foundation records, general correspondence, RG 2, 1952-1957 (FA425). Subgroup 1956: General Correspondence: Series 1956/100: International. Folder: ECE (A-Z).

<sup>160</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe."

Southam's raging against pro-Soviet attitudes in the ECE secretariat foreshadowed a larger development that plagued the UN staff from 1952 onwards, the McCarthyist purges against American officials with alleged Communist sympathies. Trygve Lie resigned as UN Secretary-General amidst a series of firings in New York. Some newspapers called Myrdal a likely successor for Lie. "His resignation came to everybody as a big surprise", Kostelecký wrote to Myrdal, who was at this point recovering in a Swedish hospital after a severe car accident.<sup>161</sup> "All ECE staff members, more or less conscientiously, are asking the question what your chances are".<sup>162</sup> But Myrdal's car accident also gave reason to speculation about an imminent departure from ECE. The US resident delegation, increasingly frustrated with "the tendency of the ECE staff to operate independently of headquarters economic staff", hoped that "Myrdal's departure may offer opportunity for radical reorganization of the ECE staff".<sup>163</sup> ECE's autonomy and policy outlook thus hinged to some degree on Myrdal personally.

While Myrdal's views on East-West trade and his handling of ECE increasingly conflicted with US policies, Myrdal was privately supportive of the anti-Communist purges at UNHQ. Returning to Geneva after his release from hospital, he told a member of the US resident delegation that he was not interested in becoming Secretary-General, but "if he should, by some chance, be offered the job he would be inclined to take it only on the condition that he would be permitted 'to clean out the New York office'":

*"I asked [Myrdal] how he would handle the situation if he were in Mr. Lie's shoes. He replied with some force that he would not be in Mr. Lie's shoes i.e. – he would have hired people with more regard to their competence, and would not have tolerated in the Secretariat anyone from non-Communist countries affected with any taint whatsoever of Communism. (It has long been a dictum of Mr. Myrdal's that if there are to be Communists on his staff he wants the real thing, that is, Russian Communists and not 'synthetic' Communists.)"*<sup>164</sup>

While the UN Security Council settled on Dag Hammarskjöld as successor to Trygve Lie, the purges in New York continued. ECE staff was largely unaffected by McCarthyism due to Myrdal's hiring policy. The Myrdal family, however, was affected. In March 1953, US immigration authorities in New York denied entry to Alva Myrdal, then head of UNESCO's Social Sciences Section. The *New York Times* reported about the incident, pointing out that the only legal basis for immigration authorities to act against UN officials was the McCarran Immigration and Naturalisation Act which forbid "the entry of aliens

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<sup>161</sup> Tygve Daahlggaard (?) to Václav Kostelecký, November 2, 1952. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>162</sup> Václav Kostelecký to Gunnar Myrdal, 12 November 1952. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>163</sup> Telegram US Resident Delegation at the UN, New York, to State Department, 26 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>164</sup> Memorandum of Conversation between Gunnar Myrdal and Avery B. Cohan, Economic Advisor, US Resident Delegation at ECE, December 16, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

who come to this country to engage in subversive acts or to join subversive organisations”.<sup>165</sup> Gunnar Myrdal could only speculate about the reasons:

*“Some of my American friends believe that it is the Catholic anti-birth control people who have been active. [...] Some French newspapers have said that this was a sort of under-hand action against the Economic Commission for Europe and the East-West conferences here. I simply cannot believe it to be true. A Swedish newspaper has guessed that the reason might be that we have a son, 25 years old, who is a member of the Communist Youth Movement. [...] For the time being he is in Bucharest on the Secretariat of the World Youth Movement. [...] I cannot believe that the fact that we have a Communist son could be a reason for looking upon Alva as a subversive person”.*<sup>166</sup>

The background of the action against Alva Myrdal was never disclosed, but it occurred at the same time as American irritation over her husband and his autonomous handling of ECE grew. American attitudes toward ECE and the UN at large had shifted from enthusiasm to indifference, and from indifference to outright frustration. In this difficult environment, the UN had to redefine its policy outlook as well as its inner workings.

As Secretary-General, Hammarskjöld sought to centralize the UN secretariat in New York. The manning tables at the European Office were reduced even further, and ECE was among the agencies with the most drastic cuts in personnel. When Hammarskjöld presented his plans at ECOSOC, the US delegate sharply attacked ECE and the other regional commissions for their tendency “to operate without reference to the overriding authority of the Secretary General and the Economic and Social Council”. The US delegate said he was “frankly disturbed by the evident tendency on the part of some of the regional commissions, and, I should like to underline, their secretariats, to go their own way and to consider the Council an unnecessary evil rather than the directing body under whose authority the regional commissions are expected to function”.<sup>167</sup> The secretariat’s tendency to act as an autonomous policy agent was thus turned against it; at the same time, however, it was essential to the organization’s functioning and survival.

In 1953, while the UN was still suffering from McCarthyist purges, Hammarskjöld sketched the challenges of assembling a truly international secretariat in a speech to the American Political Science Association:

*“In the United Nations Secretariat we have nearly sixty different nationalities represented. None of us can make ourselves entirely free from our own background, and why should we? [...] For the Secretary-General [...] it is necessary to find ways to make the national elements an asset, to overcome the divisive influences and to create a unity in which the diversity of the national backgrounds of the members of the administration are fully respected and*

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<sup>165</sup> Quoted in Gunnar Myrdal to Walter Lippman, 8 May 1953. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>166</sup> Q Gunnar Myrdal to Walter Lippman, 8 May 1953. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>167</sup> Quoted in Michael L. Hoffman, UN Reform Plan Supported By US. *The New York Times*, 6 July 1954. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

*preserved [...]. I am sure it must be evident to you how difficult and challenging a problem this is.*"<sup>168</sup>

Hammar skjöld's own solution to this problem was to promote a monk-like attitude to international civil service that emphasized individual restraint and an overriding duty to the organization. The *UN Report on Standards of Conduct in the International Civil Service*, published under Hammar skjöld's responsibility, stressed that "the staff member is in no way required or expected to give up his personal or political views or his national characteristics", but relegated these views entirely to the individual's inner life:

*"What is essential is not the absence of personal, political, or national views, but rather restraint at all times, not merely during working hours, in the expression of such views [...] The staff member's personal views and convictions remain inviolate, but he has not the freedom of a private person to 'take sides', to enter a dispute as a partisan, or publicly to express his convictions on matters of a controversial nature [...]. Integrity, international loyalty, independence and impartiality, and the subordination of private interests to the interests of the organization, are daily requirements".*<sup>169</sup>

Hammar skjöld's emphasis on duty, restraint, and loyalty clearly clashed with Myrdal's concept of an international civil service defined by reason, candor, and independence. With Hammar skjöld's nomination as Secretary-General, the old conflict between the noble bureaucrat and the intellectual self-made man Myrdal was thus elevated from the Swedish context to the international stage, and became a struggle for the soul of the UN.

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<sup>168</sup> Dag Hammar skjöld, "The United Nations and the Political Scientist," *The American Political Science Review* 47, no. 4 (1953): 976.

<sup>169</sup> UN International Civil Service Advisory Board, Report on Standards of Conduct in the International Civil Service, 1954. ARBARK, Václav Kosteckýs arkiv, árslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.



**Fig. IV.8** *Brand new: Newly elected UN Secretary-General Dag Hammarskjöld posing in front of the recently completed secretariat building at UN Headquarters in New York City. During Hammarskjöld's tenure, the UN secretariat was centralized in New York, curbing the autonomy the European office in Geneva had previously enjoyed. June 1953.*<sup>170</sup>

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<sup>170</sup> UN Photo, Photo # 60982.

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 IV.3 ECE AND EAST-WEST TRADE AFTER STALIN
 

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East-West trade remained the key problem for ECE throughout the early Cold War period. ECE's all-European premise – its standout feature with regard to other, sub-regional IOs like OEEC or CMEA – was rendered farcical by the collapse of East-West relations and the ongoing Eastern boycott of its technical committees 1948-54. In his 1953 speech to ECOSOC, Myrdal admitted that the first six years of ECE “have been frustrating ones. [...] I did not come to Geneva to service a western organization, and [ECOSOC] did not set up the ECE solely or even mainly to be an organ for Western European cooperation”.<sup>171</sup> By that time, the most critical bottlenecks to reconstruction had been overcome, allowing for limited liberalization to succeed allocation and planning in various sectors. International trade thus became increasingly important, but trade between the two parts of Europe continued to decline until 1954. “Since the days of the Marshall Plan, the so-called Iron Curtain persists in trade policy”, journalist Fritz Seidenzahl wrote, “but it is very questionable whether this curtain is indeed iron.”<sup>172</sup> Indeed, the Iron Curtain was beginning to show holes in the mid-1950s. Around the time of Stalin's death in spring 1953, a window of opportunity opened for a careful rapprochement between the blocs. ECE, having patiently waited for a change in the political trend, made good use of this first phase of Cold War détente.

Several factors contributed to the rapprochement. As the blocs solidified and the nuclear standoff ensued, peak tension was reached with the proxy war in Korea, prompting the search for a *modus vivendi* that would avoid nuclear escalation. Once its bloc had been consolidated, the Soviet Union carefully reached out to the West. It was met by a new US leadership that was bullish, but had lost a crucial tool for coercing its European allies after the end of ERP. Increasing polycentrism in Europe progressively dislocated the bipolar system of superpower hegemony. The Geneva Summit in 1955 was a last attempt at reviving 1940s conference diplomacy, accounting for Western Europe's recovery by involving France and the United Kingdom. But even the Four Power notion could not capture the European landscape: the success of sub-regional IOs in East and West and the resurgence of Germany as an independent policy actor and a major economy shifted power away from the major victors of World War II. The economic recovery in Western Europe signaled the need for export outlets, and the traditional East European markets were a primary target, especially for West Germany. In the UK, Churchill's return to government and the threat of American export controls on Britain's China trade changed policy on East-West trade.

The breakthrough at ECE came in the context of the so-called Soviet peace offensive. The new Soviet policy launched in late 1952, intensified after Stalin's death, and culminated in the Geneva Summit of 1955. The peace offensive's motives have confused contemporaries and historians alike. Was the move toward peaceful coexistence “a genuine policy reversal or merely a new propaganda offensive? Policy makers then and scholars today still cannot

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<sup>171</sup> Gunnar Myrdal's speech to the Economic and Social Council, 8th July, 1953. UNOG Box 83, Folder “ECOSOC 1948-53”.

<sup>172</sup> Seidenzahl, *Geschäfte mit dem Osten. Der Eiserne Vorhang hat Löcher*, 43.

agree”, Günther Bischof wrote in 2000.<sup>173</sup> “It is not clear that the Soviets themselves knew what would happen”, adds Ernest May, “In any case, the black box on the other side of the Iron Curtain had emitted some signals suggesting at least a possibility of détente”.<sup>174</sup> To Western governments and international civil servants, the Soviet Union was indeed a black box: very little was known about the inner mechanisms of Soviet governance and policy formulation. Merely input and output were observable, and IOs provided a laboratory with favorable conditions for such observation. American delegations regularly produced long, speculative, and ultimately clueless reports analyzing Soviet behavior in ECE sessions, testifying to ECE’s role as an observatory.<sup>175</sup> ECE was also a testing ground for the peace offensive; it was “the forum where the Soviet Union in 1952 [...] sought to introduce a change of their general policy, at least in the field of trade and foreign economic relations”, writes Günther Mai.<sup>176</sup> ECE was thus a crucial bridgehead for the peace offensive as well as an observatory, and it allows for a critical re-evaluation of the Cold War’s first détente.

Seen from ECE, the peace offensive was not a short-lived propaganda move, but had deep repercussions on the international scene. ECE did not influence these developments, but it stood ready to make use of the window of opportunity once it emerged. “When the political trend turned, mainly in response to changes which were outside the influence of the ECE Secretariat, we could offer [...] services aimed at speeding up the resumption of East-West trade and of economic cooperation in Europe”, Myrdal wrote retrospectively.<sup>177</sup> An unexpected breakthrough occurred at an East-West trade consultation held at ECE in 1953. Eastern European delegations returned to ECE’s technical committees, restoring ECE as an all-European organization. Over the following years, the downward trend in East-West commercial exchange was reversed (See Fig. IV.9). In the first half of 1953, the volume of trade still continued to fall; but the second half saw a sharp revival of east-west trade of roughly equal proportions in both directions.<sup>178</sup> The volume of East-West trade nearly doubled between 1952 and 1957.<sup>179</sup> From the second half of 1953 on, the trade volume rose by 15-25% annually, but was still in 1957 at only two-thirds of the amount exchanged in 1938, the year most statisticians chose for pre- and post-war comparisons.<sup>180</sup> While little was achieved on the level of high politics - the Big Four’s 1955 Geneva Summit failed to provide solutions for key problems like the German peace settlement - important contacts were established on the work floor level at ECE and in bilateral relations. The window of opportunity for further rapprochement closed during the parallel crises in Suez and

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<sup>173</sup> Günther Bischof, “The Making of the Austrian Treaty and the Road to Geneva,” in *Cold War Respite. The Geneva Summit of 1955*, ed. Günther Bischof and Saki Dockrill (Baton Rouge: Louisiana University Press, 2000), 121.

<sup>174</sup> Ernest R. May, “The Early Cold War,” *ibid.* (Louisiana State University Press), 32.

<sup>175</sup> See also Chase, “The Intelligence Yield from ECE; Rubinstein, *An Analysis of Soviet Policy in the Economic and Social Council and the Economic Commission for Europe, 1946-1951*.

<sup>176</sup> Mai, “Osthandel und Westintegration 1947-1957. Europa, die USA und die Entstehung einer hegemonialen Partnerschaft,” 205.

<sup>177</sup> Gunnar Myrdal, Preface. In: Adler-Karlsson, *Western Economic Warfare 1947-1967. A Case Study in Foreign Economic Policy*, xi-xii.

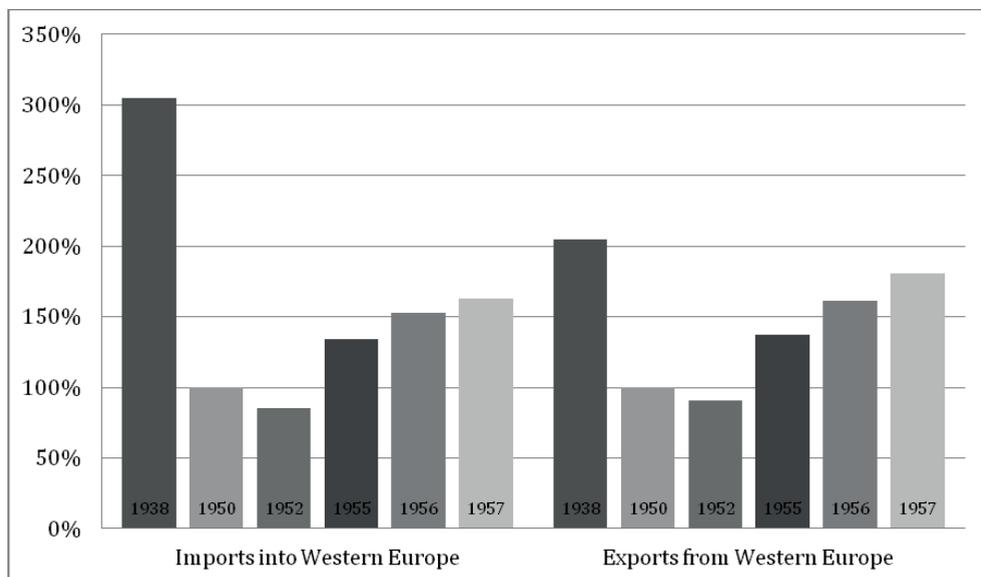
<sup>178</sup> Consultations on East-West Trade, ECE/TC.54/7, 25 March 1954. UNOG Box 13, Folder “Committee on the Development of Trade 1954”.

<sup>179</sup> UNECE, “Recent Developments in Trade Between Western and Eastern European Countries,” *United Nations Economic Bulletin for Europe* 10, no. 2 (1958): 43.

<sup>180</sup> Fagen, “The Work of the Committee on the Development of Trade, 1949-1957,” VII-1.

Hungary in late 1956. But these crises did not lead to a repetition of the complete breakdown of East-West contacts following the Communist takeover in Czechoslovakia in 1948. What was achieved in the mid-1950s proved resilient, and valuable for future phases of détente.

**Fig. IV.9:** Volume of trade between Western and Eastern Europe, including the Soviet Union (1950 value = 100%)<sup>181</sup>



Stalin's death and the change in leadership provided an easy explanation for the observed policy change. But the changes in Soviet policy began earlier, and should be seen as part of an attempted normalization of the Cold War following bloc formation. Myrdal asserted that "a return to somewhat more normal relations between sovereign states was in the long-term interest of the Soviet Union as well as of the other Eastern countries."<sup>182</sup> But only once the blocs were established did the Soviet Union launch its peace offensive, seeking to reconnect economically. During the 1950s, Soviet growth rates were equaled only by Japan, approximated by West Germany during its "economic miracle", but far above those of Britain and the United States. Much of the postwar Stalin-era growth could be attributed to Eastern Europe; the redirection of trade flows within the newly established Eastern bloc helped Soviet foreign trade to grow much faster than world trade.<sup>183</sup> In 1955 almost 80% of Soviet trade was with Communist countries, contrasted with 16% with the industrialized West and a meager 4% with developing countries.<sup>184</sup> Economic exploitation of Eastern Europe and rapidly rising growth rates did not, however, liberate the Soviet Union from the

<sup>181</sup> UNECE, "Recent Developments in Trade Between Western and Eastern European Countries," 36.

<sup>182</sup> Myrdal, "Political factors affecting East-West trade in Europe," 144.

<sup>183</sup> Sanchez-Sibony, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*, 91-92.

<sup>184</sup> Mai, "Osthandel und Westintegration 1947-1957. Europa, die USA und die Entstehung einer hegemonialen Partnerschaft," 205.

necessity to import Western consumer goods and machinery. Soviet officials thus carefully initiated a change in foreign economic policy, even while Stalin was still alive. Very soon after Stalin's death, North Korea and China agreed to a truce in the Korean War. Under the collective leadership of Georgi Malenkov, Nikita Khrushchev, and Lavrenti Beria, uncertainty continued; it was unclear which direction the new regime would take.

The Eisenhower administration was ill prepared for the peace initiative. Elected on the premise that America needed to "get tough" with the Soviet Union, and with the forces of McCarthyism in full swing, Eisenhower was reluctant to seize opportunities at hand.<sup>185</sup> The circumstances of regime change in the USSR were unclear to Western observers, and their misperceptions were compounded by the fact that the United States did not even have an ambassador in Moscow at the time. George F. Kennan had been declared *persona non grata* in 1952 and was not yet replaced. McCarthyites held up the Senate confirmation of Eisenhower's new appointee, Chip Bohlen, precisely at the time of Stalin's death.<sup>186</sup> For American observers, Soviet intentions were thus particularly obfuscated during the critical time of Stalin's death. Throughout 1953 and 1954, the Eisenhower administration was slow and cautious in responding to the Soviet peace offensive. There was great uncertainty about the political consequences – foreign and domestic – of negotiating with the Soviets. When Republican Congressmen, emboldened by Eisenhower's election victory, aggravated disagreement with Western Europe over increased export controls, Western Europe was in a stronger position than before to defend its trading interests vis-à-vis the United States.

Western European officials remained wary of Soviet exhibitions of goodwill. But despite the strong and prevailing distrust toward the USSR, the peace offensive fell on fertile ground. Many Western actors doubted whether the strict export controls they imposed on the Eastern bloc were working at all. The US-led strategic embargo at its outset in 1947-48 had been designed to restrict the supply of weapons technology to the Soviet Union and to retard Soviet economic growth. In 1950, a military conflict in the form of a protracted conventional war still seemed highly likely, making a broad embargo against the East a compelling strategy. By the mid-1950s, however, the embargo's objectives had not been met, and the purpose, benefit and cost of the embargo came under discussion.<sup>187</sup> The threat of imminent war subsided, and defense planning shifted to nuclear deterrence. Under these circumstances, and after the end of ERP, the embargo strategy associated with CoCom no longer justified the economic and political sacrifices it entailed.<sup>188</sup>

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<sup>185</sup> Richard Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84* (Urbana and Chicago: University of Illinois Press, 1985), 29.

<sup>186</sup> Bischof, "The Making of the Austrian Treaty and the Road to Geneva," 126.

<sup>187</sup> Dobson, "From Instrumental to Expressive: The Changing Goals of the U.S. Cold War Strategic Embargo," 103.

<sup>188</sup> Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," 123.

## IV.3.1 A SILENT BREAKTHROUGH

In April 1953, ECE held its second East-West trade consultation. Myrdal would later call it “one of the most important and significant meetings organized under ECE auspices”, and, with a bit of hyperbole, “one of the most important meetings ever held in this Palais”.<sup>189</sup> The conference indeed produced a remarkable success, despite bleak initial prospects. It was the resumption of the failed 1952 meeting that had brought ECE to the brink of collapse. The new attempt in 1953, shortly after Stalin’s death, was a result of the Soviet peace offensive. “In eerie silence, Russia’s peace-avalanche goes down on the UN offices in Geneva”, a Swiss journalist remarked at the start of the consultation.<sup>190</sup> Silence was, indeed, an outstanding feature of this conference. Heavy controls limited access to the Palais, and minutes and recordings were prohibited within the soundproof walls of its conference rooms. More than 80 government representatives and experts from 26 countries, including both halves of Germany, took part in the consultations. Expectations were low among the Western delegates. The heads of the NATO members’ delegations and the neutrals Yugoslavia and Sweden met a few weeks in advance to discuss their tactics. An American representative noted that their meeting was remarkable for the “high degree of cynicism displayed by all delegations”. None of the Western delegates “expected any concrete results from another E-W trade consultation”, but they agreed to the meeting “for propaganda reasons”.<sup>191</sup>

Like its failed predecessor in 1952, the 1953 trade consultation was set to proceed in three stages: a multilateral session with all participants, followed by a series of bilateral talks between each of the 26 governments, and a concluding multilateral session.<sup>192</sup> By the time the conference reached the bilateral stage, the American representatives noticed that something unexpected was happening. In conversation with the UK and French delegations, they learned that the talks proceeded in a “business-like cooperative atmosphere” and that the Eastern countries showed a “realistic attitude which most delegations interpret as Eastern European willingness [to] permit [a] modest expansion [of] East-West trade”.<sup>193</sup> Due to the secretive rules of the meeting, it was impossible for the US representatives to keep up with what was happening in the more than 100 bilateral talks. The Americans were “more or less compelled to play the role of the silent observer”, David Wightman, a British researcher working with the ECE secretariat, wrote in the *Birmingham Post*.<sup>194</sup> By the end of the consultations, the State Department felt completely out of the loop. In a circular message to American embassies in Western Europe, Secretary of State

<sup>189</sup> Speech by the Executive Secretary of the ECE at the 716<sup>th</sup> Meeting of ECOSOC, 8 July 1953. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>190</sup> Werner Rings, Geheimkonferenz in Genf. Lebt der Ost-West-Handel wieder auf? Schweizer Illustrierte Zeitung, n.d. (Spring 1953). ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>191</sup> Telegram U.S. Resident Delegation at ECE to State Department, 8 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>192</sup> Joseph Greenwald, Economic Officer, US Resident Delegation to ECE, to Ruth Philipps, State Department, 11 June, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>193</sup> Telegram, US Resident Delegation at ECE to State Department, April 21, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>194</sup> British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

John Foster Dulles inquired personally about the governments' reactions to the ECE trade consultations. Prior to the meeting, Dulles wrote, most Western European countries had told US representatives that they regarded the consultations as a mere political gesture. Since the meeting, however, reports indicated the Soviet bloc and the possibility of expanded East-West trade had favorably impressed them.<sup>195</sup> Against all expectations, and to the complete surprise of the State Department, a breakthrough had occurred in the eerie silence of the Palais des Nations.

The resumption of East-West consultations at ECE was preceded by a failed Soviet attempt to bring trade talks directly to Moscow. In April 1952, one year before Stalin's death and the silent breakthrough at ECE, the Soviet Union hosted an economic conference. While the conference attracted few Western participants, it constituted an important prelude to the peace offensive and to the successful ECE consultation in 1953. Polish economist and ECE delegate Oskar Lange was among the key initiators of the conference, which initially targeted mainly Scandinavian academics and business actors.<sup>196</sup> A preparatory committee was set up in Copenhagen already in October 1951.<sup>197</sup> The plan was supported by Communist-leaning circles in France and Belgium, but also by business actors in the Netherlands. A representative for the French *Confédération générale du travail* toured Latin America and the United States to drum up support for the conference.<sup>198</sup> The US resident delegation in Geneva interpreted the planned conference as a means to compete with ECE over East-West trade questions: "[B]y a device like the Moscow Conference [the Soviets] can get all the propaganda credit", while in ECE "Myrdal has taken the lead".<sup>199</sup> A Swedish delegation led by Erik Lundberg, a professor of economics, announced its participation. The prospect of Swedish participation created some attention for the Moscow conference in other Western European governments, particularly Italy. But Lundberg withdrew before the start of the conference, calling it a propaganda move and not a genuine forum for commercial exchange.<sup>200</sup>

Ultimately, some 400 delegates from 40 countries participated in the Moscow economic conference. Mainland China, still barred from the UN, sent a large delegation. The conference drew no high-ranking government representatives from the West. Western participants were an odd mix of academic economists, French trade unionists with

<sup>195</sup> John Foster Dulles to Certain American Diplomatic and Consular Officers, May 5, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>196</sup> Gesandtschaft der Bundesrepublik Deutschland in Stockholm an das Auswärtige Amt, 19. Januar 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

<sup>197</sup> Presse- und Informationsamt der Bundesregierung: Die Moskauer Weltwirtschaftskonferenz, 27. Februar 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

<sup>198</sup> Auszug aus einem Brief des Graf F.C. Zedlitz, Lima/Peru, an Herrn Dr. von Maltzan vom 26.2.1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation). Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

<sup>199</sup> Joseph A. Greenwald, US Resident Delegation at ECE, to Ruth Philipps, State Department, 9 May 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>200</sup> Botschaft der Bundesrepublik Deutschland Rom an das Auswärtige Amt, 26. März 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

communist sympathies, British and American Quakers, and business actors with stakes in East-West trade (e.g. Dutch timber and grain traders and even the Marseille Port Authority). The most prominent Western participant was former FAO director and Nobel peace laureate John Boyd Orr. In his opening statement at the conference, Lord Boyd Orr “called the Iron Curtain a terrible phrase destroying the unbridled exchange of goods between East and West in both directions”.<sup>201</sup> While those who came to Moscow shared the sentiment, most Western participants were disappointed by the conference. The leader of the Dutch delegation, professor Carl Wilhelm De Vries, publicly called it a failure.<sup>202</sup> An op-ed in the Danish newspaper *Social-Demokraten* dismissed it as a propaganda stunt: “If the Soviets’ wish to expand trade was sincere, it could have been fulfilled long ago“, the paper argued; “The Eastern bloc [...] did not have to systematically counter attempts to increase trade in the UN’s economic commission in Geneva [...] and it did not have to withdraw its representatives from [ECE’s] technical committees”.<sup>203</sup> Grigor McClelland, a British Quaker, was one of the few Western participants who regarded the Moscow Conference a genuine attempt to relax tension. “The Moscow Conference was designed to stimulate East-West trade”, McClelland wrote, “both for its direct benefit to Communist economies, and for its bearing on prospects of peace”.<sup>204</sup> However, McClelland arrived at a similar conclusion to the Danish *Social-Demokraten*: East-West trade should be extended “by [...] action in UNO and ECE”. Moreover, US Secretary of State Dean Acheson justified American non-attendance by criticizing the USSR for not using “a neutral international organization like the UN Economic and Social Council, which would be the appropriate forum for such a conference.”<sup>205</sup> ECE had hitherto been largely ignored by the USSR. The Moscow conference’s failure, however, pointed Soviet officials to Geneva, where Western governments could hardly avoid sending a delegation.

The ECE secretariat continued the proactive stance it had employed during its failed attempts to rekindle East-West trade up until the failure of the planned 1952 trade conference (see III.3). “Gradually the realization gained ground that it was not sufficient to keep ECE as a kind of reserve in the case of a major political settlement between East and West”, Myrdal told Soviet economists in Moscow, “but that pending such a settlement everything ought to be done to make it into the focal point of all-European co-

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<sup>201</sup> Der Handel mit dem Osten. Frankfurter Allgemeine Zeitung, 7. April 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

<sup>202</sup> Generalkonsulat Amsterdam an das Auswärtige Amt, 22. April 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

<sup>203</sup> Quoted in Deutsche Botschaft Kopenhagen an das Auswärtige Amt, 24. April 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

<sup>204</sup> Grigor McClelland, The International Economic Conference, Moscow. 3 June 1952. ARBARK: Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>205</sup> Deutsche Botschaft Washington an das Auswärtige Amt, 21. März 1952. Politisches Archiv, B11, 918 (Handelskonferenz in Moskau, LIFE Artikel Illegaler Ost-West Handel, 1953 ECE East-West Trade Consultation).

operation”.<sup>206</sup> By now, the US government was highly critical of the secretariat’s autonomy. US officials suspected that the Soviet Union might use ECE to undermine the export controls, fearing that at least some Westerns may become disposed to give serious consideration to the possibility that the East really wants ‘peaceful coexistence’.<sup>207</sup> Also the idea of making Eastern Europe return to the conference table in Geneva, the “back door relationship” Paul Porter had sought to uphold, was now unattractive to the United States. “[I]f Myrdal does succeed in bringing about increased Eastern participation”, a 1952 report by the US resident delegation read, “the amount of attention given by the Committees to matters bearing on East-West trade is likely to increase, [...] if the East does begin to participate in the technical committees, it may attempt to exploit to its own advantage the special position in the Commission of the US”.<sup>208</sup> While East-West trade had been controversial from the start, the sentiment in the United States had now turned even against Eastern participation in ECE.

Seven weeks prior to Stalin’s death, the Soviet Union agreed to participate in another ad-hoc meeting on trade. By that time, even Myrdal had been close to resignation. In January 1953, he told a member of the US resident delegation that at the next Commission session, he would proclaim in his opening statement that his activities in the field of East-West trade “had produced no result whatsoever” and “that he would do nothing further” unless he received explicit encouragement from Eastern Europe.<sup>209</sup> At the end of the same month, Myrdal received a positive reply from Moscow to his aide-memoire from last September.<sup>210</sup> Without delay, ECE scheduled a meeting of experts on East-West trade beginning on April 13, just a few weeks after the 1953 Commission session. The French leftwing newspaper *Combat* explained the unexpected response with the failure of the Moscow conference: “[T]he Kremlin had hoped that this conference would monopolize the interest of the Western business world,” it argued, “and that Russia might thus pose as champion of European trade”.<sup>211</sup> When this hope did not manifest at Moscow, Soviet officials gave up their boycott of ECE, the other self-proclaimed champion of East-West trade.

The news of Stalin’s death reached Geneva on the second day of the 1953 Commission session. When Stalin’s death was made public on the following day, the Commission’s morning meeting was adjourned after several speeches and a minute of silence.<sup>212</sup> The session then proceeded as planned. Eastern European delegates talked about East-West

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<sup>206</sup> Myrdal, Gunnar, *The United Nations Economic Commission for Europe as an Organ of All-European Economic Co-Operation*. Lecture given under the auspices of the Institute of Economic of the Academy of Sciences of the USSR, 09.03.1956. UNOG Archives ARR 14/1360, Box 1, Folder 'Gunnar Myrdal Important'.

<sup>207</sup> Report of the United State Delegation to Seventh Session of the Economic Commission for Europe, May 27 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>208</sup> Report of the United State Delegation to Seventh Session of the Economic Commission for Europe, May 27 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>209</sup> Memorandum of Conversation between Gunnar Myrdal and Avery B. Cohan, US Resident Delegation to ECE, January 9, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>210</sup> Telegram U.S. Resident Delegation at ECE to State Department, January 21, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>211</sup> Telegram US Embassy Paris to State Department, 10 February 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>212</sup> Summary of Proceedings of the Eighth Session of the ECE, 12 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

trade a lot. In a strong departure from the hands-on internationalism that had characterized US policy in the mid-1940s, the US delegation dismissed these statements as mere propaganda, and discussed in lengthy reports which side had “won” the Commission session rather than what was accomplished there. The US delegation observed that the 8<sup>th</sup> session differed from its predecessors mostly in tone. Speeches by the Eastern Europeans and especially the USSR were much milder than in previous years, and less time was devoted to attacking US trade policy.<sup>213</sup> In a symbolic gesture initiated by the UK delegation, a Czechoslovak was elected chairman – the first time an Eastern European delegate filled this position, which was hitherto held exclusively by Scandinavians (Fig. IV.10). The US delegation cabled to Washington that the “support for an Eastern European chairman” was indicative “of the current attitude of the Western Europeans toward the ECE. [...] Since they view the ECE primarily as an East-West channel to be kept open in the hope of a Soviet change of heart, the Western Europeans are willing to do almost anything to make sure that the Soviet bloc stays in the ECE”.<sup>214</sup> Although the session obtained few concrete results, the friendlier attitude adopted by all sides gave rise to careful optimism. Hence,

*“because of the relatively mild behavior of the Eastern Europeans, the 8<sup>th</sup> Session struck many Western Delegates as having been the ‘best’ in recent years. [...] the Western Europeans generally take very little interest in the substantive work [...] and continue to believe that the existence of the ECE is justified primarily on the ground that it is a ‘link’ or ‘bridge’ between East and West.”*<sup>215</sup>

The assumption that Western European delegations shared their view that ECE sessions were mostly a propaganda exercise with little tangible effect was thus deeply entrenched with the American participants. It helps to explain the US delegations’ complete surprise at what happened during the following trade consultations.

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<sup>213</sup> US Resident Delegation at ECE to State Department, Analysis of the Eighth Plenary Session of the Economic Commission for Europe – Geneva, March 3-18, 30 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>214</sup> US Resident Delegation at ECE to State Department, Analysis of the Eighth Plenary Session of the Economic Commission for Europe – Geneva, March 3-18, 30 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>215</sup> US Resident Delegation at ECE to State Department, Analysis of the Eighth Plenary Session of the Economic Commission for Europe – Geneva, March 3-18, 30 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

**Fig. IV.10: Chairmanship in the Commission, 1947-57**

<i>Year</i>	<i>Chairman</i>	<i>Vice-Chairman</i>
1947	E. Waerum (Denmark)	J. Rudzinski (Poland)
1948	A. Frihagen (Norway)	J. Rudzinski (Poland)
1949	A. Frihagen (Norway)	J. Rudzinski (Poland)
1950	K. Kock (Sweden)	A. Tauber (CSSR)
1951	K. Kock (Sweden)	A. Tauber (CSSR)
1952	K. Kock (Sweden)	A. Tchizkov (Byelorussian SSR)
1953	J. Ulrich (CSSR)	Z. Zolotas (Greece)
1954	J. Ulrich (CSSR)	Z. Zolotas (Greece)
1955	M. Suetens (Belgium)	J. Katz-Suchy (Poland)
1956	P. Forthomme (Belgium)	J. Katz-Suchy (Poland)
1957	O. Lange (Poland)	T. Notarangeli (Italy)

The three-stage trade consultations between 26 states were held 13-24 April 1953. The procedure – announced by Myrdal at a “sparkling press conference in New York”<sup>216</sup> as a “new technique in international relations” – framed the meeting strictly as a consultation of ECE’s Executive Secretary with trade experts named by the governments, and not an intergovernmental meeting.<sup>217</sup> What might seem like petty nomenclature was essential to allow the meeting to take place at all. The ongoing McCarthyite assault on Bohlen put the Eisenhower administration on notice that any kind of international summitry with Communists remained anathema at home. Since Western governments did not recognize the German Democratic Republic as a state, they could not participate in an intergovernmental meeting with that country. They could, however, agree to a discussion with trade experts from Eastern Germany.

**Fig. IV.11 Countries participating in the 1953 ECE Trade Consultations**

Albania, Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, Finland, France, Greece, Hungary, Iceland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Rumania, Sweden, Switzerland, Turkey, USSR, UK, USA, Eastern and Western Zones of Germany

(Yugoslavia, the most notable absentee, did not attend the trade consultation because of the Soviet bloc’s blockade)

A veil of secrecy was put over the entire event, particularly the bilateral consultations. No minutes were taken, except for those delegates took for their own use, and no external observers such as NGOs or journalists were admitted. Experts were asked in advance to submit lists of goods available for export or desired for import. For the Eastern European countries, the ECE secretariat compiled such lists based on the documentation of the

<sup>216</sup> Joseph Greenwald, Economic Officer, US Resident Delegation to ECE, to Ruth Philipps, State Department, 11 June, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>217</sup> Notes for Press Conference, n.d. (April 1953?). UNOG Box 12, Folder “Trade – Correspondence 1953.”

Moscow conference.<sup>218</sup> This advance preparation had not indicated that much was to be expected. During the initial, multilateral stage of the trade consultation, Western experts were “greatly surprised” by the “thoroughly practical and realistic nature of the Russian trade proposals”, wrote David Wightman. They were “completely unprepared for the amount and kind of trade offers the Russian Government made and some additional briefing from the Governments had hurriedly to be sought”.<sup>219</sup> The real bargaining over commodities, quantities and terms took place in the ensuing bilateral stage.

The technique of bilateralism in a multilateral setting among trade experts rather than government representatives enabled the secretariat to schedule bilateral trade talks between all participating countries, irrespective of whether or not they entertained diplomatic relations.<sup>220</sup> Over 100 bilateral and several triangular discussions of specific trading offers and demands were held. At the bilateral meetings, Eastern European countries surprised the Western delegations with specific requests for mostly consumer goods in large quantities, e.g. strings for musical instruments. The bilateral sessions were meant to be exploratory; not negotiations over actual trade deals, but an initial contact to clarify the basis upon which a future bilateral deal could be concluded. The third stage of the consultation was again multilateral, and should provide an opportunity for potential triangular deals following the recent example of Finnish-Soviet-Polish and Finnish-Soviet-Czechoslovak agreements.<sup>221</sup> “After long and patient effort”, the Birmingham Post wrote after the 1953 Trade consultation, “the Economic Commission for Europe would appear to have found a technique which offers a good chance of breaking the present trade deadlock”.<sup>222</sup>

The prevailing secrecy at the consultations and their split into more than 100 bilateral sessions meant that the meeting’s impact was not immediately intelligible for any of the participants. Many voices in the press initially dismissed the meeting as having been without result. Soon, however, droplets of information started to suggest that a major shift in postwar economic relations in Europe had occurred. John Foster Dulles’ somewhat panicked inquiry to the American embassies in Western Europe yielded a series of cable messages indicating mixed opinions. Greeks and Belgians suggested the meeting favorably impressed them, while the Dutch held a negative opinion. A member of the Norwegian Foreign Office told *Arbeiderbladet* that

*“a change has occurred in the trade policy of the Soviet Union towards the countries in Western Europe lately. [...] We have been shown more good will, and the demand for Norwegian deliveries of strategic raw materials is no longer any obstacle hindering an agreement. We have also heard that other Western European countries have had the same experience. One is inclined to say that the*

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<sup>218</sup> Gunnar Myrdal to Roy Bleach, 24 April 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

<sup>219</sup> British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

<sup>220</sup> Chossudovsky and Siotis, “Organized all-European Co-operation: The Role of Existing Institutions,” 161.

<sup>221</sup> *Ibid.*

<sup>222</sup> British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

*changes have occurred since the meeting of the Economic Commission of Europe in Geneva”.*<sup>223</sup>

The French and West German press devoted a lot of attention to the consultation, while the UK government stated vaguely that they needed to look at every opportunity to increase trade. Italy had received the most attention from the USSR and its allies during the trade consultation. Dulles wrote that he was “extremely concerned” over the possibility of Italy seriously considering trade offers from the Soviet bloc, assuming that the “Communists [were] up to old tricks”, and attempting to “drive [a] wedge” between the allies. At the ECE meeting, Dulles assumed that Easterners concentrated on Italy because it was the “most vulnerable” Western nation, due to its large internal Communist party and forthcoming national elections.<sup>224</sup> The Soviet black box thus allowed very different explanations for the policy change demonstrated in Geneva.

Over the course of the following year, the number of bilateral trade agreements between Western and Eastern nations increased rapidly, adding up to a major change in European trade patterns. Although it is not possible to ascribe this result directly to the consultation organized by the ECE, a number of experts who attended it reported subsequently that in their judgment the substantial increases in the areas of trade for which they were responsible “were traceable to the contacts made at the 1953 Consultation.”<sup>225</sup> Iceland, the only NATO member not bound by CoCom, was the first state to announce the conclusion of a trade and payments agreement with the USSR as a direct result of the ECE trade consultation.<sup>226</sup> Just days later, France announced the first French-Soviet trade agreement since the war. Both countries would import large quantities of crude petroleum from the USSR, in exchange for consumer products. “I am proud to know that you thought our Consultation in Geneva was of particular value in the final result”, Myrdal wrote to the Quai d’Orsay.<sup>227</sup>

In a period of about 3 weeks in late July and early August 1953, the USSR concluded trade agreements with France, Greece, Argentina, Denmark, and Iceland. A second wave of trade agreements, clustered shortly before or after January 1, 1954, was with India, Belgium, Norway, Sweden and Finland.<sup>228</sup> Other countries in Eastern Europe also struck deals with NATO countries. Greece, which had previously not entertained diplomatic and commercial relations with most of the Eastern bloc, declared that it “desires to develop commercial relations with the Eastern countries within the framework of the United Nations’ Economic

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<sup>223</sup> US Embassy Oslo to State Department, 4 June, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>224</sup> Telegram, John Foster Dulles to US Embassies Rome, Paris and Geneva, 27 April 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>225</sup> Berthelot and Rayment, “The ECE: A Bridge between East and West,” 78.

<sup>226</sup> Gunnar Myrdal to T. Asgeirsson, Icelandic Ministry of Commerce, 12 August 1953. UNOG Box 12, Folder “Trade – Correspondence 1953”.

<sup>227</sup> Gunnar Myrdal to J. Deciry, French Ministry of Foreign Affairs, 12 August 1953. UNOG Box 12, Folder “Trade – Correspondence 1953”.

<sup>228</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

Commission for Europe”.<sup>229</sup> Polish and Hungarian chambers of commerce opened in Athens, and negotiations with East Germany and the USSR were underway, the signing of which “will take place in Geneva under the auspices of the United Nations”. The effects of a significant reversal in East-West trade were felt at other venues as well. 150 British business representatives visited the Leipzig trade fair in 1953, compared to only 15 in 1952.<sup>230</sup> During the ten days of the fair, East Germany made trade agreements with a total value of 88 million GBP, including 42 million GBP of exports to Western Europe. With the benefit of some greater distance, David Wightman concluded in 1957 that the 1953 trade consultations “were by far the most successful meetings ever held on trade problems within ECE”.<sup>231</sup>

The secretariat could claim a substantial part in this silent breakthrough, although their proactive capacity was limited. The success of the 1953 trade consultations showcases both the means and the limits of influence for international civil servants on policy formation. At the beginning of the meeting, Myrdal announced at a press conference that success “ultimately depends on governments”, while ECE was “merely providing machinery for governments to attain their stated aims”.<sup>232</sup> Due to the framing of the meeting as a consultation of the Executive Secretary with trade experts, the delegates attended the meeting on terms set by the secretariat.<sup>233</sup> This framing also allowed Myrdal to take the chair during the multilateral phases himself. At all other ECE meetings, the chairman was elected among the delegates, an often time-consuming and politically charged procedure. “The method of not keeping any records, having no chairman to elect and no report to agree upon, is really working miracles, particularly considering the atmosphere of tension all around us”, Myrdal wrote to Hammarskjöld.<sup>234</sup>

The secretariat arranged the timetable for the bilateral talks and made it a rule that every expert had to be prepared to talk to any other experts. In this way bilateral talks took place between countries with no diplomatic relations. Talks were held, for instance, between West Germany and the Soviet Union, Hungary and Greece, and East Germany and sixteen western countries.<sup>235</sup> The technique of bilateralism in a multilateral setting devised by the secretariat had the advantage that it did not presuppose collective recommendations or decisions, as in strictly multilateral meetings. During the secretive bilateral talks, experts could explore trading opportunities without the pressure to conduct specific negotiations; nor did they need to consider tactical maneuvers or face-saving formulae.<sup>236</sup> “Seldom have the trade statistics so rapidly and decisively registered a big jump in response to what in effect was an intergovernmental meeting, although it was concealed as a consultation of the Executive Secretary with experts from the several countries”, Myrdal wrote about the

<sup>229</sup> A. Adossides to Melvin Fagen, Commercial Relations Between Greece and Countries of the Eastern Block, 10 July 1953. UNOG Box 12, Folder “Trade – Correspondence 1953”.

<sup>230</sup> British Council for the Promotion of International Trade to the ECE Secretariat, 15 September 1953. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

<sup>231</sup> Wightman, “East-West Cooperation and the United Nations Economic Commission for Europe,” 5.

<sup>232</sup> Notes for Press Conference, n.d. (April 1953?). UNOG Box 12, Folder “Trade – Correspondence 1953.”

<sup>233</sup> Fagen, “Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe,” 428.

<sup>234</sup> Gunnar Myrdal to Dag Hammarskjöld, 4 May 1954. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>235</sup> Wightman, “East-West Cooperation and the United Nations Economic Commission for Europe,” 5.

<sup>236</sup> *Ibid.*

meeting in retrospect.<sup>237</sup> All of this did, however, only work when political circumstances permitted it, and when governments were willing to engage in trade and to take contacts made in the multilateral environment at ECE to the next level of bilateral agreements between the capitals. Following the meeting, Myrdal told the permanent delegates in Geneva he was

*“reasonably confident about the progress in the near future of much of our technical work along all-European lines, provided nothing serious happens to undo the present lessening of tension and improvement in the political atmosphere. I think that even if big political settlements will take a long time to mature we can consolidate, on the modest practical, technical level on which we are operating the work of all-European economic co-operation”*<sup>238</sup>

Years of maintaining ECE as a reserve organization for an expected policy change had thus paid off, at a time when the organization had been on the brink of collapse.

An important factor for the success of the 1953 trade consultation was the US delegation’s isolation during the meeting. If free trade is a tool for the player enjoying the competitive advantage, than the ECE trade consultations show that limitations on trade introduced by the same player can backfire spectacularly. While Congress aggravated over East-West trade, attitudes in Western Europe, and particularly in the UK, began to change. The *New York Times* reported in May 1953 that Senator McCarthy “seeks to halt all trade between Red China and nations friendly with the United States”.<sup>239</sup> This put pressure on British trade with China, prompting strong reactions in the UK press. The London *Times* quoted McCarthy to have called foreign ship-owners trading with both the United States and communist countries “the most inexcusable thing I have ever heard of”.<sup>240</sup> “The McCarthy policy, if one can dignify it by such a name”, the *Times* retorted, “would logically lead to the stopping of all trade with the whole of that part of the world that is under Soviet influence [...]. It would mean, on the trade front, a general state of war.”<sup>241</sup> The *Northern Whig* from Belfast went even further:

*“Hopes that the new Administration in Washington would liberalize American economic policy to embrace the problems of the sterling area have now been dashed. [...] Evidence that we have almost accepted this change for the worse is shown by the interest we took in the ECE talks at Geneva on the possibilities of East-West trade. [...] If we can’t trade with America, then we shall have to trade*

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<sup>237</sup> Gunnar Myrdal, “Twenty Years of the United Nations Economic Commission for Europe,” *ibid.* 22(1968): 621.

<sup>238</sup> Mr. Myrdal’s report on his journey to Hungary, Rumania and Bulgaria, given at the informal ECE Club Luncheon, Friday, 4 September 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>239</sup> US Pressure for Ending of Britain’s China Trade, n.d. UNOG Box 12, Folder “Trade – Correspondence 1953”.

<sup>240</sup> The *Times*, 5 May, 1953. British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

<sup>241</sup> The *Times*, 6 May 1953. British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

*with Russia. That is the logical argument, although the East-West trade problems are really as insoluble as ever.*"<sup>242</sup>

The US delegation, which included a CoCom representative, had a difficult stand at the meeting, and was effectively reduced to an isolated observer.<sup>243</sup> The conciliatory attitude taken by the Soviets, and the Western Europeans' willingness to increase trade despite American reservations, put the US in a weak position. During the ERP years, the US government was able to conceal the paradox underlying its economic policy in Western Europe that sought to facilitate economic recovery on the one hand, but restrict trade with Eastern Europe on the other. Now that ERP was over, and Congressional Republicans insisted on "trade not aid" while seeking to further increase export controls, the contradictions lay blatantly open. Because of "the bad attitude they have recently manifested towards allowing Europeans freely to compete in their domestic markets", the *Birmingham Post* argued, the Americans "should not be annoyed if to many Europeans the economic signals from the United States would appear to read: 'No aid and no trade'. Nor can they reasonably protest if these same Europeans grasp whatever opportunities come their way for doing more business with the Soviet bloc countries".<sup>244</sup> Dulles' concern about Italy being destabilized through trade with the East was turned on its head when an Italian delegate at ECE approached the US delegation to state that

*"the greatest assistance the US can furnish to Italy [...] would be to agree to a relaxation of strategic controls to a degree that would permit Italy to expand its trade to the Soviet Bloc. [...] Such action would materially assist Italian efforts to maintain a liberalized trade policy at a time when the trade deficit is reaching alarming proportions because of lagging exports".*<sup>245</sup>

Unemployment in export industries and the prevailing balance of payments problem contributed more to political instability in Italy than trade relations with the East; a sentiment shared by others in Western Europe. "The more trade there is through the Iron Curtain and between Great Britain and Soviet Russia and the satellites", Churchill told the House of Commons, "the better still will be the chances of our living together in increasing comfort. [...] it cannot do anything but good to interchange merchandise and services on an increasing scale. [...] Friendly infiltration can do nothing but good".<sup>246</sup> The Western European revolt against the embargo policy was possible because aid under the Marshall Plan was coming to an end, and the sentiment grew that security concerns should not outweigh economic considerations.<sup>247</sup> The truce in Korea in July 1953 further helped to convince Europeans that there was no immediate military threat. They believed, in the

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<sup>242</sup> Northern Whig, Belfast, 4 May 1953. British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder "Trade – General Correspondence 1953."

<sup>243</sup> Telegram, US Embassy Paris to State Department, April 9, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>244</sup> British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder "Trade – General Correspondence 1953."

<sup>245</sup> US Embassy Rome to State Department, 22 May 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>246</sup> Sir Winston Churchill's Speech in the House of Common on 25 February 1954. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>247</sup> Myrdal, "Political factors affecting East-West trade in Europe," 143.

words of a US negotiator, that “the risk of general war is not great enough to warrant foregoing the gains from trade which would follow from a relaxation of controls”.<sup>248</sup> The US-led discriminatory export embargo policy began to break down. In July 1954, the CoCom Consultative Group adopted new, substantially reduced export control lists. Whereas CoCom lived on until the end of the Cold War, occasionally creating intra-allied friction, its heydays were over by 1954.<sup>249</sup>

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<sup>248</sup> Mastanduno, "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period," 146.

<sup>249</sup> Førlund, *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954*, 1.

## IV.3.2 THE SPIRIT OF GENEVA

The Geneva Summit held in summer 1955 between France, Britain, the USSR, and the United States was nicknamed the “conference of smiles”, suggesting that this attempted revival of 1940s conference diplomacy produced little more than statements of good intentions. The “Spirit of Geneva” eventually became synonymous with a public show of goodwill lacking substantial political commitment.<sup>250</sup> The summit was certainly not the end of the Cold War, as French Prime Minister Edgar Faure had proudly announced. Rather, it was the peak in a much broader development of careful reconciliation between the solidified blocs. Accepting the division of Europe as well as the nuclear stalemate, both sides began to adjust to the fact that East-West adversity was bound to remain the defining feature of international relations. Paradoxically, the process of formalizing and solidifying the power blocs in Europe had given both sides the security and the confidence to pursue relaxation. Gig diplomacy like the Geneva Summit was the tip of the iceberg in an international system learning to live with the Cold War. After the hazardous atmosphere of shrill posturing during the Stalin years, both sides felt the need for some form of accommodation that would keep the contest within bounds.<sup>251</sup>

Along with this political development came another “Spirit of Geneva”, one that was not all smiles, but consisted of lengthy discussions about ceramic insulators and refrigerator trucks in the conference rooms of the Palais des Nations. Following the Soviet peace offensive and the silent breakthrough at the 1953 ECE trade consultations, Eastern European delegations resumed their participation in ECE’s technical committees. “Eastern Europe is now ‘in’ the ECE again”, Václav Kostelecký wrote to Walt Rostow in February 1954.<sup>252</sup> For the first time since 1948, Eastern European delegates took part in all committee meetings, returning ECE to its pan-European scope. “Whatever happens on the high political level in regard to Korea and Germany”, Myrdal wrote to Hammarskjöld prior to the Geneva Summit, “here in the economic and technical field on this Continent, the East goes in for not only lessening of tension but actual cooperation. The Western countries will meet them more than half way. And it will not be entirely without political significance in the short and the long run”.<sup>253</sup> On the high political level, the “Spirit of Geneva” was shattered in late 1956 by simultaneous crises in Suez and Hungary that challenged not only peace between the two blocs, but also the foundations upon which the respective alliances rested. On the work floor level of ECE, however, the “spirit” proved persistent, despite these severe setbacks to détente. “The cordial atmosphere of the talks, dubbed the ‘spirit of Geneva’, never faded entirely”, Eisenhower wrote in his memoir. The “way was opened for some increase in intercourse between East and West. [...] These were small beginnings, but they could not have transpired in the atmosphere prevailing before Geneva”.<sup>254</sup>

<sup>250</sup> Stöver, *Der Kalte Krieg. Geschichte eines radikalen Zeitalters, 1947-1991*, 385-86.

<sup>251</sup> Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 27.

<sup>252</sup> Václav Kostelecký to Walt Rostow, 1 February 1954. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>253</sup> Gunnar Myrdal to Dag Hammarskjöld, 4 September 1953. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>254</sup> Quoted in Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 62.



**Fig. IV.12** *The Conference of Smiles: Soviet Premier Nikolai A. Bulganin, US President Dwight D. Eisenhower, French Premier Edgar Faure and British Prime Minister Anthony Eden (from left to right) pose for a group photo during the Geneva Summit. Curious UN staff members peek through the Palais' many windows. 18 July 1955.*<sup>255</sup>

While the political circumstances changed significantly, the Soviet bloc was not in a position to deliver on all the promises it made in 1953/54. Already at the 1953 trade consultation, some Western delegates doubted whether the Eastern European governments would be able to offer goods at competitive prices. One Danish delegate “cited [the] effect of Western European trade liberalization as making price considerations more important than before”.<sup>256</sup> A report to Congress in 1954 stated that “the hefty amounts of trade which were called for [...] have given many people the impression that a historic increase in the size of East-West trade was taking place. The impression seems hardly justified.”<sup>257</sup> With the relaxation of export controls after 1954, there were suspicions that the Soviet economy perhaps was not capable of greatly expanded trade with the West. Even Myrdal admitted that “there has since around 1954 been a gradual increase of East-West trade, which

<sup>255</sup> UN Photo, Photo # 85287

<sup>256</sup> Telegram, US Resident Delegation at ECE to State Department, April 15, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>257</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

nevertheless still remains at an ‘unnaturally’ low level’.<sup>258</sup> The suspicion arose that not the Western embargo, but a lack of ability or willingness to export on the Eastern side was the cause of low levels of East-West commercial exchange.<sup>259</sup> But the Soviet inability to trade even more substantially with the West in the mid-1950s was largely a result of the Stalin-era decline in agricultural production in favor of reckless industrialization and one-sided preference for heavy industry.<sup>260</sup> With the ongoing power struggle between Khrushchev and his rivals, 1954-1956 was a time of uncertainty over the direction of Soviet economic policy. Robert Spaulding thus concludes that, “precisely at the time when external affairs offered the Soviets an opportunity to negotiate an expansion of nonstrategic trade in 1955, the internal power struggle, now focused on economic policy, precluded any meaningful response to that opportunity”.<sup>261</sup> The trend changed in the long term, after the West German-Soviet treaty in 1958. The total volume of Soviet imports went up 40% between 1958 and 1961, with huge increases from some West European suppliers in that period: Britain up 55%, Belgium and Luxembourg up 46%, Sweden up 70%, Italy up 237%, and the Federal Republic up 80%.<sup>262</sup> Developments during the 1950s thus opened the door for rapid Soviet-Western European trade growth that began in the early 1960s and ran through the mid-1970s.

In the cause and effect-relationship between increased East-West trade and political thaw, politics was taking the lead. In the first ten years after World War II, various developments seemed to indicate that the US and the USSR were heading for a collision course: The Berlin crisis, the stalemate over Germany, the “fall” of Mainland China, and the Korean War. But by 1955, Stalin had died, the war in Korea was over, the French had withdrawn from Indochina, and West Germany had been incorporated into NATO.<sup>263</sup> In May 1955, the Soviet Union on its part gained the security and economic blanket it desired in the Treaty of Friendship, Co-operation and Mutual Assistance, also known as the Warsaw Pact. The consolidation of their respective blocs enabled both sides to negotiate from a self-perceived position of strength. Geneva, once again, became the site synonymous with high-stakes international diplomacy: The Geneva Summit of summer 1955 was preceded by the Geneva Conference of 1954 on Korea and Indochina, which produced the settlement known as the Geneva Accords. The Summit, a return to the conference diplomacy of the 1940s, was Churchill’s initiative. To Churchill, “[t]rade through the Iron Curtain” was not a liability like it had been for the Labour government, but a route to eventual reconciliation, as he told the House of Commons:

*“Patience and perseverance must never be grudged when the peace of the world was at stake. Even if we have to go through a decade of cold war bickering, punctuated by vain parleys, that would be preferable to the catalogue of unspeakable and also unimaginable horrors which is the alternative. We must not shrink from continuing to use every channel that is open or that we can open, any*

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<sup>258</sup> Myrdal, “Political factors affecting East-West trade in Europe,” 143.

<sup>259</sup> Spaulding, “East-West Trade at the Geneva Summit,” 241-42.

<sup>260</sup> Mai, “Osthandel und Westintegration 1947-1957. Europa, die USA und die Entstehung einer hegemonialen Partnerschaft,” 205.

<sup>261</sup> Spaulding, “East-West Trade at the Geneva Summit,” 251.

<sup>262</sup> Statistical Office of the United Nations, *Yearbook of International Trade Statistics, 1962* (New York: United Nations, 1964), 629.

<sup>263</sup> Førland, *Cold Economic Warfare: COCOM and the Forging of Strategic Export Controls, 1948-1954*, 1.

*more than we should relax those defensive measures indispensable for our own strength and safety”.*<sup>264</sup>

Trade and détente were thus ideologically as well as practically connected. Improved political relations permitted a rise in trade between the blocs, while the increased trade had the potential to lessen tensions even further, as demonstrated at the ECE trade consultations.<sup>265</sup> The re-establishment of a dialogue between the solidified blocs was the most important outcome of the Geneva Summit; it was preceded by the silent breakthrough in trade relations, and proved to be more persistent on the technical and economic than on the diplomatic level. Politics did, however, set a strict frame to economic relations.

For ECE, the time between the trade consultation in April 1953 and the Hungarian uprising in October 1956 was a new golden age. With the silent breakthrough in East-West trade and the return of Eastern delegates to the committees, the substantial problems that had plagued the Commission since 1948 were overcome at around the same time. “I do believe that we are going to see a closer co-operation in the Commission by the eastern countries”, Myrdal told the permanent delegates in Geneva in September 1953, “this will represent the rather late regard for much faithfulness shown to the idea of the ECE by the Governments, by the Permanent Delegates, and, if I may add, by me and the secretariat during these long years of frustration”.<sup>266</sup> In October, Albania, Czechoslovakia, Hungary, Poland, Romania, and the USSR made their debut at the Housing sub-committee. In 1954, the total number of committee meetings held increased by more than half compared to 1953. The Inland Transport Committee, one of the busiest units of ECE, was “[f]or the first time in our history [...] attended by practically all European countries”.<sup>267</sup> Projects that already existed in nucleo, like standardized road signs or international coordination to reduce traffic accidents, were extended to the new participants. The Committees on Agriculture and on Trade, which had been dormant since 1948, were now in full operation. Some 60 Soviet delegations attended meetings held under the auspices of ECE in the Palais des Nations in 1955. Fig. IV.13 compares participation in ECE committees in 1952 (when the Socialist countries’ boycott was still on) and in 1956. The secretariat also saw an increase in Eastern European staff. ECE’s In-Service Training scheme, now financed by the UN Technical Assistance Administration, admitted Bulgarian and Romanian stipendiaries for the first time in 1956. “The change in the political situation has permitted us to realize the original intention of getting trainees from countries in Eastern Europe”, Myrdal wrote.<sup>268</sup> David

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<sup>264</sup> Sir Winston Churchill’s Speech in the House of Common on 25 February 1954. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>265</sup> Myrdal, “Political factors affecting East-West trade in Europe,” 143.

<sup>266</sup> Mr. Myrdal’s report on his journey to Hungary, Rumania and Bulgaria, given at the informal ECE Club Luncheon, Friday, 4 September 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>267</sup> E.M. Chossudovsky to Wladek Malinowski, Chief Regional Commissions Section, UN Dept. of Economic Affairs, 26 November 1954. UNARMS, S-0441-0161-05. Branch Registry – Cooperation and Consultation between ECE Secretariat and the Office of the Under-Secretary General of the Department of Economic and Social Affairs. 09/52-02/56.

<sup>268</sup> Gunnar Myrdal, The Research work of the Secretariat of the Economic Commission for Europe (draft), Rockefeller Foundation records, general correspondence, RG 2, 1952-1957 (FA425). Subgroup 1956: General Correspondence: Series 1956/100: International. Folder: ECE (A-Z).

Wightman emphasized how in “the camaraderie of technical experts, the distinction between east and west has lost its meaning in many instances”.<sup>269</sup>

**Fig. IV.13 Participation in ECE Committees in 1951 and in 1956**<sup>270</sup>

	Agricultural Problems		Coal		Electric Power		Housing		Inland Transport		Steel		Timber		Development of Trade		Conference of Statisticians		
	1951	1956	1951	1956	1951	1956	1951	1956	1951	1956	1951	1956	1951	1956	1951	1956	1951	1956	
Albania															x	x		x	
Austria		x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x
Belgium	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Bulgaria	x	x		x		x		x		x		x			x	x		x	
BSSR		x						x						x	x				
CSSR	x	x	x	x		x		x		x	x	x		x	x	x		x	
Denmark	x	x	x	x	x	x	x	x	x	x	x				x	x	x	x	
FRG		x		x	x	x		x		x		x		x		x	x	x	
Finland	x	x	x	x		x		x		x		x	x	x	x	x	x	x	
France	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Greece			x	x		x	x		x	x		x			x	x		x	
Hung.	x	x		x		x		x		x		x		x	x	x		x	
Iceland			x												x	x			
Ireland			x		x		x	x							x			x	
Italy	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Luxemb.			x	x	x	x			x	x	x	x	x		x	x	x	x	
Netherl.	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Norway	x	x	x	x	x	x		x	x	x	x		x	x	x	x	x	x	
Poland	x	x	x	x		x		x	x	x		x		x	x	x		x	
Portugal		x	x	x		x				x				x		x	x	x	
Romania	x	x				x		x		x		x		x		x		x	
Spain		x		x		x		x		x		x		x		x		x	
Sweden	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Switzerl.	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Turkey	x	x		x		x		x	x						x	x		x	
UkrSSR		x		x				x				x			x				
USSR	x	x		x		x		x		x		x		x	x	x		x	
GDR		x		x		x		x		x		x		x		x		x	
UK	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
USA	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Yugosl.	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	

<sup>269</sup> Wightman, "East-West Cooperation and the United Nations Economic Commission for Europe," 6-7.

<sup>270</sup> Appendix E to document E/ECE/291. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

The drastic increase of work at ECE even caused complaints from the document services at UNOG, which were operating at capacity.<sup>271</sup> Eastern European countries set up permanent delegations in Geneva, acknowledging the enduring significance of ECE. Returning from a trip to Hungary, Romania, and Bulgaria, Myrdal wrote to Hammarskjöld that he was “struck by the absolutely non-political character of all our conferences. When the green light has now been given from Moscow, they are after two things: trade and exchange of technical experience”, adding that the Eastern governments were “tired of the cold war and the exclusive relation to the Soviet Union”.<sup>272</sup> The Commission became a regular *lieu de rencontre* of experts from both parts of the continent, gathering at regular intervals to consider sectorial problems and to elaborate recommendations, largely at the technical level, for action by the governments. Myrdal’s strategy of depoliticizing ECE had worked, but it made ECE boring even to the architect of its depoliticization. In his annual speech to ECOSOC, Myrdal said in 1955:

*“Today, I can inform you that the Commission is for all practical purposes an all-European body with full participation [...] from east and west. [...] The work continues on a technical level and I do not remember a single instance during the past year when purely political differences were hindering our activities; so much so that – if you permit me a personal remark – my adventurous soul almost finds it a little tedious compared with the years when the fight was on to reach the present position”.*<sup>273</sup>

ECE was not the only UN organization suddenly showered with love from the East. At the same time as the Eastern countries returned to the subsidiary bodies of ECE, Poland and the Soviet Union for the first time contributed to the UN Technical Assistance Program. In the following spring, the Soviet Union joined the International Labor Organization (ILO) and the United Nations Educational, Scientific, and Cultural Organization (UNESCO).<sup>274</sup>

In the prelude to the Geneva Summit, East-West diplomacy accomplished an important feat in the signing of the Austrian State Treaty that re-established Austria as a sovereign country in May 1955. The treaty was a landmark in superpower relations because it was the first US-USSR agreement over troop withdrawal from central Europe in ten years. In the US, McCarthy’s fall in the Senate in December 1954 opened the possibility for some reconciliation with the communists without facing domestic backlash. At the same time, the USSR began to reconcile with Tito’s Yugoslavia and to withdraw troops from neighboring Austria. Bruno Kreisky, Myrdal’s old ally from the Group of Democratic Socialists in Swedish exile during World War II, and now Austrian vice-foreign minister, lobbied forcefully for the treaty. A first contact was established during the 1954 ECE session between Kreisky and Soviet trade officials at a secret meeting in Myrdal’s private apartment. Kreisky later told historian Klaus Misgeld that the meeting in Geneva was

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<sup>271</sup> Control of Documentation, ECE/DD/66, 17 September 1953. UNOG Box 13, Folder “General files Office of Executive Secretary, 1949-1969”.

<sup>272</sup> Gunnar Myrdal to Dag Hammarskjöld, 4 September 1953. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>273</sup> Speech delivered by Gunnar Myrdal to the 20th session of ECOSOC, 15 July 1955. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>274</sup> Wightman, “East-West Cooperation and the United Nations Economic Commission for Europe,” 6.

“useful, but not decisive”.<sup>275</sup> During the ECE session itself, “Kreisky felt that the reaction of the western countries [...] to the Russian proposal for a general treaty was not very well considered and that a more positive response should be given”, Myrdal’s assistant Melvin Fagen reported. Making use of the parallel structures of ECE and OEEC, Kreisky suggested that the Western countries should coordinate their position in Paris, not in the form of an official OEEC statement, “but simply using the opportunity afforded by the attendance at OEEC’s Council meetings of important officials from virtually all western European countries. [...] in such an atmosphere Austria [...] could have a greater chance of influencing the western position than in the corridors of an ECE meeting.”<sup>276</sup> Kreisky’s ventures in Paris and Geneva show that technical IOs like ECE and OEEC were by that time very much entrenched in geopolitical considerations, and provided an important diplomatic venue particularly for small countries.

After years of Cold War tensions, and the encouraging signs for détente since 1953, the 1955 Geneva Summit was surrounded by tremendous optimism. Western stock markets rose in anticipation. But the language of reconciliation and the optimism displayed at the beginning were soon met with a series of persistent deadlocks at the summit itself. East-West trade never developed as a substantive issue. In the run-up to the conference, Eisenhower had felt sure that East-West trade would come up and worried that this was a “problem where we had wide differences with our allies”.<sup>277</sup> Britain, France and the US avoided an open display of diverging opinions at the Summit. The Soviet Premier Nikolai Bulganin in his opening statement criticized the Western export-control policies as “one of the serious obstacles to the relaxation of international tensions”.<sup>278</sup> The three Western powers all conceded to be interested in a relaxation of trade obstacles. Yet East-West trade did not become a topic of extended discussion at the summit. On the first day, the Great Powers discussed the German question. The USSR demanded the withdrawal of all foreign troops from West Germany, which would have effectively dismantled NATO. Khrushchev refused to hold free elections in East Germany until West Germany was disarmed. Hence, no progress was made on Germany. On the second day, Eisenhower proposed an “open skies” agreement, giving the right to aerial reconnaissance to prevent surprise attacks. The USSR perceived this as a poor substitute for disarmament, and rejected it as a violation of its territorial rights. East-West contacts were the final topic of the summit. While the Soviet side insisted on trade as the first means of contact, US leaders, having recently legislated against trade with communist regimes, dodged the topic by making the vague claim that a free flow of information and exchanges between people should come first.<sup>279</sup> Although the summit was “bound to have a paramount influence on ECE’s development”, as Myrdal said in the 1956 Commission session, its failure to produce concrete outcomes did not seriously impeach on the “unspectacular but competent labour [...] in the many working organs of

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<sup>275</sup> Klaus Misgeld to Václav Kostecký, 08 June 1980. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>276</sup> Melvin Fagen to Gunnar Myrdal, 24 May 1956. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>277</sup> Spaulding, “East-West Trade at the Geneva Summit,” 240.

<sup>278</sup> *Ibid.*, 245.

<sup>279</sup> Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 38-39.

the Commission”.<sup>280</sup> The progress that had already been made on the work floor level of ECE persisted. “As a matter of fact”, Myrdal wrote later,

*“in the working organs of the ECE the Governments were actually doing continuously many of the things on which the four Foreign Ministers had not been able to make any headway [...]. The work on the harmonization and normalization of the economic relations in Europe, which since several years had been going on quietly and steadily in the ECE on an all-European basis, had continued”.*<sup>281</sup>

Despite the lack of progress at the summit, East and West had rediscovered the means to negotiate. While observers attributed the “Spirit of Geneva” to a rather vague description of an improved atmosphere, it clearly represented a manifestation of all the preceding efforts at easing tension.<sup>282</sup> US officials in 1954 were still skeptical about Soviet intentions. One report to Congress called the term peace offensive “hardly justified”: “The Soviet-bloc rulers have put on a more affable diplomatic face and made a number of conciliatory gestures to the Western world without altering their fundamental hostile objectives, and they have made a great fanfare about supplying more consumer goods to their people without basically changing their war-oriented economy”.<sup>283</sup> The report went on to explain the Soviet trade offensive as a “campaign of economic warfare”, arguing that “Soviet rulers have improvised for their trade structure a new façade of papier mache [sic] but have not reconstructed the interior. In changing circumstances the Kremlin was seeking effective ways of accomplishing the same traditional objectives of feeding its industrial-military machine and weakening the free world.”<sup>284</sup> Historian Günther Bischof concluded that the Kremlin’s offensive for peaceful coexistence underwent a dynamic process, from being “primarily a propaganda initiative in 1953 to becoming a full-fledged and sincere policy departure by 1955. [...] 1955 represented the triumph of Khrushchev’s more moderate and realistic policy over Molotov’s old-line Stalinist principle of not giving up an inch of territory conquered by the Red Army in World War II”.<sup>285</sup> From a perspective on ECE, we can conclude that a persistent interest in trade relations across the Iron Curtain had existed the entire time. When Moscow put forth its peace offensive – whatever the motivation behind it – it struck a chord in the West, and the changes to the setup of East-West relations on the technical and economic level were persistent.

Détente slowed down after the Geneva Summit, until the simultaneous crises in Suez and in Hungary in October/November 1956 jeopardized the entire progress that had hitherto been made. The beginning of the year was still encouraging. In the USSR, Khrushchev consolidated his power. At the 20<sup>th</sup> Party Congress in February 1956, he announced a

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<sup>280</sup> Opening Statement by the Executive Secretary to the Eleventh Session of ECE on 5 April 1956, E/ECE/242. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>281</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>282</sup> Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 39.

<sup>283</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

<sup>284</sup> Mutual Defense Assistance Control Act of 1951, Fourth Report to Congress on East-West Trade Trends, 1954. UNOG ARR 14/1360 – Box 12 Folder “Trade – Correspondence 1953”.

<sup>285</sup> Bischof, “The Making of the Austrian Treaty and the Road to Geneva,” 121.

significant liberalization in Soviet policies, renouncing the cult of personality surrounding Stalin. Khrushchev also renounced Lenin's claim that war with capitalist countries was unavoidable, and replaced it with the doctrine of peaceful coexistence.<sup>286</sup> Finally, he announced the doctrine of "individual roads to Socialism", loosening the Soviet grip on Eastern Europe. The latter announcement was at this point more recognition of a development that was already underway than a policy shift initiated from the top. The ECE *Economic Bulletin* concluded already in its last quarterly review for 1953 that Soviet bloc countries (and to a lesser extent the USSR itself) changed both the objectives and the methods of their economic policies, "giving the consumer a greater share of the fruits of economic growth", including a "recognition that private enterprise has a continuing part to play".<sup>287</sup> Eisenhower, seeking reelection in 1956, could again not commit to easing his tough stance on the USSR after Moscow's assuaging message. While no further attempts at top-level summitry took place, the bridge between East and West at ECE was now in regular use. For the year 1956, ECE committees scheduled twice as many meeting days as in 1953.<sup>288</sup> "I am glad to say that during the past year the Commission has made rapid strides toward achieving the essential purpose for which it was founded", Myrdal said in his opening speech at the 1956 Commission session,

*"Our technical Committees have, [...] without exception, accomplished more during the past year than they have in previous years, and not only as regards east-west co-operation, for many of the Committees are instruments for regular, practical all-European co-operation in which even the distinction between east and west has lost its meaning".*<sup>289</sup>

The crises in Suez and Hungary later that year threatened not just East-West cooperation, but even the foundations of the two respective alliances. Historian Richard Stephenson writes that they were "shattering the 'spirit of Geneva'".<sup>290</sup> While it is true that Suez and Hungary put a stop to further efforts at reconciliation on the diplomatic level and caused both sides to remain guarded, the other "spirit of Geneva" on the work floor level proved remarkably resilient. The rate of increase in the value of trade between Eastern and Western Europe slowed down markedly after the crises in Hungary and Suez, but commercial exchange still continued to grow.<sup>291</sup>

The Suez Crisis caused some intense friction between the US and the European powers France and Britain. Without US knowledge or support, Britain and France made a secret agreement with Israel for a military intervention to re-take the Suez Canal after Nasser's Egypt had announced its nationalization. The military intervention by two colonial powers trying to reassert their dominance over a third-world country seemed like an aggressively anachronistic return to 19<sup>th</sup> century gunboat diplomacy. The US led the struggle for a

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<sup>286</sup> Stöver, *Der Kalte Krieg. Geschichte eines radikalen Zeitalters, 1947-1991*, 386.

<sup>287</sup> UN Information Centre, ECE Bulletin Evaluates Changes in Eastern European Economic Policies, Press Release, 25 November 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>288</sup> Opening Statement by the Executive Secretary to the Eleventh Session of ECE on 5 April 1956, E/ECE/242. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>289</sup> Opening Statement by the Executive Secretary to the Eleventh Session of ECE on 5 April 1956, E/ECE/242. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>290</sup> Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 46.

<sup>291</sup> UNECE, "Recent Developments in Trade Between Western and Eastern European Countries," 36.

ceasefire in the UN Security Council, against French and British opposition. In Hungary, a nationwide revolt against the Communist government proved to be the first major threat to Soviet control. In the light of Khrushchev's announcements earlier this year, the harshness of the ensuing Soviet crackdown on Budapest came as a surprise. 50,000 Hungarians were reported dead or wounded after Soviet troops took the capital on November 5<sup>th</sup>.<sup>292</sup> The American inaction on Hungary demonstrated that the rhetoric of liberation for Eastern Europe was just that – political rhetoric. It also showed that the US implicitly acknowledged Hungary as part of the Soviet sphere. By now, the solidified blocs had become a staple of international politics and a guarantee for the maintenance of the “cold” status of the Cold War. Both Suez and Hungary saw major powers and UNSC members reject UN decisions, throwing the entire organization into a crisis of legitimacy. The “horrible things that are happening in Hungary [...] are a tremendous setback for the UN”, Myrdal said at an ECE staff meeting,

*“Hungary has recently, together with many other countries, been admitted to the membership of the UN, and now this poor country is in a situation where there are days and weeks of terror and bloodshed behind it, and where it is not clear today what government is ruling the country. This [...] may also mean a tremendous setback in the ECE work. [...] Those who are older here know how the happenings in Czechoslovakia in Spring 1948 meant an intensification of the cold war which had the effect on the ECE that for a long time we became a non-Eastern organization in our technical work”.*<sup>293</sup>

The specter of another breakdown of East-West relations thus loomed large during these last months of 1956. By the end of November, the Cold War seemed properly “on” again. But several things had changed that prevented a repetition of 1948 at ECE. The common commitment to avoid – or at least to contain – conflict would prove to be the most enduring accomplishment of the mid-1950s reconciliation. The crises in Suez and Hungary were devastating to the “Spirit of Geneva” on the political level. On the technical level, however, the contacts and practices established during the respite survived, albeit stuck in a limbo allowing no further major reconciliation. Eleven years after the San Francisco conference, the UN was now an established factor in international life, and reflected the increasingly multipolar nature of international relations. New players emerged, and UN and ECE membership increased during 1955/56. The crises of 1956 did not cause any government to leave the organization. All governments entertained permanent missions in Geneva now, and the work in IOs was a going concern. Small countries like Austria, but also those behind the Iron Curtain, had gained room for maneuver, and IOs provided a crucial venue for their interests. Not only Eastern countries participated more regularly now, but also other member states that had previously scarcely sent delegates to Geneva, like Greece, Iceland and Turkey. Spain, excluded from the UN for the longest time, was admitted to ECE in 1956. ECE was thus remarkably strengthened, despite budget cuts administered from UNHQ.

After 1954 the Trade Committee, which had been dormant for five years, met regularly. Its terms of reference did not confine the committee to East-West trade, but to intra-European

<sup>292</sup> Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 49.

<sup>293</sup> Mr. Myrdal's Opening Remarks at the ECE General Staff Meeting held on 6 November 1956. ARBARK, Václav Kosteleckýs arkiv, árslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

trade as a whole. It was also empowered to discuss inter-regional trade issues (see V.1). When the committee met for its third session in October 1954, it attracted not only delegates from 25 Eastern and Western European ECE member states; observers from Argentina, Australia, Brazil, Canada, Mexico, and the International Chamber of Commerce also attended.<sup>294</sup> India, Israel, and Japan would also send observers in the second half of the 1950s. The Trade Committee's tasks ranged from the production and dissemination of studies and statistical information with the aid of the secretariat to the improvement of commercial facilities, e.g. international commercial arbitration, trade fairs and exhibitions, or standardized sales contracts.<sup>295</sup> The Trade Committee adopted the practice of annual bilateral consultations in a multilateral setup organized by the secretariat that the extraordinary East-West trade consultations had established. In 1955, 120 bilateral talks took place; 150 in 1956; and, after a decline following the Hungarian Revolution and Suez Crisis, 107 in 1958.<sup>296</sup> Also in the secretariat, trade matters remained crucial. In 1956, a "Commission Affairs and Trade Unit" with far-reaching responsibilities was set up within the Central Office, consisting of Myrdal's three longest-serving "hatchet men" Melvin Fagen, Evgeny Chossudovsky and Václav Kostelecký.<sup>297</sup>

Ongoing structural changes made a continuing strong involvement in trade matters vital for ECE. Western Europe's economic recovery signaled the need for export outlets, and the traditional Eastern markets were a primary target, especially for booming West Germany. Both German states made their debut at ECE during the 1953 trade consultations. But a settlement of the German question was no closer than it had been in 1945. Efforts by both East and West to integrate the occupied sections of Germany into their respective military- and economic alliances had stabilized the blocs, but created new barriers to reunification. Both German states gradually emerged as important players in European and international relations during the 1950s, but the German problem remained the problem that could not be resolved by the Spirit of Geneva.

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<sup>294</sup> UN Information Centre, Press Release No. ECE/TRADE/12, 16 October 1954. S-0441-0161-03, Cooperation and Liaison between ECE Secretariat and Regional Economic Commissions Section, part A.

<sup>295</sup> ECE. *The First Ten Years*. United Nations: Geneva 1957. ARBARK, Václav Kostelecký's arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>296</sup> Über die Tätigkeit des Komitees der ECE zur Entwicklung des Außenhandels, 25 November 1957. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>297</sup> Functions of the Office of the Executive Secretary, ECE/GS/23, 29 February 1956. UNOG Box 13, Folder "General files Office of Executive Secretary, 1949-1969".

### IV.3.3 GERMAN PROBLEMS

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“Wherever we turn in our work”, Myrdal wrote to Paul Porter in 1947, “we are confronted with the problem of Germany”.<sup>298</sup> The German problem, or rather a series of problems relating to the two German states, permeated all economic and political discussion on a European level. At ECE, German problems were sometimes front and center, but more often lurking in the background of issues such as coal allocation, Western European integration, inland transport, East-West trade, and the expansion of UN membership. Germany’s postwar partition was a fundamental change to historical European trade flows. “Before the war the hinterland of Western Germany was essentially Central and Eastern Germany and, to a far lesser extent, South East Europe”, a British diplomat wrote in 1948, “By far the biggest change in the movement of goods within Europe is that what used to be Eastern Germany and is now Western Poland no longer feeds the rest of Germany”.<sup>299</sup> Re-embedding Germany into international trade flows proved to be a difficult and politically charged problem that affected all European states. When ECE was founded, governments hoped that it would address some of the major economic problems relating to Germany. But ECE’s setup as an intergovernmental organization made it very difficult to integrate both German states. West Germany was systematically associated with the work of ECE, and became a full member already in 1956, before achieving UN membership.<sup>300</sup> Likewise, Japan joined the Asian regional commission ECAFE in 1954, before becoming a UN member. For the German Democratic Republic (GDR), which was not diplomatically recognized by the Western governments, ECE membership thus offered a potential backdoor to international recognition and association with the UN. Western governments opposed its membership, however, until the GDR was admitted to the UN in 1973.

“More than twenty years after the war we seem still to be as far as ever from a peace treaty settling the German problem”, Myrdal wrote in 1967, “We have, in fact, now two German states aligned to the two power blocs, of which one is not recognized to exist by the countries in the opposite bloc [...]. Both the preservation of this situation and attempts to change it may be highly perilous”.<sup>301</sup> West Germany’s policy, the so-called Hallstein Doctrine, was to isolate the GDR internationally by declaring its recognition by third countries an “unfriendly act” toward the Federal Republic. Political preservation and the split between World War II’s victors made it impossible to introduce the two German states as normal, equal players in the intergovernmental system of economic relations administered at ECE. Solutions to the German problems on this level were bound to be makeshift, and ECE remained – despite its success in maintaining a bridge between East and West – a representation of a donut-shaped Europe, with a gaping hole at its center. The impossibility to accommodate Germany early and effectively into the UN-led intergovernmental system ultimately became a crucial factor for the success of the Western European, supranational integration approach.

During its first years, ECE tried, with little success, to provide a link for its member states to the occupation authorities in Germany. Germany was formally represented by the

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<sup>298</sup> Gunnar Myrdal to Paul Porter, 26 September, 1947. ARBARK, Václav Kosteckýs arkiv, 3332-4-2-1 1946-48.

<sup>299</sup> E.A. Radice, untitled document, 20 July, 1948. TNA, ECE and OEEC relations, FO 371-71802.

<sup>300</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions' Experience," 14.

<sup>301</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 627.

occupying powers, and the Allied High Command retained the authority over economic issues. ECE inherited from its predecessor EECE an office in the Westphalian town of Minden, with a British serviceman acting as liaison officer to the authorities in the combined British-American occupation zone, or “Bizonia”. Minden was the seat of the economic administration for Bizonia. The secretariat used this liaison to obtain information on economic issues and transmit them to the ECE member states. Plans to establish a similar office in the French zone and a head-office in Berlin did not succeed. The ECE liaison office’s short history illustrates both the gradual emergence of West Germany as a policy actor and the decline of ECE as a link between the occupation authorities and other European governments. Brigadier William H. Hynes and a secretary from Geneva were the only personnel in the office. Hynes represented EECE and later ECE in the monthly meetings of commercial representatives in Minden, and sent minutes to Geneva. When Bizonia was combined with the French zone into Trizonia in November 1947, the liaison office moved to Frankfurt am Main, where the Americans sponsored office space, services and living quarters. With the foundation of the Federal Republic, the liaison office moved to Bad Honnef near Bonn, having to pay rent for itself and “even having to buy coal to heat the offices”.<sup>302</sup> Having outlived its purpose, the liaison office ceased to exist on 31 December 1952. Similarly, ECE’s involvement in German affairs never really took off during the occupation. During the first Berlin crisis, Myrdal and the head of the ECE Research Division Nicholas Kaldor flew into the blockaded city to represent the UN in negotiations about a special Berlin currency, a project none of the negotiators seemed to believe in and that did not lead anywhere.<sup>303</sup> ECE initiated some projects involving Germany on the bottleneck problems that defined its work in the immediate postwar, like when Italy agreed to send workers to quartzite mines in the French zone.<sup>304</sup> At ECE meetings, one or more German consultants usually accompanied the Allied representatives. With the installation of the Bonn Government, the West Germans were allowed to send technicians to Geneva unaccompanied, but with instructions to attach themselves to the delegation of the Allied country in the chair of the High Commission that month. In the case of the Coal Committee, the German consultants came with representatives of IAR, who in turn attached themselves to their own country’s delegation. While the US pushed for full West German representation in selected committees early on, most notably on Inland Transport, Britain and France insisted on limited German participation before the revocation of the Occupation Statute in May 1955.<sup>305</sup>

A difficult situation developed wherein Germany stood outside the UN system of international governance, but was a central subject to the system’s deliberations. The Occupation Statute prevented Germany from developing a foreign policy of its own. On the Western European IO level, however, there was some room for maneuver. West Germany became a member of OEEC and the Council of Europe in 1949, in an attempt to integrate it

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<sup>302</sup> Economic Commission for Europe Liaison Office in Germany, 1.10.1947-31.3.1952. ARBARK, Václav Kosteleckýs arkiv, 3332/4/1/7 Handlingar lagda enligt arkivplan.

<sup>303</sup> Walt Rostow to Gunnar Myrdal, The Berlin Currency Position, 12 November 1948. UNOG Archives: ARR 14/1360 – Box 73, Folder “Germany”. See also Siotis, *Essai sur le secrétariat international*, 49.

<sup>304</sup> UN Department of Public Information, *ECE in Action. The Story of the United Nations Economic Commission for Europe*, 27.

<sup>305</sup> Douglas M. Clark, Transport Adviser, U.S. Resident Delegation at ECE, to Miriam Camp, Office of European Regional Affairs, Department of State, August 16, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

into a French-British design for Europe. At around the same time in spring/summer 1950, West Germany entered the Rhine Commission, the Schuman Plan, and took up contacts with ECE independently. At the Rhine Commission, where chancellor Konrad Adenauer “expressed [...] the desire of Germany to join the Commission with equal rights and obligations as other member governments”<sup>306</sup>, the American delegation welcomed the German representatives to the stage of IOs with a lavish champagne reception.<sup>307</sup> Yet the Federal Republic remained outside the UN system and its various international functions, which would have allowed it to engage with trade partners in East and West at ECE. In the first half of the 1950s, industrial output in West Germany nearly doubled, while total foreign trade more than tripled between 1950 and 1959.<sup>308</sup> The Federal Republic’s intra-European trade grew even more rapidly. West Germany’s economic boom provided growing markets for neighboring countries as well. But due to the Adenauer governments’ clear preference for *Westintegration*, the non-acceptance of German representatives at ECE, and the limited capability of business actors to engage at ECE, Eastern Europe was largely cut off from the West German boom.

German representation in not exclusively Western European IOs remained problematic. When signatories of the Berne Convention on conditions for the international movement of freight and passengers met in May 1950, Hungarian and Czechoslovak delegates, in a move directed from Moscow, walked out of the meeting over the acceptance of delegates from West Germany and Spain.<sup>309</sup> Despite their limited capability to participate in Geneva, “the West Germans consider the work going on in the ECE to be of substantial interest”, a member of the US resident delegation told Congressman Battle in 1952, “they send people from Bonn to almost every meeting which takes place here, and [...] they have established permanent representation [...] despite the fact that in doing so they have to swallow a certain amount of pride: they do not represent themselves in the ECE but always sit as experts attached to [...] the Occupying powers”.<sup>310</sup> German participation at ECE, however, took place under strong reservations by the Adenauer government. Bonn remained skeptical because of Myrdal’s support for positive engagement with the Soviet bloc, his leftist political leanings and sympathy for economic planning, and the equal treatment of FRG and GDR in ECE. The West German consul general in Geneva characterized Myrdal as “important, but dangerous” and “no friend of the Federal Republic”.<sup>311</sup> Adenauer’s preference for a full *Westintegration* over East-West cooperation was clear: When Stalin put forward a proposal to the Western powers to reunite and neutralize Germany in March 1952, the infamous Stalin-Note, Adenauer dismissed the proposal as an attempt to place the entirety of Germany under Soviet control and, further, “by way of neutralizing Germany

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<sup>306</sup> Robert E. Asher to State Department, May 2, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>307</sup> Russel S. McClure (U.S. Resident Delegation at ECE), to Ruth Philipps (Bureau of European Affairs, State Department), April 6, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>308</sup> Gillingham, “The German Problem and European Integration,” 58.

<sup>309</sup> Telegram US Resident Delegation at ECE to State Department, May 18, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>310</sup> Memorandum of Conversation between Congressman Laurie C. Battle and Avery B. Cohan, US Resident Delegation to ECE, September 8, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>311</sup> Quoted in Rudolph, *Wirtschaftsdiplomatie im Kalten Krieg. Die Ostpolitik der westdeutschen Großindustrie 1945-1991*, 72.

unmake European integration".<sup>312</sup> Likewise, Adenauer was critical of the Geneva Summit in 1955, fearing that it would place the Federal Republic's future status on the auction block.<sup>313</sup> The FRG established diplomatic relations with the USSR only in 1955, after the end of the Occupation Statute and after Adenauer negotiated the repatriation of thousands of German POWs. West Germany entered a long-term trade agreement with the USSR only in 1957, after Adenauer had achieved his primary political goal of integrating Western Germany firmly within the West through the Treaty of Rome.<sup>314</sup>

In contrast to the hesitant Adenauer government, West German business actors maintained a long-standing interest in a revival of East-West trade, and tried very actively to engage at ECE. While the macroeconomic argument for trade with the Soviet bloc evaporated in the economic boom, giving Adenauer the room to maneuver westward, German business kept the interest in East-West trade alive.<sup>315</sup> The *Ostausschuss der deutschen Wirtschaft*, "a Committee of West German businessmen interested in promoting trade with the east and having a rather semi-official status because of its close contacts with the government", as Melvin Fagen described them, sent a delegation of its own to Geneva during the 1953 trade consultations.<sup>316</sup> The *Ostausschuss* delegation accompanied the government delegation led by Oberregierungsrat von Zahn-Stranik to a first meeting with Soviet trade official A.J. Kurepow, held not in the Palais, but in the Soviet delegations' Geneva residence. For the first time since the war, the Federal government authorized German industrialists to hold direct talks with the Soviet Union.<sup>317</sup> Once established in Geneva, bilateral contacts between the FRG and USSR continued, despite public outrage over the brutal repression of a popular uprising in the GDR in June 1953. But because the Soviets insisted to continue negotiations in Moscow, and the Adenauer government refused to send a delegation there, these initial contacts led to nothing. In 1954, almost the entire *Ostausschuss* was present during the second ECE trade consultations.<sup>318</sup> Two trips to Moscow followed in 1954 and 1955. Although they remained without result, a direct contact between West German industry and the Soviet Union had been established. A concrete trade agreement was not in the cards until 1957. While West Germany's integration in the ECE model of intergovernmental cooperation came too late, and gave preference to the Western European supranational model, an important reserve for the future was established. West Germany's trade with the East became significant particularly from the mid-1960s onward and accelerated with Willy Brandt's *Ostpolitik*.<sup>319</sup>

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<sup>312</sup> Konrad Adenauer, *Teegespräche 1950-54* (Berlin: Siedler, 1984), 227.

<sup>313</sup> Stephenson, *The Rise and Fall of Détente. Relaxations of Tension in US-Soviet Relations, 1953-84*, 28.

<sup>314</sup> Sanchez-Sibony, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*, 99.

<sup>315</sup> Spaulding, "East-West Trade at the Geneva Summit," 240.

<sup>316</sup> Melvin Fagen to Gunnar Myrdal, 11 April 1953. UNOG Box 12, Folder "Trade – Correspondence 1953".

<sup>317</sup> Memorandum of Conversation between Dr. Franz Leitner, Austrian Federal Chancellery, and Frank P. Butler, US Embassy Vienna, 28 April 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>318</sup> Rudolph, *Wirtschaftsdiplomatie im Kalten Krieg. Die Ostpolitik der westdeutschen Großindustrie 1945-1991*, 61-79.

<sup>319</sup> Dobson, "From Instrumental to Expressive: The Changing Goals of the U.S. Cold War Strategic Embargo," 100.

The significance of the 1953 ECE trade consultation was thus not only the silent breakthrough in East-West trade relations; it also saw new players – Austria, East and West Germany - emerge on the Genevan scene. Only a week before the consultation, Swiss officials informed the ECE secretariat that four trade experts from East Germany had requested visas to attend the consultation.<sup>320</sup> This was the first time East German representatives participated in an ECE meeting. Although they continued to ignore each other, Myrdal had succeeded in getting representatives of both German states to the same conference table. “To note the appearance for the first time in meetings of this kind of trade experts from both Western and Eastern Germany was to appreciate the growing importance of this aspect of East-West trade”, David Wightman wrote in the *Birmingham Post*.<sup>321</sup> The trade consultations set a precedent for direct participation by both German states in other ECE meetings. In November 1953, the GDR began to take up a regular correspondence with Geneva and to participate in committee meetings, much to the dismay of the Bonn government, which maintained its claim to be the sole representative of Germany. The US embassy in Bonn urged the American resident delegation in Geneva “to prevent GDR from acquiring stature of legitimately constituted government with right to speak for any part of German people”.<sup>322</sup> Doing so came ultimately down to protocol: Before the trade consultations, a lot of fuss was made about the seating order and the names on the place cards. While all other country delegations were seated in alphabetical order, West Germany was seated between the UK and US delegations, and East Germany next to the USSR. Somewhat anachronistically, the representatives of both German states took place behind placards saying Eastern resp. Western Zones of Germany, showcasing how political reservations were going past the by then established reality of two German states, and hindering their effective accommodation into ECE.<sup>323</sup>

While both German states sent representatives to ECE’s subsidiary bodies from 1954 onwards, a full membership in ECE came for West Germany only in 1956, after the end of the Occupation Statute in the Treaty of Paris, and before full UN membership.<sup>324</sup> East Germany achieved full membership only in 1972.<sup>325</sup> Myrdal was initially concerned that if the Federal Republic were to apply for full membership and provoked a similar application from the GDR, the ensuing conflict could blow up the entire ECE. Talking to the Allied High Command in Bonn in 1952, Myrdal urged the American representatives there not to take any steps with regard to West German membership. He “thought that either the Federal Republic’s election or the German Democratic Republic’s rejection would probably lead to a withdrawal from the ECE by the USSR and Satellites”, leading to “the destruction of what is, in Dr. Myrdal’s opinion, a valuable bridge between the East and the

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<sup>320</sup> Telegram, US Resident Delegation at ECE to State Department, April 9, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>321</sup> British Council for the Promotion of International Trade, From the Current Press, 14 May 1953. UNOG Box 12, Folder “Trade – General Correspondence 1953.”

<sup>322</sup> Telegram, US Embassy Bonn to State Department, 6 November 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>323</sup> Telegram, US Resident Delegation at ECE to State Department, April 9, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1350.

<sup>324</sup> Siotis, “ECE in the emerging European System,” 50.

<sup>325</sup> Fagen, “Gunnar Myrdal and the Shaping of the United Nations Economic Commission for Europe,” 428.

West”.<sup>326</sup> At the 1954 and 1955 Commission sessions, the USSR proposed that representatives of both German states be invited to take part in the session, but was outvoted by the Western majority.<sup>327</sup> The GDR delegation protested by turning the placard saying “Eastern Zone of Germany” on its face, and delivered all their statements in German – not an official working language of ECE.<sup>328</sup> Nonetheless, a gradual normalization took place in 1954. “At the moment the East Germans [...] have shown great zeal to get most out of their participation, whereas the West Germans have given the impression that they have not yet quite made up their minds whether they like it or not”, Kostelecký wrote to Rostow about the new participants in 1954.<sup>329</sup> The ECE secretariat even considered hiring a West German national for the first time, although the “complex [...] question of German participation in our work [...] makes recruitment of a German a very delicate problem”, as Myrdal wrote to the German translator of his Swedish books, Gerhard Mackenroth.<sup>330</sup> In a letter to Hammarskjöld, Myrdal wrote that “the day-to-day work of maintaining the status quo [...] which incidentally implies an equal approach to, and treatment of, both parts of Germany in relation to our work, is by no means easy and any change in the political situation in either western or eastern Germany may add to our headaches”.<sup>331</sup> But while ECE was more welcoming toward East Germany than most IOs, the “equal approach” Myrdal hinted at was clearly an overstatement. While Myrdal helped the GDR to authorize a permanent representative in Geneva, he ordered the secretariat to use only the term “Eastern Zone of Germany” in any official documentation: “Do not use the term ‘German Democratic Republic’ or ‘East Germany’, or ‘Germany’ etc., in any case where the Secretariat of the ECE or an ECE Committee is responsible for the reference”.<sup>332</sup> While this nomenclature was an attempt to retain some degree of participation in ECE for East Germany possible, it was deeply upsetting to the GDR representatives themselves, since their primary goal in ECE was not technical cooperation, but political recognition.

While West Germany made quite some progress on the international stage even before the end of the Occupation Statute, the GDR struggled to achieve a similar status. “The GDR is the only European country excluded from membership in ECE”, an internal document in the GDR State Planning Commission complained in 1962, “the Western countries, using their majority of votes, have refused admission of the GDR, despite the legal necessity of

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<sup>326</sup> Office of the US High Commissioner for Germany, Dr. Gunnar Myrdal’s Call upon the High Commissioner – Federal Republic Participation in the Economic Commission for Europe, October 23, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>327</sup> ECE. The First Ten Years. United Nations: Geneva 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>328</sup> Jahresbericht ECE 1954. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>329</sup> Václav Kostelecký to Walt Rostow, 1 February 1954. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>330</sup> Gunnar Myrdal to Gerhard Mackenroth, 29 July 1954. ARBARK, Václav Kosteleckýs arkiv, 3332/4/1/7 Handlingar lagda enligt arkivplan.

<sup>331</sup> Gunnar Myrdal to Dag Hammarskjöld, 28 August 1954. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>332</sup> Communications with and references to the Eastern Zone of Germany, ECE/DD/62/Rev.5, 29 February 1956. UNOG Box 13, Folder “General files Office of Executive Secretary, 1949-1969”.

GDR membership arising from ECE's mandate to include all European countries".<sup>333</sup> The second Berlin Crisis in 1958, which culminated in the erection of the Berlin Wall three years later, demonstrated that the doctrine of individual roads to socialism Khrushchev announced in 1955 did not establish the GDR as an independent foreign policy actor. ECE was particularly important for the GDR's political goal of achieving international recognition: "Participation in ECE", an internal report of the State Planning Commission stated in 1954, "enables us [...] to push back against any discrimination against the GDR [...], and to make it impossible for West Germany to claim representation for the entirety of Germany. [...] Participation [...] in ECE proves that our state is a reality in international relations". ECE was even a potential backdoor to full UN membership. "The primary goal" of GDR participation in ECE, according to the report, was therefore recognition as a full member state: "Achieving this status in a UN organ would mean the international recognition of the GDR [...] create a precedent for other international organizations [...] and would be a tremendous strengthening of the GDR's international authority".<sup>334</sup>

By the mid-1950s, there were already ample precedents for countries that had been ECE members before joining the UN. The State Planning Commission in 1954 listed several IOs the GDR should seek full membership in. These were, in order of priority, the UN, ECOSOC, ECE, the World Federation of UN Associations (WFUNA), ILO, and FAO, followed only by highly specialized technical conventions.<sup>335</sup> By the time the Federal Republic became a full member of ECE, the GDR entertained a permanent representative in Geneva and had individuals or offices at home authorized to deal with routine questions relating to ECE committee work. But political recognition remained the main reason for participation in ECE. Evaluating the outcome of the 1957 Commission session, representatives of several ministries complained that the GDR delegation overemphasized political symbolism and underestimated the importance of actual committee work.<sup>336</sup> To improve the results obtained at ECE, the GDR led a push for better policy coordination among the CMEA members.<sup>337</sup> This was a way of not only creating bloc cohesion, but also wiggle room for Eastern European states: in agreeing on their positions in advance at CMEA, the Soviet bloc members took precaution against unilateral Soviet decisions on the

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<sup>333</sup> Zur Mitarbeit der DDR in der Europäischen Wirtschaftskommission der UN (ECE), 1962. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>334</sup> Jahresbericht ECE 1954. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>335</sup> Information über die Teilnahme der DDR in den Komitees der Wirtschaftskommission für Europa und in anderen internationalen Organisationen, 21 September 1954. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>336</sup> Protokoll über die Arbeitskonferenz mit Vertretern aller an der ECE-Arbeit beteiligten Fachstellen zur Auswertung der XX. Plenartagung der ECE, 27 June 1957. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>337</sup> Der Stellvertreter des Vertreters der DDR im RGW Müller an den Sekretär des RGW Pawlow, 8 June 1955: Erwägungen des Ministeriums für Auswärtige Angelegenheiten der DDR über die Verbesserung der Zusammenarbeit mit den befreundeten Ländern in Zusammenhang mit den Ergebnissen der X. Plenarsitzung der Europa-Wirtschafts-Kommission der UNO. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

spot in Geneva. Despite such careful maneuvering to create room for positive involvement of the GDR in ECE, the political hindrances remained too big. When Myrdal's successor as Executive Secretary, the former Finnish Prime Minister Sakari Tuomioja, admonished the East German delegation in 1958 for its continued refusal of the designation "Eastern Zones of Germany", political protest beat practical considerations, and the GDR laid down its participation in ECE entirely until 1962.<sup>338</sup> The non-participation of East Germany remained a handicap for ECE. As a crucial transit country, the GDR's absence affected inland transport, trade, power lines, and technological and scientific exchange coordinated at ECE. With this dissatisfying solution to the German problems, the donut shape of ECE's representation of Europe remained in place.

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<sup>338</sup> Zur Mitarbeit der DDR in der Europäischen Wirtschaftskommission der UN (ECE), 1962. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

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 IV.4 ECE AND (WESTERN) EUROPEAN INTEGRATION
 

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“The habit of measuring everything in terms of whether it ‘solves the problem of Europe’”, Myrdal wrote in 1956, the year the Rome Treaties launched the European Economic Community (EEC), “has caused us to underestimate the importance of a large amount of practical, detailed work continuously carried out in many intergovernmental and nongovernmental organizations”. For Myrdal, the “integration” of Europe was not about grand political declarations. It was about reversing the persistent trend toward national autarky that characterized international economic relations since 1914:

*“Unnoticed by the big publicity machines, modest results have been reached in a large number of technical projects which, measured by any historical standards, have meant some real progress towards a closer integration of Europe, though in limited fields. On that technical level much is accomplished every year and every month: little by little it can help to turn the tide from increased autarky towards internationalism. Much more could be accomplished if some of the energy [...] could be made available for these practical tasks. There is a chance, to take one important example, for the Coal and Steel Community, if it survives effectively, to do a real and much-needed job on this technical level, and not simply to be the catalyst for schemes of a European superstate.”*<sup>339</sup>

European integration broke down into innumerable small, technical questions – an approach that was incremental, step by step, and sector by sector. It required more than one organization working on it. Myrdal’s and ECE’s claim on European economic cooperation was thus never absolute; it always acknowledged and encouraged that the burden had to be distributed to several shoulders.

The emergence of the European Coal and Steel Community (ECSC) in 1950-52 was hence a process closely accompanied by ECE. ECSC not only changed the tenets of economic cooperation in (Western) Europe, it also proved uniquely capable of capturing the sense of expectation connected to the buzzword of “European integration”. ECSC was the institutional result of a proposal in May 1950 by French foreign minister Robert Schuman. This so-called Schuman Plan launched the pooling of resources in the coal and steel sectors of six Western European countries (France, West Germany, the Benelux and Italy). ECSC thus laid the foundation for the “Europe of the Six”, and was the first direct ancestor of today’s EU. The Schuman Plan is therefore habitually praised as the initial spark for a long-term trajectory of European integration.<sup>340</sup> However, this chapter shows that ECSC, far from being unique or detached from other IOs, emerged as part of a system of international governance, and remained embedded into it. The Schuman proposal should be seen in the context of this international system, and not only in the national contexts of its participating countries or as the first step in an alleged progressive history leading up to today’s EU.<sup>341</sup>

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<sup>339</sup> Gunnar Myrdal, *An International Economy. Problems and Prospects, Rich Lands and Poor* (New York: Harper & Sons, 1956), 68.

<sup>340</sup> See, for instance, the “History” section on the European Union’s official website, [https://europa.eu/european-union/about-eu/history\\_en](https://europa.eu/european-union/about-eu/history_en) [accessed 20 November 2017].

<sup>341</sup> For an overview of national motivations, see Berger, “Motives for the foundation of the ECSC”.

A complex range of reasons motivated the Schuman proposal, and the literature does provide nuanced interpretations.<sup>342</sup> While researchers place different emphasis on political, security-related, or economic reasons, it is obvious that the Schuman Plan cannot be explained exclusively by one single, overriding motive. The pre-existing landscape of international organizations provides an important dimension to the Schuman proposal and to the subsequent development of ECSC that has hitherto been neglected. The Schuman Plan was, among other things, a French answer to the question how the existing system of international coal allocation should be replaced after the period of acute shortage in 1945-50. The organization's subsequent development took place in close coordination with an already existing group of internationally-minded technocrats at ECE, OEEC, and elsewhere. With regard to the wider landscape of European IOs, ECSC demonstrated that there was room for further sub-regional, specialized international agencies. A process of specialization took place that allowed IOs to co-perform on an increasingly crowded international stage. The difficult conflicts of interest that characterized the early relationship between the generalist IOs ECE and OEEC did not reappear in the same form between ECE and the more specialized ECSC, or between the all-European ECE and the Eastern European CMEA.

Instead of reconstructing the history of ECSC from government archives, the aim in this chapter is to add another layer to ECSC's origins: that of pre-existing IOs. The chapter reconstructs how ECE and other IOs handled coal allocation internationally before the Schuman Plan (1945-1950) and during the phase of ongoing negotiations following the Schuman proposal, until ECSC took up its work in 1952. Yugoslavia's break with Stalin in 1948 was a concrete threat to France's privileged access to Ruhr coking coal that demonstrated the UN framework's susceptibility to geopolitical change. ECE personnel were closely involved in the creation of ECSC. The subsequent relation between the two IOs proved less problematic than either organization's relationship with OEEC. ECE, as the geographically largest of the European economic institutions, tried to distinguish itself as the arbitrator of a perceived all-European interest against the trend toward intra-mural economic integration(s) within the two blocs, epitomized by sub-regional organizations like OEEC, ECSC, and CMEA.

"Integration" is a concept that is intimately connected with the Schuman Plan and ECSC, both historically and theoretically. Political science literature tends to use "European integration" to describe a process of pooling national resources and sovereignty. Hence, ECSC and its successors occupy a central role in European Studies due to their innovative, supranational institutions. Historically, however, the term "European integration" was much vaguer, and applied to different conceptions and organizations. It had already been around for a while by the time the six member-states of ECSC started their comparatively small-scale program of incremental integration in 1952. The US State Department was one of the early proponents endorsing the "integration" of European economies. Paul Hoffman, the head of ECA, the American agency administering the Marshall Plan, coined the buzzword in a speech at the OEEC Council in October 1949.<sup>343</sup> Hoffman equated the term

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<sup>342</sup> I discuss the historiography in more detail in the following section. For a brief overview, see Guido Thiemeier, *Europäische Integration* (Cologne / Weimar / Vienna: Böhlau Verlag, 2010). Clemens, Reinfeldt, and Wille, *Geschichte der Europäischen Integration. Ein Lehrbuch*, 99-102.

<sup>343</sup> Schmelzer, *The Hegemony of Growth. The OECD and the Making of the Economic Growth Paradigm*.

with a single large customs area free of internal barriers to trade, but gave little detail on institutions or political procedure.<sup>344</sup> The term's vagueness was deliberate. Miriam Camp, who had been involved in the creation of both ECE and OEEC as a junior official, now coordinated US policy at both venues from the State Department.<sup>345</sup> Before Hoffman's speech, she suggested: "Let us use the word 'integration' instead of 'unification', because unification to the Congress means the United States of Europe, and the Europeans aren't going to do that [...]. 'Integration', nobody knows what it means. That's a far less loaded word".<sup>346</sup> Demanding the vaguely defined "integration" of European economies was thus an attempt by the State Department to balance expectations between Congress and European governments.

But despite, or just because of its vagueness, the concept soon created an even grander sense of expectation. Following Hoffman's speech, Myrdal criticized the "too big talking" about "European integration" in his confidential reports to UNHQ. European politicians paid lip service to it to please the Americans, he wrote, but Europe's economies were still bent toward national autarchy. Even worse, Myrdal continued, the expectations raised by the vague idea of "integration" were detrimental to the practical work of both ECE and OEEC:

*"One unfortunate effect [...] is, that concrete, hard-won practical accomplishments in the field of European economic cooperation which, measured by any reasonable standard of previous times, are important, get an appearance of being petty and insignificant when measured against the publicised grand expectations of economic 'integration' and the creation of 'a single market'. This applies to all our work in ECE – road agreements, coal allocation and coal classification, timber market arrangements, etc. – and also to all the work, besides splitting the dollars, which has actually been done in OEEC."*<sup>347</sup>

The work of both IOs came to be overshadowed in public perception as well as in historiography by the Schuman Declaration of May 1950. In it, the French government proposed to pool French and West German resources in the coal and steel sectors and place them under a common High Authority. This pooling of national sovereignty and the functionalist assumption that other sectors would necessarily follow coal and steel, proved uniquely capable of capturing the sense of expectation connected with "European integration". But it was a development that was preceded and accompanied by economic cooperation in different institutional and geographical frameworks.<sup>348</sup> With the creation of OEEC, a Western club had emerged within the all-European ECE. While the earliest efforts at economic cooperation in Europe after World War II were strictly within the framework of the UN, OEEC had left this frame and thus paved the way for ECSC's "Europe of the Six". Incidentally, the creation of ECSC repeated the pattern of one group of member states

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<sup>344</sup> Gillingham, "The German Problem and European Integration."

<sup>345</sup> Miriam Camps interviewed by F. Duchêne, London, 30 August 1988. HAEU: EUI Oral History Collections, accessed 20 July 2016 at <http://archives.eui.eu/en/files/transcript/15818?d=inline>

<sup>346</sup> Miriam Camps interviewed by F. Duchêne, London, 30 August 1988. HAEU: EUI Oral History Collections, accessed 20 July 2016 at <http://archives.eui.eu/en/files/transcript/15818?d=inline>

<sup>347</sup> Gunnar Myrdal, Two Notes on ERP and East-West Trade, December 1949. UNOG Archives ARR 14/1360, Box 71.

<sup>348</sup> Patel, "Provincialising European Union: Co-operation and Integration in Europe in a Historical Perspective."

within the existing OEEC forming a new organization outside its framework, just as OEEC had been a group of countries within ECE.<sup>349</sup>

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<sup>349</sup> Johnny Laursen, "Integration at cross-currents. The OEEC and the European Coal and Steel Community, 1952-56," ed. Richard T. Griffiths, *Explorations in OEEC history* (Paris: OECD, 1997).

## IV.4.1 MONSIEUR SCHUMAN AND THE LITTLE TITOS

Historiography provides differentiated insights on the Schuman Plan. Marie-Thérèse Bitsch describes the Schuman Plan as a convergence of French, American, and German interests: For France, it solved the economic and security concerns related to the Ruhr; for the USA, it was the impetus for the integration of European economies it had been calling for; and for Germany, it provided a route back to sovereignty and international acceptance.<sup>350</sup> Others have emphasized Anglo-American resistance against France's earlier policy toward Germany.<sup>351</sup> The Schuman Plan was a marked a departure from a policy of dominance toward Germany to a new policy of reconciliation. Focusing on security aspects, Mark Gilbert affirms that only when it became clear to Paris that Washington was determined to build up West Germany as a bulwark against the Soviet Union did France encourage German rehabilitation within a wider European framework.<sup>352</sup> After the failed Moscow meeting of ministers in March 1947, the French government realized that no common ground existed with its traditional ally, Russia, over Germany. The lack of Franco-Soviet understanding facilitated the search for a solution palatable to the Americans.<sup>353</sup> Putting more emphasis on the economic dilemma France was facing, Alan S. Milward and John Gillingham have interpreted the Schuman Plan as an attempt to control German coal and steel production, and to save the French modernization plan.<sup>354</sup> Similarly, Matthias Kipping concludes that the prevalent motive was to increase the competitiveness of French steel producers.<sup>355</sup> West Germany's coal production was central to both the security-related and the economic interests underlying the Schuman Declaration. Hellmuth Auerbach has shown how a new French policy developed first hesitantly, but then with decisive fervor around re-labeling German coal as a European resource, and of mobilizing the German economy in the interest of Europe.<sup>356</sup> The literature underplays, however, that ECSC was not the first IO that sought to distribute German coal in a way that benefitted the European recovery.

What was new about this idea was its institutional and political framing - a mechanism for the distribution of German coal already existed in practice. Asked whether "something like a Schuman Plan to distribute German coal, as a strategic asset for other people's steel industry" would not have been necessary in any case, Lord Derek Ezra, former British delegate to the ECE Coal Committee, replied:

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<sup>350</sup> Marie-Thérèse Bitsch, *Histoire de la construction européenne de 1945 à nos jours*, 4 ed. (Brussels: Éditions Complexe, 2004), 64-68.

<sup>351</sup> Raymond Poidevin, "Die europapolitischen Initiativen Frankreichs des Jahres 1950 – aus einer Zwangslage geboren?," in *Vom Marshallplan zur EWG. Die Eingliederung der Bundesrepublik in die westliche Welt*, ed. Ludolf Herbst, Werner Bühler, and Hanno Sowade (Munich: R. Oldenbourg Verlag, 1990).

<sup>352</sup> Gilbert, *European Integration. A Concise History*, 11.

<sup>353</sup> Hellmuth Auerbach, "Die europäische Wende der französischen Deutschlandpolitik 1947/48," in *Vom Marshallplan zur EWG. Die Eingliederung der Bundesrepublik Deutschland in die westliche Welt*, ed. Ludolf Herbst, Werner Bühler, and Hanno Sowade (Munich: R. Oldenbourg Verlag, 1990), 380.

<sup>354</sup> Milward, *The Reconstruction of Western Europe, 1945-51*; Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945-1955. The Germans and French from Ruhr Conflict to Economic Community*.

<sup>355</sup> Matthias Kipping, *Zwischen Kartellen und Konkurrenz. Der Schuman-Plan und die Ursprünge der europäischen Einigung 1944-1952* (Berlin: Duncker & Humblot, 1996).

<sup>356</sup> Auerbach, "Die europäische Wende der französischen Deutschlandpolitik 1947/48."

*“I’m not sure, because the coal committees of the ECE and the OEEC were in fact doing this [...]. There was a mechanism for dealing with the shortage of coal in European terms. The allocation of German coal was already set up and working. [...] We effectively allocated German coal in the ECE, particularly, with all the countries there, East and West”.*<sup>357</sup>

The ECE mechanism for coal distribution is thus an important, hitherto under-researched part of ECSC’s pre-history. It shows that existing IOs and geopolitical shifts in the Cold War context had a far-reaching impact on the formation of European institutions.

ECSC was the fifth European IO founded after 1945 that was involved in the distribution, or, in contemporary terms, “allocation” of coal. It followed the European Coal Organization (ECO), the coal committees of ECE and OEEC, and the International Authority for the Ruhr (IAR). All of these organizations had been founded to tackle the Gordian knot at the heart of European recovery and a long-term peace settlement: the Ruhr area’s coal production. Together, these IOs formed a complex, but working international system for coal distribution. ECO and its successor ECE were the central forums where coal allocation took place during the period of acute shortage 1945-50. France and Luxembourg proved to be the biggest beneficiaries of allocations. In 1948/49, their privileged access came under threat when Titoist Yugoslavia broke with the Soviet bloc. With US support, Yugoslavia was admitted into the ECE allocation mechanism, and received German coal that would otherwise have gone to Western Europe. After this, an unnamed Polish representative at ECE assured the *New York Times*’ correspondent confidentially that Poland and Czechoslovakia were now “full of little Titos” and might defy Stalin in a similar way.<sup>358</sup>

Like Tito himself, these “little Titos” could potentially appeal to ECE for Ruhr coal as UN members – coal that would have to be taken away from France and others in Western Europe. When the discussion about a successor system to ECE coal allocations was underway in 1950, France thus had an interest to guarantee privileged access for itself through an additional organization outside the UN system. With coal production increasing, allocations were scheduled to run out in the third quarter of 1950. This opened up four possibilities for the future of coal, none of which was particularly appealing from a French perspective: a return to the interwar system of importer/exporter cartels; West Germany regaining control over its coal production; fully liberalized commercial trading; or continued allocations within ECE, a system vulnerable to geopolitical change as demonstrated by Yugoslavia in 1948. The Schuman Plan, unveiled in May 1950, presented the ongoing discussion over what should replace ECE coal allocations with a French *fait accompli*. It safeguarded France’s privileged access to Ruhr coal against all four possible scenarios. To understand this, we have to look more closely at the development of international governance in coal allocations up until this point in 1950.

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<sup>357</sup> Lord Derek Ezra interviewed by F. Duchêne, London, January and April 1989. HAEU: EUI Oral History Collections, accessed 20 July 2016 at [http://archives.eui.eu/oral\\_history/INT497](http://archives.eui.eu/oral_history/INT497)

<sup>358</sup> Michael L. Hoffman, Geneva Correspondent of the *New York Times*, to Paul R. Porter, January 5, 1949. NARA: NND959154, US Representative to the Econ. Commission for Europe, Classified and Unclassified ECE and ECA Files 1947-1951, Box 4, Folder 63, 109.04 Soviet Affairs Correspondence.

Coal and steel were deeply intertwined sectors that were central to mid-20<sup>th</sup> century European economies. Steel was crucial for both the growth and the war-making capacity of a national economy, and thus possessed high symbolic value: The amount of its steel production served as a yardstick for a nation's power.<sup>359</sup> As a result of their contentious history, coal and steel were highly regulated sectors. During World War II, all European governments had imposed some form of planned economy in the steel sector that also affected coal mining. War devastation and shortages of labor, transport facilities, machinery and materials drastically decreased coal output. By the end of the war, Europe was suffering from a severe shortage of coal that infringed upon steel and a series of other industries: factories were working part time for lack of steel; nitrogenous fertilizers, essential for increasing agricultural output, were in short supply; and alkalis, vital for such diverse industries as food-processing, soap, glass, textile, rayon, chemical, paint, and paper, were scarce. Coal was *the* critical bottleneck to economic recovery, and international coordination was necessary not only to increase production, but also to allocate available resources.

The problem was not entirely new, however. International solutions proposed in the interwar period had been fruitless. In 1927, and again in 1929, the League of Nations' Economic Committee tried unsuccessfully to remove trade barriers and to equalize wages and working conditions for coal miners by establishing an international committee representative of governments, workers, merchants and consumers.<sup>360</sup> In the wake of the Great Depression, governments took autarkic measures to minimize imports. A regime of international cartels was established to avoid trade wars. The International Crude Steel Association was a continental cartel allocating steel production quotas, formed against British and American competition. As demand for steel stagnated during the recession, a crisis followed in the coal sector, with massive unemployment among miners. This led to excess mining capacity in the big coal producing countries – Belgium, Britain, Germany, Poland, and the United States. These producers of coking coal then set up a cartel of their own, the International Coke Association, to set export quotas and fix prices, which upset importing countries. The interwar cartel system thus became a cautionary tale, particularly in France. France and other importing nations dreaded any system that put importers and exporters into separate groups, while Britain and the United States seriously considered this option as a successor system to ECE allocations in 1950.<sup>361</sup> While the French government still preferred this option to commercial trading as suggested by Italy, their favored solution was a continuation of the allocation mechanism in the way exercised by ECO and ECE between 1945 and 1950, but outside the UN framework.<sup>362</sup>

ECO, one of the three e-organizations founded in 1945 whose work was taken over by ECE in 1947, was the first IO that brought coal-producing and importing countries together. At

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<sup>359</sup> Clemens A. Wurm, "Der Schuman-Plan, Frankreich und Europa," in *Geschichte der europäischen Integration bis 1989*, ed. Rüdiger Hohls and Hartmut Kaelble, *Europäische Geschichte in Quellen und Essays* (Stuttgart: Franz Steiner Verlag, 2016), 86.

<sup>360</sup> Per Olaf Kjellström, "Coal: The Way Ahead," in *The Economic Commission for Europe. A General Appraisal*, ed. UNECE (Geneva: United Nations, 1957), II-2.

<sup>361</sup> Ralph L. Trisko to Miriam Camp, March 23, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>362</sup> Telegram Ward (U.S. Resident Delegation at ECE) to State Department, April 2, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

its London office, importers, exporters, and third countries regularly convened on coal questions. Deals with third countries were particularly important for those importers lacking the port capacity to handle large, coal-bearing ships, or the dollars to buy American coal. ECO was a multilateral, intergovernmental forum that allocated the scarce output of European coal production during 1945/46, as well as expensive imports from the United States and other overseas exporters like South Africa. It also allocated resources relevant to coal production, like mining equipment, pitwood, and manpower. When ECE took over ECO's work, coal allocations continued in a dedicated sub-committee of the ECE coal committee. "[I]n allocating coal the ECE was doing something extremely important", Walt Rostow maintained, because coal "was scarcer than dollars. The rate at which you could expand your steel production depended upon the allocations of Ruhr coking coal".<sup>363</sup> Like ECO, ECE's coal allocations sub-committee had no power to enforce a strict ruling. Its mandate was limited to giving unanimously accepted recommendations on how available quantities should be distributed. Nevertheless, coal allocations through ECE were running remarkably smoothly, given their political and economic importance.

The relatively frictionless process of ECE allocations was due to the fact that the vast majority of allocated coal came from occupied Germany. While allocations ostensibly involved all available coal exports in the ECE region, "the allocation of German coal was the heart of the ECE allocations system and, in fact, the only genuine allocations function exercised by the ECE", Lord Ezra recalled.<sup>364</sup> ECE also allocated American, British, and Polish coal, but in much smaller quantities, as these countries were under less pressure to comply with foreign demand. The UK, for instance, "went on producing its coal, and we decided how much we kept at home, and how much we offered abroad", says Lord Ezra. This was not the case for Germany:

*"others decided for them, and a relatively large quantity was moved abroad – primarily, this coking coal to France [...] Coal was so desperately short, none of the Allied countries was prepared to give up any of their own [...]. So the organisations existed, in practical terms, for the purpose of allocating German coal. 'Allocation' was talked about generally, but in practice it only related to German coal".*<sup>365</sup>

The Ruhr area's high quality coking coal was particularly important to steel production. In 1947, ECE brokered a deal whereby Denmark and Sweden accepted parts of their share of Ruhr coking coal that had previously been used for heating to be replaced with inferior British and Polish coal. This allowed Belgium, France, and Luxembourg to significantly increase their steel output.<sup>366</sup> Subsequent allocations were calculated in a complicated

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<sup>363</sup> Walt Rostow interviewed by Kostecký, 1979(?). ARBARK: 3332 - Václav Kostecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

<sup>364</sup> Ralph L. Trisko to Miriam Camp, March 23, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>365</sup> Lord Derek Ezra interviewed by F. Duchêne, London, January and April 1989. HAEU: EUI Oral History Collections, accessed 20 July 2016 at [http://archives.eui.eu/oral\\_history/INT497](http://archives.eui.eu/oral_history/INT497)

<sup>366</sup> Michael L. Hoffman, They show that Nations can cooperate, draft article for the *The New York Times Magazine*, 12 September 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

mathematical formula Rostow called “one of the most important formulae in Europe”.<sup>367</sup> Governments had to give precise estimates of present and planned steel production, and compare them to pre-war output. Between April 1948 and September 1950, when allocations were abandoned, ECE allocated 60 million tons of solid fuels from European sources.<sup>368</sup> A similar amount was scheduled additionally under bilateral agreements. To help increase coal production, the Coal Committee also helped governments to acquire mining equipment, and to share information on mining methods and technical developments. Steel production in the ECE region increased dramatically in the first post-war decade, even compared to pre-war production, from some 130 million tons p.a. before the war to more than half a billion in 1957.<sup>369</sup> The Soviet Union’s ongoing forced industrialization contributed a lot to this increase. But the ECE allocations system helped Western European nations like France, Belgium, and even tiny Luxembourg to rank among the top steel producers in the world.

International coal allocations, originally the responsibility of ECO and ECE, soon became crowded by other IOs. While the OEEC coal committee initially performed tasks relating directly to ERP or American goods, the International Authority for the Ruhr (IAR) was an attempt to guarantee France’s privileged access against a resurgent Germany. “As time went on”, Lord Ezra remembered, “I have no doubt it would have been necessary to give the Germans a bigger say. [...] they weren’t members of these committees. They just turned up in the delegations of the occupying powers”.<sup>370</sup> Under the Cold War’s geopolitical pressure, the United States kept pushing for Germany’s international rehabilitation. Should a West German government regain control over Ruhr coal, it would foreseeably emphasize domestic industries’ needs over exports. IAR, introduced in 1949, was an attempt to solve this problem, but it was anticipatable that this solution would not outlast the period of acute shortage. IAR determined how much German coal would remain in Germany and how much would be exported.<sup>371</sup> While IAR thus provided a brake on German coal consumption in the interest of importing countries, it did not decide where the quantities it cleared for export went. This was done under bilateral agreements and at ECE. Despite the controls IAR put on coal consumption, German steel output drew level with France in 1949, and surpassed it by three million tons one year later. IAR thus quickly lost support, and could not be maintained indefinitely. According to Mark Gilbert, IAR “was unpopular three times over”: The French were unsatisfied with its limited capability to manage German heavy industry directly; the Americans doubted its necessity; and the Germans resented its restriction of their national sovereignty and industrial policy.<sup>372</sup>

Since the ECE allocations mechanism continued in parallel, all other UN members could still legally demand access to German coal exports. The allocations mechanism allowed

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<sup>367</sup> Walt Rostow interviewed by Kostecký, 1979(?). ARBARK: 3332 - Václav Kostecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

<sup>368</sup> UN Department of Public Information, *ECE in Action. The Story of the United Nations Economic Commission for Europe*, 10.

<sup>369</sup> UNECE, *Three Decades of the United Nations Economic Commission for Europe* (Geneva: United Nations, 1977), 3.

<sup>370</sup> Lord Derek Ezra interviewed by F. Duchêne, London, January and April 1989. HAEU: EUI Oral History Collections, accessed 20 July 2016 at [http://archives.eui.eu/oral\\_history/INT497](http://archives.eui.eu/oral_history/INT497)

<sup>371</sup> Gillingham, “The German Problem and European Integration,” 65.

<sup>372</sup> Gilbert, *European Integration: A Concise History*, 26.

every ECE member to partake in the distribution of Ruhr coal. This did not pose a problem for as long as coal production steadily increased while the shares of participating importers remained stable. The main importers of coking coal were France, Luxembourg, Sweden, and Denmark. Together, these four countries accounted for 73% of all imports of coking coal in the ECE region at the beginning of allocations in 1947, and for 82% at their end in 1951. During that time, all countries raised their imports in absolute numbers (Fig. IV.14), but the four main importing countries' shares remained relatively stable (Fig IV.15). The Ruhr's production of coking coal increased immensely during the time ECE coal allocations were in place. This massive upturn in output allowed the four big importers' shares to remain relatively unchanged, despite their import's drastic increase in absolute numbers.

**Fig. IV.14 Imports of West German coking coal in thousands of metric tons<sup>373</sup>**

	1947	1948	1949	1950	1951
<b>Austria</b>	112	166	276	164	177
<b>Denmark</b>	524	550	252	1069	866
<b>Finland</b>	142	171	22	46	88
<b>France</b>	748	2397	3303	1938	2998
<b>Saar</b>	11	15	12	17	22
<b>Greece</b>	15	8	15	20	12
<b>Luxembourg</b>	1233	2267	2140	2214	2884
<b>Netherlands</b>	0	0	0	160	153
<b>Norway</b>	114	183	104	85	94
<b>Portugal</b>	14	32	13	11	32
<b>Sweden</b>	170	660	1240	1700	1870
<b>Switzerland</b>	38	143	218	331	332
<b>Yugoslavia</b>	1	0	198	297	334
<b>Total</b>	3080	6552	7572	7965	9783

<sup>373</sup> ECE Coal Committee, Imports of Coke, including Breeze, for the years 1947-1951. Annex to Proposed Coal Distribution 2<sup>nd</sup> Quarter 1952, W/Coal/22. HAEU: CEAB05-106.

**Fig. IV.15 Main recipients of West German coal allocated via ECE in 1947 and 1951**<sup>374</sup>

	1947	1951
France	28%	32%
Luxembourg	24%	23%
Sweden	12%	17%
Denmark	9%	10%
Others	27%	18%

This balance of increasing imports and relatively steady shares for the main recipients was temporarily shaken by the admission of Yugoslavia into the ECE allocation of Ruhr coal in 1948. Until then, Yugoslavia had rarely participated constructively in ECE's committees. Its five-year-plan relied heavily on a network of bilateral trade agreements with other countries in the Soviet sphere, particularly for imports necessary for its ambitious industrialization target.<sup>375</sup> It thus came as a surprise to the ECE secretariat when Yugoslavia now suddenly requested German coal. Walt Rostow recalls that

*"[Yugoslavia's] whole plan was built on the flow of Czech coking coal, and Stalin cut it off. [...] So they decided to come to Geneva, in dignity as members of the UN, and see what happened. [...] [N]one of us had the slightest knowledge that there was any tension between Tito and Stalin at that time – we acted in blind simplemindedness under the UN Charter. We didn't understand, but we weren't there to be smart, we were there to be loyal to the Charter".*<sup>376</sup>

Paul Porter's policy of maintaining ECE as a "backdoor" for potential defectors from the Soviet camp thus paid off, albeit not in the way it was intended. Porter, the head of the US resident delegation, had wanted to maintain ECE as a link with the Marshall Plan for Poland and Czechoslovakia, but it was Yugoslavia that eventually made use of the "open door" ECE provided. "We knew it would be hard to extract from the limited amount of German coking coal an allocation which would have to be taken away from France, Belgium, etc.," Rostow remembers, but American support made it politically possible. "We went and talked with Paul Porter. [...] The Yugoslavs got their coking coal and then a few months later the split with Stalin was announced".<sup>377</sup> American support for the Yugoslavian request was by no means self-evident, and came as a surprise even to Rostow: "relations between the United States and Yugoslavia were tense [...]. I don't know why Paul Porter said yes".<sup>378</sup> Porter's own recollection is more prosaic, showcasing that American policy at ECE was formulated on the spot, and that the geopolitical ramifications of allocating German coal to Yugoslavia through ECE were not immediately grasped by the people

<sup>374</sup> ECE Coal Committee, Imports of Coke, including Breeze, for the years 1947-1951. Annex to Proposed Coal Distribution 2<sup>nd</sup> Quarter 1952, W/Coal/22. HAEU: CEAB05-106.

<sup>375</sup> P. A., "Yugoslavia's Five-Year-Plan: The Economic Background of the Cominform Split," *The World Today* 4, no. 8 (1948).

<sup>376</sup> Walt Rostow interviewed by Kostecký, 1979(?). ARBARK: 3332 - Václav Kostecký (1946-1989): 4/3/7 - Övriga handlingar rörande ECE.

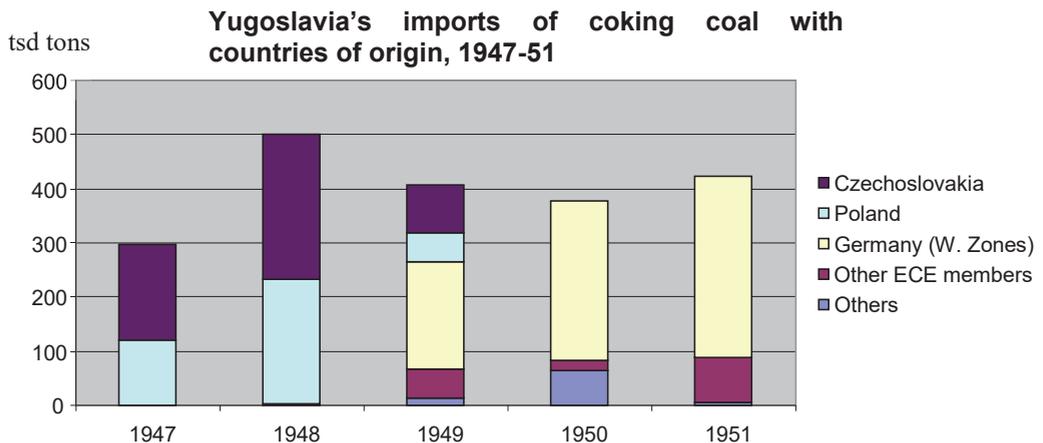
<sup>377</sup> Ibid.

<sup>378</sup> Ibid.

involved: “[...] the Yugoslavs for the first time had made a request for an allocation of coal, and almost routinely [we] made a motion to approve it because it made sense”, Porter remembered.<sup>379</sup> Shortly after, he “received a huge basket of flowers with six bottles of Slivovitz“ and the split between Tito and Stalin was fulfilled.<sup>380</sup>

The allocation of Ruhr coal to Yugoslavia via ECE was crucial in making the Moscow-Belgrade split economically possible. Yugoslavian imports from Poland and Czechoslovakia were nearly replaced with German coal within a year (Fig. IV.16).

**Fig. IV.16**<sup>381</sup>



Porter's superiors in Washington only gradually came to realize the geopolitical opportunity Yugoslavia's excommunication from the Cominform in June 1948 created.<sup>382</sup> Yugoslavia's alignment was thrust wide open, and Western actors stepped in to try to pry the country loose from the Soviet bloc.<sup>383</sup> The US State Department saw the Tito rebellion as a precedent others in the Soviet sphere might follow. Hoping for a domino effect, Washington initiated a new policy of “keeping Tito afloat” from January 1949 onwards, and began propping up Yugoslavia first economically and, in 1951, militarily.<sup>384</sup> The United States and its allies helped Yugoslavia to claim economic assistance via IOs, in the

<sup>379</sup> Oral History Interview with Paul R. Porter by Richard D. McKinzie and Theodore A. Wilson, 30 November 1971. Harry S. Truman Library, accessed 11-29-2016 at <https://www.trumanlibrary.org/oralhist/porterpr.htm>

<sup>380</sup> Ibid.

<sup>381</sup> ECE Coal Committee, Imports of Coke, including Breeze, for the years 1947-1951. Annex to Proposed Coal Distribution 2<sup>nd</sup> Quarter 1952, W/Coal/22. HAEU: CEAB05-106.

<sup>382</sup> On Yugoslavia in the early Cold War, see Jeronim Peroviæ, "The Tito-Stalin Split: A Reassessment in Light of New Evidence," *Journal of Cold War Studies* 9, no. 2 (2007); Svetozar Rajak, *Yugoslavia and the Soviet Union in the Early Cold War: Reconciliation, Comradeship, Confrontation, 1953-1957* (New York: Routledge, 2011).

<sup>383</sup> Lagendijk and Schipper, "East, West, Home's Best: the Material Links of Cold War Yugoslavia," 29.

<sup>384</sup> Giampaolo Valdevit, "Yugoslavia Between the Blocs 1943-48: A Reassessment," in *The Failure of Peace in Europe, 1943-48*, ed. Antonio Varsori and Elena Calandri (Basingstoke: Palgrave Macmillan, 2002), 194.

form of World Bank funds and coal allocations from ECE. Yugoslavia saw a u-turn in trade patterns, the second one after the war. ECE's *Economic Survey of Europe in 1949* stated that Yugoslavia's trade with Eastern European countries had accounted for 50% of its foreign trade in 1947, compared with just 20% before the war. Now, in 1949, this share had again shrunk to the pre-war proportions.<sup>385</sup> Imports from OEEC countries were worth only 10 million dollars in 1946; two years later, they reached 143 million dollars.<sup>386</sup>

Yugoslavia initially provided welcome assistance for the West in the propaganda battles that dominated ECE's Commission sessions. The Yugoslavian delegation "privately maintained cordial working relationship with US delegation" throughout the fifth ECE session, the US resident delegation cabled to Washington, "For Yugoslavia, which is neither in OEEC nor CMEA, participation in ECE is important".<sup>387</sup> While under a concerted attack by the Soviet bloc delegations for their export controls during the session, the US delegation received propagandistic help from the Yugoslavians: "We assert that we are faced here with something worse than mere discrimination", the delegate pointed out with regard to the Soviet bloc's treatment of Yugoslavia, "We are faced here with an economic blockade, as a part of an economic aggression, an economic war."<sup>388</sup> The "[p]ropaganda effect of Yugoslav attack on Soviet policies has been excellent", the US delegation noted with content.<sup>389</sup>

But Yugoslavia did not join OEEC and the Western camp, as Porter might have hoped.<sup>390</sup> Instead, it became part of the non-aligned movement.<sup>391</sup> Ultimately, Tito's rebellion proved detrimental to American hopes for further schisms in the Soviet bloc. The outing of Tito as a traitor provided a justification for purges against the "little Titos" elsewhere in Eastern Europe. The Soviet-Yugoslav confrontation was followed by witch-hunts against "Titoist deviationists" in the Soviet bloc. Later instances of deviation from the Soviet-approved line, in Hungary in 1956 and again in Czechoslovakia in 1968, were met with force.

For non-aligned Yugoslavia, ECE was not only instrumental in obtaining economic viability through coal allocations. The mounting economic pressure the Soviet bloc countries put on Yugoslavia forced it to turn to the West and to the Third World for economic assistance and trade, including supplies of energy, raw materials and spare parts. ECE had an important part in making Yugoslavia economically viable outside the Soviet sphere. ECE became Tito's international platform of choice, and ECE officials regarded Yugoslavia as an important East-West bridge after the reconciliation between Tito and

<sup>385</sup> UNECE, *Economic Survey of Europe in 1949* (Geneva: United Nations, 1950), 78.

<sup>386</sup> Lagendijk and Schipper, "East, West, Home's Best: the Material Links of Cold War Yugoslavia," 34.

<sup>387</sup> Telegram US Resident Delegation at ECE to State Department, June 16, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>388</sup> Telegram US Resident Delegation at ECE to State Department, June 9, 1950. By Robert E. Asher (US) and Joza Vilfan (Yugo). NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>389</sup> Telegram US Resident Delegation at ECE to State Department, June 11, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>390</sup> Andrej Marković and Ivan Obadić, "A Socialist Developing Country in a Western Capitalist Club: Yugoslavia and the OEEC/OECD, 1955-1980," in *The OECD and the International Political Economy Since 1948*, ed. Matthieu Leimgruber and Matthias Schmelzer (Basingstoke: Palgrave Macmillan, 2017).

<sup>391</sup> Alvin Zachary Rubinstein, *Yugoslavia and the nonaligned world* (Princeton, N.J.: Princeton University Press, 1970).

Khrushchev in 1954.<sup>392</sup> Yugoslavia's long-term special relationship to ECE was expressed in the fact that two Yugoslavs, Vladimir Velebit (1960-1967) and Janez Stanovnik (1968-1982) later served as ECE's Executive Secretary. Velebit, son of an Austro-Hungarian diplomat, had fought in the Yugoslav Partisan Movement, and served as Tito's liaison officer to the UK in 1943/44. An avowed Communist, Velebit nonetheless had been a key proponent of Yugoslavia's Western orientation after the Tito-Stalin split.<sup>393</sup> As Yugoslav ambassador to Italy and the UK, he had been a career diplomat, before taking the office of deputy minister of foreign trade, and eventually, of Executive Secretary at ECE. The Yugoslavian case illustrates how IOs like ECE could be used for the emancipation of minor powers from the superpowers.

Including Yugoslavia into the ECE coal allocations system had political ramifications in Western Europe as well. France, together with Luxembourg, had so far been the biggest beneficiary of the ECE coal allocations system. But the Yugoslavian episode demonstrated that ECE's "open door" for defecting Easterners could turn against the Western countries, and that a new international solution to guarantee their privileged access to Ruhr coal was necessary. The ECE allocations system was scheduled to run out in the fall of 1950. With commercial liberalization pending, the coal allocations sub-committee was to be turned into a body for coal trade. Delegations at ECE split into two camps: those who "favoured the maintenance of the existing system for the control and allocation of Western German coal exports", and those who "considered that the time had come to place Western German export coal on the same footing as that derived from other exporting countries".<sup>394</sup> Neither of these options was appealing to French interests. The threat of a successor system set up against importers' interests was very real. The UK proposed to undo the multilateral setup of ECO and ECE whereby importers and exporters convened at the same table, and to re-introduce separate groups of importers and exporters like in the interwar. An American memo about this proposal alleged that

*"[i]ts real purpose seems to be to provide machinery for discussion among exporting countries. [...] the real job of the importers would be that of defense against the operations of the exporting group. [...] Should the ECE Coal Committee atrophy through the gradual reduction of its functions and responsibilities, the British are likely to take initiative toward the establishment of another coal organization"*<sup>395</sup>

Between West Germany regaining its status as Europe's industrial powerhouse and the ECE coal allocations mechanism phasing out, France felt hard pressed to find a solution that would avoid a complete liberalization of the coal market as well as a return to the

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<sup>392</sup> Lagendijk and Schipper, "East, West, Home's Best: the Material Links of Cold War Yugoslavia," 35.

<sup>393</sup> Hinweise zur Person des Exekutivsekretärs der ECE, Velebit, aus Informationen der Ständigen Vertretung der DDR in Genf. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>394</sup> ECE Coal Committee, Note by Chairman on a meeting held on 30th March 1950, on Issues affecting German coal allocations. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>395</sup> Ralph L. Trisko to Miriam Camp, March 23, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

interwar cartel system.<sup>396</sup> “So when you ask ‘did the Schuman operation change anything for coal?’ I would say that wasn’t the purpose”, Lord Ezra said in retrospect. “Something had to be done about the situation which existed, not just for coal but for the politics of the situation.”<sup>397</sup>

The Schuman Declaration disrupted the ongoing British-American discussion over a reorganization of coal trade in ECE, but it was not the only event that altered the international governance of the coal sector in 1950. ECE’s sub-committee on coal allocation was dissolved as planned in the third quarter of 1950, and replaced by a sub-committee on coal trade. But the outbreak of war in Korea in June prevented a complete commercial liberalization. OEEC, whose coal committee had previously been concerned exclusively with issues relating directly to ERP or American goods, now also became involved in coal allocations. Between 1950 and 1952, while the Schuman Plan negotiations were underway among the Six, quarterly coal allocations became a complex integrated mechanism involving the ECE coal trade sub-committee (ECE-CTSC), the OEEC coal committee, and IAR (Fig. IV.17).

**Fig. IV.17 Steps in the coal allocation process before the start of each quarter, 1950-1952<sup>398</sup>**

<b>65 days</b>	ECE secretariat receives questionnaires from governments about coal production, needed imports, available exports
<b>56 days</b>	First session of the ECE-CTSC to evaluate the material
<b>50 days</b>	Report by the ECE-CTSC to the IAR secretariat
<b>43 days</b>	Decision by the IAR Council
<b>40 days</b>	Decision by the OEEC Coal distribution sub-committee
<b>35 days</b>	Second session of the ECE-CTSC to decide on distribution

“[OEEC’s] Coal Committee [...] meets a few days before ours; it is the ECE secretariat which prepares the statistical material; two ECE officials go on UN cost to guide and present the material in Paris”, Myrdal wrote about this procedure; “Thereafter the whole committee moves to Geneva. This is rather unpractical and burdensome for the governments”.<sup>399</sup> The OEEC Coal Supply and Distribution Sub-Committee, created in February 1951, was meant to ensure equitable distribution of solid fuels between member countries. Coal exporters in OEEC furthermore pledged 5% of their exports to be directly distributed by the OEEC sub-committee, rendering its influence slightly more far-reaching than the ECE mechanism. The remaining 95% of coal exports were distributed according to

<sup>396</sup> Abriss über die bisherige internationale Kohleverteilung, 6 October 1952. HAEU: CEAB05-106, Comités du charbon et de l’acier de la Commission Economique pour l’Europe des Nations Unies (CEE), Genève.

<sup>397</sup> Lord Derek Ezra interviewed by F. Duchêne, London, January and April 1989. HAEU: EUI Oral History Collections, accessed 20 July 2016 at [http://archives.eui.eu/oral\\_history/INT497](http://archives.eui.eu/oral_history/INT497)

<sup>398</sup> Abriss über die bisherige internationale Kohleverteilung, 6 October 1952. HAEU: CEAB05-106, Comités du charbon et de l’acier de la Commission Economique pour l’Europe des Nations Unies (CEE), Genève.

<sup>399</sup> Gunnar Myrdal to Dag Hammarskjöld, 13 January 1954. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

recommendations given by OEEC and ECE. These recommendations, however, were considered binding once governments had accepted them, meaning exporters pledged to sell and importers pledged to buy the quantities agreed upon. The international allocations process was organized across different venues, but with considerable overlap in personnel: The OEEC Supply and Distribution Sub-Committee, for example, had the same chairman as the corresponding ECE committee.<sup>400</sup>

Fixed coal allocations continued under ECSC in 1952. ECSC took over the activities of IAR, but granted the newly founded FRG political representation within its supranational framework. Privileged access to Ruhr coal for France, the Benelux, and, to a lesser extent, Italy, was thus maintained while allowing coal market liberalization among the Six. ECSC thus provided a solution to German representation outside the framework of either UN or OEEC, which were easily affected by geopolitical change as demonstrated by Yugoslavia.

Throughout the 1950s, the ECE Coal Committee continued to meet in advance of each quarter, to consider import requirements and export availabilities. To some extent, coal distribution remained under ECE oversight. The coal trade sub-committee continued to process quarterly forecasts on production and consumption.<sup>401</sup> International coordination should safeguard stability in the coal market, which historically had suffered from swings between acute shortage and wasteful overproduction. As overall production increased further, the Coal Committee's tasks became less about quantities and more about different qualities and types of coal that were needed for different purposes.<sup>402</sup> A key achievement of the ECE Coal Committee during the 1950s was a workable classification system to describe the several thousand types of European coal, a project that had failed several times before the war.<sup>403</sup> In the 1990s, this ECE model became the basis for a worldwide coal classification system. While ECE was succeeded by ECSC in its central role over the international distribution of Ruhr coal, it thus maintained its influence as an expert organization on coal. Nonetheless, the creation of ECSC pushed ECE further into obscurity, as the Luxembourg organization introduced a new form of IO that captivated the sense of expectation surrounding European integration.

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<sup>400</sup> Laursen, "Integration at cross-currents. The OEEC and the European Coal and Steel Community, 1952-56," 150.

<sup>401</sup> Summary of work of the ECE Committees in Coal, Steel, Transport and Housing which related to the program of the European Coal and Steel Community, n.d. UNOG Box 67, Folder 1/3/3 Schuman Authority.

<sup>402</sup> UNECE, *The ECE in the Age of Change*, 47.

<sup>403</sup> Kjellström, "Coal: The Way Ahead," II-4.

## IV.4.2 ECSC AND THE STEEL EUROPEANS

The newly founded ECSC could build on a preexisting foundation of IOs that provided working structures for international conferencing, economic cooperation in related sectors, research and expertise, and, importantly, personnel. Individuals involved with ECE and other existing IOs had a decisive influence on ECSC as it took shape, and the dialogue between different European IOs continued beyond its foundation. ECE officials were involved in different roles during the formation of ECSC; they prepared reports, most importantly on steel, and provided a link to non-ECSC members as well as to other sectors, especially transport. Several people from ECE's secretariat and national representatives in its committees were later hired for ECSC's High Authority, for example François Vinck, the chairman of the ECE Coal Committee, who became director-general of the ECSC services market.<sup>404</sup> The director of ECE's Steel Division, Tony Rollman of Luxembourg, was particularly influential in the creation of ECSC.<sup>405</sup> Rollman, whom his biographer calls "the Steel European", was a former employee of the major steel company ARBED, and knew both the steel sector and the landscape of economic IOs intimately.<sup>406</sup> He first joined the Luxembourg Ministry of food supply, then represented his country in the Marshall Plan negotiations and at the first ECE session before transferring to the ECE secretariat.<sup>407</sup> Rollman became one of Jean Monnet's key aides in the negotiation process that led to ECSC.<sup>408</sup> The involvement of Rollman and others at ECE went so far that an internal position paper warned against the UN organization becoming a "labor reserve" for ECSC's High Authority:

*"We should carefully avoid any relationship whereby we would be operating as an adjunct to the staff of the High Authority, or whereby our sole or main function [...] would be to make studies which they could apply [...]. We should also make it clear that we cannot be a labour reserve for the staff of the High Authority and send our Secretariat officials to Luxembourg to help them in work which is of no direct benefit to us".<sup>409</sup>*

Rollman's example illustrates that a technocratic class of "Steel Europeans" already existed within other European IOs when ECSC took up its work. In 1949, the ECE Steel Division drew up a report on trends in European steel production at the request of the French

<sup>404</sup> F. Vinck to Gunnar Myrdal, 25 November 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>405</sup> On Rollman, see Wolfram Kaiser, "Transnational Practices Governing European Integration: Executive Autonomy and Neo-Corporatist Concertation in the Steel Sector," *Contemporary European History* 27, no. 2 (2018); Katja Seidel, *The Process of Politics in Europe: The Rise of European Elites and Supranational Institutions* (Basingstoke: I.B. Tauris, 2010), 58-60.

<sup>406</sup> Josef Brandt, "Der Stahleuropäer Tony Rollman," in *Terres rouges. Histoire de la sidérurgie luxembourgeoise*, ed. Charles Barthel and Josée Kirps (Luxembourg: Centre d'études et de recherches européennes Robert Schuman, 2010), 11.

<sup>407</sup> Tony Rollman, *une aventure européenne* (film). Delphine Kiefer: Dudelage: CNA 2004. Accessed 12-13-2016 at: [http://www.cvce.eu/de/obj/tony\\_rollman\\_and\\_his\\_role\\_in\\_the\\_economic\\_reconstruction\\_of\\_europe-en-c2285a01-4d7c-4189-9bb2-acd81ba1f7e4.html](http://www.cvce.eu/de/obj/tony_rollman_and_his_role_in_the_economic_reconstruction_of_europe-en-c2285a01-4d7c-4189-9bb2-acd81ba1f7e4.html)

<sup>408</sup> Berger, "Motives for the foundation of the ECSC".

<sup>409</sup> Position paper for conversations between the ECE Secretariat and the staff of the High Authority, n.d. (after November 1952). UNOG Box 67, Folder I/3/3 Schuman Authority.

government.<sup>410</sup> Myrdal later argued that this report laid important groundwork for ECSC, an assertion that became part of ECE's own institutional myths.<sup>411</sup> The report, authored by Rollman, warned of overproduction as the result of an uncoordinated expansion. It argued that planned investments in steel production across the ECE region were grossly out of proportion to demand. Additionally, steel industries in Europe were considerably less productive than in America. Amidst the ongoing debate over an extension of ERP in the US Congress, Rollman's report criticized that sizeable sums of ERP money had been invested in the expansion of an outdated industry without remunerative demand. While these criticisms were, as one German representative put it, "very uncomfortable for those countries who [...] received large sums for the expansion of their steel industries", the report struck a nerve with the French government.<sup>412</sup> During the steel crisis of spring 1949, a surplus supply of steel appeared for the first time since the war. Together with the surge in coal production and the foreseeable end of the allocations mechanism, this development threatened a possible restoration of international cartels. Monnet believed that overproduction could undermine French control over her own industry as well as that of the Ruhr and Saar.<sup>413</sup> The conclusions Rollman drew in his report were very much in line with the thinking of the French planners around Monnet. Rollman suggested a continuous coordination of production and investment policy among European countries. Demand should be stimulated by targeted investment, predominantly in the construction sector. The report highlighted an existing problem that had already been contemplated during the founding process of ECE: national recovery plans were an important part of the reconstruction process, but their international coordination was insufficient. The German industry journal *Stahl und Eisen* warned in November 1949 that each ERP country "has its own plan for steel, and seeks to execute this plan with the help of American money, but without consideration for other countries' plans, and certainly not for the interests of Europe in its entirety".<sup>414</sup>

As director of the ECE Steel Division, Rollman maintained close contacts with the French government. During a dinner conversation between him, Myrdal, and the French Minister of Economic Affairs André Philip, Rollman argued that faced with competition from large-scale American and Soviet production, states had no choice but to coordinate their small and medium-sized steel production on a European level.<sup>415</sup> A few weeks after the Schuman Declaration, Rollman was invited to meet with Jean Monnet in Paris. During the discussions, Rollman was "struck [...] how this group of Frenchmen, whatever their personal ideology, placed themselves above all nationalistic or party considerations", a mindset akin to the technocratic leanings of the ECE secretariat.<sup>416</sup> Following their meeting, Monnet asked Rollman to draft a report on "Proposed Action on the Schuman

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<sup>410</sup> UNECE Steel Division, *European Steel Trends in the Setting of the World Market* (Geneva: United Nations, 1949).

<sup>411</sup> Myrdal, "The Research Work of the Secretariat of the Economic Commission for Europe; Dusan Sidjanski, *The Economic Commission for Europe in the Age of Change* (Geneva: United Nations, 1998), 6.

<sup>412</sup> Brandt, "Der Stahleuropäer Tony Rollman," 20.

<sup>413</sup> Berger, "Motives for the foundation of the ECSC". 11.

<sup>414</sup> F. Baade, "Eisen und Stahl in der langfristigen Europaplanung," *Stahl und Eisen*, no. 23 (1949).

<sup>415</sup> Brandt, "Der Stahleuropäer Tony Rollman," 21-22.

<sup>416</sup> Cit. *Ibid.*, 20.

Plan”, outlining a proposition for ECSC’s administrative body, the High Authority.<sup>417</sup> Rollman proposed an all-European setup, at least in principle: following “an international convention, to which France, Germany and the Benelux countries would subscribe”, “all the other European countries would, of course, be invited”. As a condition for its success, Rollman postulated that the “Schuman Authority” should pursue an incremental approach to steel market integration, and become an apolitical organization disinterested in ideological quarrels and disputes among member states. Rollman’s wording is remarkably similar to Myrdal’s conceptions of well-meaning, post-political social planning, dissolving preconceived differences between ideologies: “the Scheme [...] should not be the fruit of theories of one party or another, nor of the policy of one country or another, it should neither be Socialist nor Liberal, but it must be such that it can evolve into either of these two directions”.<sup>418</sup> The plan also resembled the committees of miners, consumers, and producers the League of Nations tried to set up in the late 1920s. As the High Authority’s central organ, Rollman proposed a General Assembly composed of only 40% government delegates. Representatives of industry, workers, and consumers should claim the remaining 60% of seats in equal shares. At the High Authority’s assembly, members were eventually appointed by governments, and were not allowed to have any occupation outside the Authority, thus overriding Rollman’s plan. His proposal of a General Assembly bringing producers, consumers, trade unions, and governments together was watered down to a Consultative Committee of fifty leading producers, consumers, and trade unionists, which dispensed advice to the High Authority only upon request.<sup>419</sup> While very little of his original plan was realized, Rollman’s early involvement in planning for the ECSC and his expertise in both the European steel sector and in international organization gave him an influential role in the Schuman Plan negotiations. In the summer of 1950, Rollman left ECE to take part in the negotiations as a member of the Luxembourg delegation, and later became the first director of the ECSC steel department, where he remained until his retirement in 1964.<sup>420</sup>

While ECSC was thus an addition to a preexisting landscape of IOs preoccupied with economic cooperation in Europe, it nonetheless was a significant shakeup of the way economic cooperation was handled. The High Authority possessed far-reaching independent powers, in contrast to the secretariats of ECE and OEEC. It was allowed to set production quotas in order to prop up demand in times of “manifest crisis”; it could impose fines upon companies; it could float loans on the capital market, and then relend the money for investment; it could even address social issues by financing vocational retraining, resettlement programs, and allowances to workers.<sup>421</sup> For Monnet, the French architect of the Schuman Plan and subsequent first President of ECSC’s High Authority, the model to follow was “the war production committee, not the diplomatic conference”.<sup>422</sup> ECSC bore Monnet’s acquired preference for a technocratic and supranational resolution of complex

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<sup>417</sup> Tony Rollman, Proposed action on the Schuman Plan, n.d. (1950 or 51). UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>418</sup> Tony Rollman, Proposed action on the Schuman Plan, n.d. (1950 or 51). UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>419</sup> Gilbert, *European Integration: A Concise History*, 36.

<sup>420</sup> Brandt, “Der Stahleuropäer Tony Rollman,” 35.

<sup>421</sup> Gilbert, *European Integration: A Concise History*, 36.

<sup>422</sup> Gillingham, *Coal, Steel, and the Rebirth of Europe, 1945-1955. The Germans and French from Ruhr Conflict to Economic Community*, 232.

political issues.<sup>423</sup> “Steel Europeans” like Rollman, established technocrats who knew not only the industry’s business side but also the international landscape, were naturally drawn to this project. Intergovernmental organizations like OEEC and ECE had previously shown their potential, but also their limits. The pooling of sovereignty in the coal and steel sectors among the six member states of ECSC seemed like a bold, but realistic move toward federation. It created a sense of expectation for further steps in this direction that matched with the already established buzzword of European integration.

ECSC did not start with a blank slate; all the existing bodies were involved in setting it up. For practitioners already involved in economic cooperation, ECSC’s supranational innovation was a legal problem in the first place. How, if at all, should a High Authority with competences previously limited to governments be represented at intergovernmental venues? The Community’s status was discussed among the legal advisers of ECE, OEEC, and Paul Reuter of the Quai d’Orsay, one of the original authors of the Schuman Plan. ECE’s legal adviser, Lithuanian-born Lazare Kopelmanas, insisted on ECSC being “an intergovernmental organization which cannot be represented outside the Community by the High Authority”. This point of view, according to Kopelmanas,

*“astonished my two colleagues who both are more or less influenced by the philosophy of supranational authorities which is playing havoc among various European circles. [...] I expounded at length [...] that, even when certain limited powers belonging to the State are surrendered to the High Authority, the latter’s powers co-exist with those of Governments and in no way belong exclusively to it, since governments retain, in principle, their competence in international representation outside the Community.”*<sup>424</sup>

At ECE and OEEC, it was soon concluded that ECSC did not replace or supersede individual member states’ representation. “From our point of view”, Myrdal wrote to the ECE Division Directors, ECSC “is an inter-governmental organization, composed of a number of governments participating in the work of the ECE”.<sup>425</sup>

While the Coal and Steel Community affected two sectors fundamental to ECE’s work, the relationship between ECE and ECSC was far less contentious and less of an existential question than either organization’s relation to OEEC was.<sup>426</sup> American diplomats cabled after a conversation with Belgian officials in 1953 about a growing tendency in Western Europe to “consider ECE [a] redundant organization [...]. This [is] particularly true since coal-steel community is beginning operation, [...] effectively superseding coal and steel functions of ECE. General functions ECE [...] are pretty much duplication those of OEEC.”<sup>427</sup> But despite such rumors, there was never the question of a merger, or of one

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<sup>423</sup> Gilbert, *European Integration: A Concise History*, 27.

<sup>424</sup> L. Kopelmanas to Gunnar Myrdal, Note on my talks, in Geneva and Paris, concerning the Schuman Plan, 25 November 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>425</sup> Gunnar Myrdal, Memo to ECE Division Directors concerning the European Coal and Steel Community, 15 September 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>426</sup> On ECSC-OEEC relations, see Laursen, “Integration at cross-currents. The OEEC and the European Coal and Steel Community, 1952-56.”

<sup>427</sup> Telegram, US Embassy Brussels, to State Department, February 2, 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

organization being disbanded in favor of the other. The French government assured Kopelmanas after the Schuman Declaration that “the continued existence of the ECE as a link between East and West remains one of the objectives of French policy”<sup>428</sup> and that the French delegation at ECOSOC would “oppose any [...] request for cutting the Commission’s budget”.<sup>429</sup> At the same time, they did not conceal the opinion that “if co-ordination between the six member countries and the rest of Europe had to be established, it should be done through the OEEC”, not ECE.<sup>430</sup>

Eastern opposition complicated relations between ECE and ECSC. At the Commission session following the establishment of ECSC in 1952, Eastern European representatives used the platform ECE provided for a concerted attack on OEEC and ECSC, and argued against the ECE secretariat taking up any contact with the High Authority. The aims of the Western organizations ECSC, OEEC, and the Council of Europe, according to Soviet delegate Arutiunian, “were to promote the militarization of Europe, to make an arsenal of Western Germany and to encourage aggression”.<sup>431</sup> Supported by the delegations of Czechoslovakia, Hungary, and Byelorussia, Arutiunian demanded, “that the Secretariat, which was there to serve all members of the Commission, should abstain from maintaining relations with organizations to which a substantial part of the Commission’s membership was opposed”. The French delegation was more or less alone in defending ECSC during the session. While the argument brought forth by the Czechoslovak delegate that “the tasks and objectives [of OEEC and ECSC] ran counter to those of the Commission, and were incompatible with the idea of pan-European economic co-operation” was not entirely unfounded, the secretariat stood up fiercely against the attempt to prohibit direct contacts with the High Authority. Myrdal said he “could not interpret the remarks made by the Soviet Union [...] as a kind of veto on such activities, since it would then no longer be possible to carry on the Commission’s work efficiently”. For the secretariat, it was vital “to maintain contact with the appropriate inter-governmental organizations”, “while at the same time being constantly mindful of the implications of the divided state of Europe”.<sup>432</sup> The ECE secretariat’s relative independence from the member states made it possible to proceed against any such veto. Yet, the strong negative reactions led both the ECE secretariat and the High Authority to be cautious in taking up contacts.<sup>433</sup> Kopelmanas feared that ECE risked to

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<sup>428</sup> L. Kopelmanas to Gunnar Myrdal, Report on my conversations in Paris concerning East-West trade and our relations with the European Coal and Steel Community, 15 October 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>429</sup> L. Kopelmanas to Gunnar Myrdal, Report on my conversations in Paris concerning East-West trade and our relations with the European Coal and Steel Community, 15 October 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>430</sup> L. Kopelmanas to Gunnar Myrdal, Report on my conversations in Paris concerning East-West trade and our relations with the European Coal and Steel Community, 15 October 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>431</sup> Economic Commission for Europe, Eighth Session, Summary Record of the Thirteenth Meeting, held at the Palais des Nations, Geneva, on 11 March 1953. 27 April 1953, E/ECE/SR.8/13.

<sup>432</sup> Economic Commission for Europe, Eighth Session, Summary Record of the Thirteenth Meeting, held at the Palais des Nations, Geneva, on 11 March 1953. 27 April 1953, E/ECE/SR.8/13.

<sup>433</sup> Note sur les possibilités de travaux futurs des comités du charbon et de l’acier de la commission économique pour l’Europe, HAEU : CEAB05-106, Comités du charbon et de l’acier de la *Commission Economique* pour l’Europe des Nations Unies (CEE), Genève.

*“fall out of the frying pan into the fire: on the one hand, if we totally disregard the Community, we run the risk of jeopardizing the existence of our Coal Committee, but, on the other, the setting up of more or less formal liaison [...] would give rise to resentment on the part of Eastern European countries [and] might be very harmful [...] even to the Commission as a whole.”<sup>434</sup>*

As a way out of this dilemma, Kopelmanas suggested informal relations similar to those previously established with OEEC: ECE should seek influence on ECSC through its member states, and through unofficial contacts on the secretariat level. Unlike the contacts between ECE and OEEC, which were maintained at the highest level in the respective secretariats, legal advisers and the directors in the ECE Steel and Coal Divisions handled ECE-ECSC relations. Myrdal himself was barely involved during the critical time shortly before the High Authority took up its work, being in poor health after his car accident during the summer of 1952. Informal cooperation between ECE and ECSC included the exchange of documents and agreement on common statistical definitions, but no permanent or official representation.<sup>435</sup> While ECE officials initially denied any interest in participating in High Authority meetings, a practice of mutual invitations to relevant meetings developed rather soon. High Authority officials visited Geneva and ECE secretariat officials visited Luxembourg as expert representatives upon the invitation of the respective administrators, not of member governments. While relations thus remained informal, ECE and ECSC were nonetheless closely entangled. When Myrdal wrote to Monnet in January 1953 that “the creation of the High Authority will spur international cooperation in the fields within your domain and enhance the possibilities of parallel action here”, he was thus referring to a development that was already underway for years: the creation of new IOs in the economic field did not negate pre-existing institutions, but gave them an impetus to venture into different areas of cooperation.<sup>436</sup>

Institutional frameworks did thus not limit spillover effects, the central assumption of the neo-functional theory of integration. Neo-functional thinking, championed in the late 1950s by the German-American political scientist Ernst B. Haas, assumes that due to growing transnational economic interdependence, integration between countries in one sector will create incentives for integration in other sectors. Eventually, such positive spillovers would also encourage international legal regimes for the solution of disputes, and supranational market rules to replace national regulations.<sup>437</sup> But spillover effects also gave incentives for new forms of cooperation at existing venues, including those with different member states. While functionalist theory seeks to describe regional integration, spillovers are thus not limited to the countries organized within one regional institution. Several examples for spillovers across IOs can be traced at ECE following the creation of ECSC, particularly in the steel, transport, and coal sectors. The ECE steel committee, for example, was maintained predominantly as a venue for importers outside the ECSC. It was also used to facilitate steel trade between the Six and importing countries organized in the UN’s East

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<sup>434</sup> L. Kopelmanas to Gunnar Myrdal, Note on the attitude which we may have to adopt towards the European Coal and Steel Community with regard to coal questions, 27 August 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>435</sup> M. Jansen, ECE Research and Planning Division, to Gunnar Myrdal, Visit from Statisticians of the European Community of Coal and Steel, 30 January 1953. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>436</sup> Gunnar Myrdal to Jean Monnet, 9 January 1953. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>437</sup> Haas, *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957*.

Asian and Latin American regional commissions, ECAFE and ECLA.<sup>438</sup> The Community also affected the closely related transport sector. The High Authority sought “to eliminate discriminatory tariffs for coal and steel within the Community” while ECE maintained that “it would be difficult to achieve such elimination of discrimination in transport simply by decreeing it”: The problem required consideration by countries outside as well as inside ECSC, and not just on tariffs, but also of accountancy, investment, coordination, and improvement in railroad operations.<sup>439</sup> Furthermore, eliminating tariffs among the Six seemed geographically quite impossible without taking transit through Switzerland into account. Direct negotiations between the High Authority and Switzerland “would come up against strong objections for political reasons”, an ECSC official told Kopelmanas.<sup>440</sup> Similar concerns were raised with regard to Austria, which would not be allowed to enter direct negotiations with the Authority because of Soviet opposition. ECE’s already central role for questions of transit was thus reinforced by ECSC, as its Inland Transport Committee provided a venue for direct negotiations between governments bypassing the High Authority.

The most significant changes the creation of ECSC brought to ECE were in the coal sector. “I am by no means convinced that, if the Community had ample machinery for covering [the objectives of ECE coal work] and for taking this work out of our hands, we should resist them”, the director of ECE’s Coal Division, Waring, wrote;

*“I am not disposed to try to hold on to work and fight a battle if it looks inevitable that we shall lose it in the end. [...] The executive functions, which we carry out in the Coal Committee, are substantially Distribution, which I do not consider as likely to carry on indefinitely in any case, and Coal Classification, which I consider should be retained. [...] I think that this is a realistic and not a defeatist attitude. We must ascertain what Monnet’s plans are firstly; secondly, I do not think we are in a position to resist him; and, thirdly, we might utilize the opportunity to lift the work on to a considerably higher plane.”<sup>441</sup>*

ECE’s coal trade sub-committee, which succeeded the sub-committee on allocations, was less important than its predecessors, but remained a venue that brought the Six together with other importers. With coal distribution out of the way, the ECE secretariat conducted a series of studies not just on coal type classification, but also on other fuels, such as oil and gas. Over the course of the 1950s, industries increasingly switched to oil as their main type of fuel. ECE and OEEC as organizations for general economic cooperation were much better prepared to adapt to this change than the sectorial ECSC. Existing institutions were thus prone to transformation and adaptation, a process that was not hindered, but actually encouraged through the creation of new IOs.

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<sup>438</sup> Summary of work of the ECE Committees in Coal, Steel, Transport and Housing which related to the program of the European Coal and Steel Community, n.d. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>439</sup> Position paper for conversations between the ECE Secretariat and the staff of the High Authority, n.d. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>440</sup> L. Kopelmanas to Gunnar Myrdal, Concerning our relations with the European Coal and Steel Community, 12th December, 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>441</sup> H.W.A. Waring, Notes on Coal – Schuman Plan, 26 August 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

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 IV.4.3 SUB-REGIONAL INTEGRATIONS
 

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Sub-regional economic integration, spearheaded by IOs like OEEC, ECSC, and CMEA, was a consequence of Europe's Cold War division. "[A]s the split widened, it was only natural that the most significant economic cooperation bypassed [ECE] and was negotiated and put into effect by subregional organizations on both sides of the division", Myrdal wrote in 1967.<sup>442</sup> Already in 1950, a Yugoslavian delegate had said in his opening statement at the fifth ECE session that "Within the blocs, certain unnatural and more or less compulsory integrations have taken place. These integrations are unnatural, because, in the final analysis, they harm the interests [...] of Europe as a whole".<sup>443</sup> The statement testifies to the term's open meaning. In the reading of this Yugoslav delegate, "integration" was more or less identical with economic bloc formation. It also meant that the scope of economic cooperation in Europe continued to shrink. The universalism underlying the UN had been supplemented with a regional element by the introduction of "Europe" through ECE; ERP and OEEC had then introduced "Western Europe" as a concurrent framework. Ongoing Cold War tensions facilitated further sub-regional, intra-mural cooperation within the two blocs, and the creation of new institutions. "East-West tension has reached a point where the forces working for one Europe are becoming weaker and weaker", Myrdal said in his opening speech at the 1952 Commission session:

*"We are rapidly drifting towards the formation of two Europes, each part bent on intensifying cooperation within its own sphere for the sole benefit of its members. [...] the formation of such blocs can never achieve the universally beneficial results which unrestricted international cooperation could assure".*<sup>444</sup>

As the blocs solidified through sub-regional integration, the weakened, all-European ECE was one of the last remaining bridges between them.

IOs like OEEC/OECD, CMEA, NATO, the Council of Europe, and the European Communities (EC), thus posed a challenge to the all-European ECE: they all had varying degrees of overlap with ECE's member states and areas of work, but were active on only one side of the divided continent. Relations between the all-European ECE and the sub-regional organizations in East and West were hence complicated by a question of principle: should one accept the continent's political and economic division and seek separate integrations within the blocs, or should one seek to retain and rebuild all-European connections? Looking back at the first twenty years of ECE's existence in 1967, Myrdal, by then back at Stockholm University, reflected on the geopolitical division of Europe and the organizations for economic cooperation within the two blocs: "increasingly [...] the more significant economic problems have come to be handled by subregional organizations which have themselves gradually gained in stability and effectiveness. [...] There is no irrational political division to which economic policies and economic development does not

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<sup>442</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 619.

<sup>443</sup> Telegram US Resident Delegation at ECE to State Department, June 2, 1950. Speeches of UK, Polish and Yugoslav Dels at Fifth Session. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>444</sup> Opening Speech of the Executive Secretary to the Seventh Session of the Economic Commission for Europe, E/ECE/145, 3 March 1952. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

adjust – if it is allowed to become ‘normal’”.<sup>445</sup> Only a minority of government representatives in ECE shared Myrdal’s sentiment that the division of Europe and the subsequent sub-regional integration(s) were unnatural boundaries to economic activity, and detrimental to European reconstruction. Furthermore, the existence of other IOs in Europe was a direct threat to ECE’s budget.<sup>446</sup> During Dag Hammarskjöld’s tenure as UN Secretary-General, UN activity in Europe was reduced significantly. New priorities emerged with the Middle East, Africa, and East Asia becoming increasingly important on the UN agenda. Hammarskjöld, who had himself been instrumental in the creation of OEEC, trusted sub-regional organizations far more than his colleagues at ECE. At one visit to Geneva in 1954, Hammarskjöld even convened with high-ranking officials of three Western European IOs - OEEC, ECSC, and the Council of Europe - without including an ECE representative.<sup>447</sup> The existence and the success of sub-regional organizations hence marginalized ECE not just within the landscape of European IOs, but even within the UN system.

The main challengers to ECE’s pan-Europeanism were Western institutions. Before the Schuman Plan and the French foray into continental leadership, a British initiative had fostered the Council of Europe in 1949.<sup>448</sup> Rigorously intergovernmental in scope, the Council’s two statutory bodies are a committee of each member states’ foreign minister and a parliamentary assembly, consisting of MPs from each member state. Contacts between the Council and ECE were very limited, as the two organization’s activities rarely overlapped. “ECE documents relating to the Council of Europe agenda continue to be distributed in Strasbourg”, Melvin Fagen summarized the situation in 1953. “[W]e feel that the Secretariat there is doing all in its power to remind the parliamentarians that the United Nations exists”.<sup>449</sup> Slightly more impactful on ECE’s work was the North Atlantic Treaty Organization (NATO). NATO’s Committee of Economic Advisers (ECONAD) regularly discussed ECE work. ECONAD also served as an antechamber to ECE, where the West bloc countries coordinated their policies in advance of the annual Commission sessions.<sup>450</sup> NATO officials regarded ECE as a valuable forum, where several governments could meet representatives from countries with which they otherwise entertained no diplomatic relations. Moreover, ECE presented a useful source of intelligence for NATO countries.<sup>451</sup>

From ECE’s perspective, however, both the Council of Europe and NATO were peripheral to their field of work. Western cooperation in fields where ECE claimed a dominant role for itself, such as inland transport, was naturally perceived as more dangerous by the ECE

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<sup>445</sup> Myrdal, “Twenty Years of the United Nations Economic Commission for Europe,” 626.

<sup>446</sup> Melvin M. Fagen to Martin Hill, Principal Director, Office of the Secretary-General at UNHQ, 8 December 1953. UNARMS, S-0441-0161-08. ECE – Co-operation and consultation with inter-governmental organizations 10/53-12/53.

<sup>447</sup> UN Information Service, The Spring Session of the Administrative Committee on Co-Ordination Concluded, Press Release No. Org/24, 26 May 1954. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>448</sup> Wassenberg, *History of the Council of Europe*. See also Gilbert, *European Integration. A Concise History*, 23.

<sup>449</sup> Melvin M. Fagen to Martin Hill, Principal Director, Office of the Secretary-General at UNHQ, 8 December 1953. UNARMS, S-0441-0161-08. ECE – Co-operation and consultation with inter-governmental organizations, 10/53-12/53.

<sup>450</sup> Lagendijk, “The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975,” 60.

<sup>451</sup> Chase, “The Intelligence Yield from ECE.”

secretariat. When OEEC countries convened the European Conference of Ministers of Transport in Paris in 1953, (ECMT; since 2007 International Transport Forum), Myrdal compared it unfavorably to ECSC:

*“Above the interests of the ECE and particularly the interests of its Secretariat, stand the interests of economic co-operation between European governments. The fact for instance that in coal and steel a High Authority with supra-national powers has been formed is not regarded by me or my Secretariat as a blow to us; on the contrary we see it as an opportunity [...]. But, if the outcome of the Paris discussions [on transport] were to develop an organization which would de facto duplicate or take over work done here, [...] a step backward rather than forward would have been taken in the integration of European transport.”<sup>452</sup>*

Its relationship with OEEC thus continued to be the most troublesome for ECE. However, in this regard ECE benefitted from the addition of ECSC into the equation, as the supranational High Authority was a bigger challenge to OEEC than to ECE. “ECE has certain advantages which the OEEC does not have”, Avery Cohan of the US resident delegation in Geneva wrote to the State Department after the foundation of ECSC. “[F]or example, absence of hierarchy and a highly able Research Division [...] if these advantages were properly exploited, the ECE could be used to supplement and reinforce work going on in the OEEC and in NATO.” Moreover, he added, “the British hope to be able to use the ECE as a ‘counterweight’ to the Schuman Plan”.<sup>453</sup> Avery saw his point proven when the UK cleared an additional half million tons of coal for export in the ECE coal committee when ECSC took up its work. Internal divisions within Western Europe continued to plague OEEC. The standoff between intergovernmentalists and supranationalists further intensified with the establishment of the European Economic Community (EEC) in 1957 and the European Free Trade Association (EFTA) in 1960.<sup>454</sup> Under these circumstances, the dynamic institutional rivalry between OEEC and ECE came to an end, at the latest with the re-conception of OEEC as OECD in 1960. When the United States and Canada were included as full member states into the reconfigured OECD, the Soviet Union asked to be included as well, but was rejected with the argument that the new organization would otherwise duplicate the UN – showcasing how entrenched ECE had become as the specialist organization on East-West cooperation.<sup>455</sup>

In the East, a real equivalent to the Bretton Woods institutions, to OEEC, or to ECSC did not exist.<sup>456</sup> While the Warsaw Pact was comparable to NATO as a military organization, the Council for Mutual Economic Assistance (CMEA) was not a real Soviet bloc

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<sup>452</sup> Statement by the Executive Secretary opening the 10th Session of the Inland Transport Committee, 26 May 1953. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>453</sup> Avery Cohan, U.S. Resident Delegation to ECE, to Ruth H. Phillips, State Department, July 3, 1952.

<sup>454</sup> Schmelzer, *The Hegemony of Growth. The OECD and the Making of the Economic Growth Paradigm*, 44.

<sup>455</sup> Richard T. Griffiths, “‘An Act of Creative Leadership’: The End of the OEEC and the Birth of the OECD,” in *Explorations in OEEC History*, ed. Richard T. Griffiths (Paris: OECD, 1997).

<sup>456</sup> On CMEA and the Bretton Woods system, see Sanchez-Sibony, *Red Globalization. The Political Economy of the Soviet Cold War from Stalin to Krushchev*, 72.

counterpart to OEEC.<sup>457</sup> Founded late in 1948, CMEA's primary purpose was to firmly bind the economies of Eastern Europe with the Soviet Union. Its founding members were the USSR, Bulgaria, Czechoslovakia, Hungary, Poland, and Romania. Albania and East Germany followed soon after. Following the tightening of Soviet control and the creation of OEEC in 1947, Eastern European states found themselves increasingly shut off from their traditional markets and suppliers in the rest of Europe. Like OEEC, CMEA was thus a way to mitigate the economic damage of bloc formation by redirecting trade flows inwards, within the bloc.<sup>458</sup> But unlike OEEC, coordination in CMEA was mostly bilateral, between the USSR and individual governments. CMEA integrated centrally planned economies by making them embrace the Stalinist model of extensive growth, rendering them dependent on Soviet raw materials and the Soviet market as the main outlet for their products.<sup>459</sup>

Yugoslavia's excommunication from the Soviet orbit came as an additional shock to trade connections, and significantly shook the assumptions underlying the Communist economies' five-year-plans. CMEA was thus designed in part to help individual member states cope with cutting their trade with Yugoslavia, and to coordinate punitive economic actions against Belgrade.<sup>460</sup> The organization did not possess a bureaucracy comparable to ECE, OEEC or ECSC. To ECE, CMEA was far less important as a competitor than OEEC, since its members rarely participated in the ECE committees before 1954 anyways. Myrdal told delegates at the 1952 Commission session bluntly that, while it was "impossible for the Secretariat to ignore the existence of OEEC", similar value would be given to CMEA only once "greater participation" by the Soviet bloc governments came about in ECE's technical committees.<sup>461</sup> Consequently, the ECE secretariat did not seek to establish direct contacts with CMEA until the late 1950s.<sup>462</sup> Similar to NATO's ECONAD, CMEA developed into an informal antechamber for the coordination of Eastern policy in ECE once Eastern participation was restored in 1954.<sup>463</sup> But even when CMEA officials visited Geneva in 1959, Myrdal's successor Sakari Tuomioja admitted to a Swedish diplomat that he was "in complete ignorance of CMEA's work" – testifying to the continuously low priority CMEA had for ECE.<sup>464</sup> Nevertheless, Tuomioja tried to establish closer ties between ECE and CMEA, along similar lines as the informal exchange between secretariats that had been

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<sup>457</sup> On CMEA and the European Communities in the 1960s and 70s, see Suvi Kansikas, *Socialist Countries Face the European Community: Soviet-Bloc Controversies over East-West Trade* (Frankfurt am Main: Peter Lang, 2014).

<sup>458</sup> On bloc formation through CMEA, see Simon Godard, "Construire le bloc de l'est par l'économie? La délicate émergence d'une solidarité internationale socialiste au sein du Conseil d'aide économique mutuelle," *Vingtième Siècle. Revue d'histoire* 109, no. 1 (2011).

<sup>459</sup> UNECE, *The ECE in the Age of Change*, 8.

<sup>460</sup> Kramer, "Stalin, Soviet Policy, and the Establishment of a Communist Bloc in Eastern Europe, 1941-1948," 297.

<sup>461</sup> Extract from Summary Record of Twenty-Fifth Meeting of 7<sup>th</sup> Session of Economic Commission for Europe (18 March 1952), ECE/DD/55. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>462</sup> Extract from Summary Record of Twenty-Fifth Meeting of 7<sup>th</sup> Session of Economic Commission for Europe (18 March 1952), ECE/DD/55. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>463</sup> Der Stellvertreter des Vertreters der DDR im RGW Müller an den Sekretär des RGW Pawlow, 8 June 1955. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE.

<sup>464</sup> Bertil Swärd to Karin Kock, P.M. rörande samtal med ECE:s exekutivsekreterare Tuomioja, 25 March 1959. KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

established with OEEC.<sup>465</sup> At his first visit to Moscow as Executive Secretary, Tuomioja even tried to broker a direct cooperation between CMEA and the OEEC-related European Productivity Agency (EPA).<sup>466</sup> Shortly after OEEC became OECD and abandoned its original focus on Western Europe with the inclusion of the United States and Canada, CMEA also began to loosen its geographical limitations by including Mongolia in 1962 and, eventually, Cuba (1972) and Vietnam (1978). However, the Soviet idea of opening up the CMEA model to a Eurasian dimension lacked the support of Eastern European countries, and therefore demonstrated the limits of cooperation facilitated through a predominantly bilateral setup.<sup>467</sup> While the ambiguous relationship with OEEC was a key problem for ECE officials, almost no direct contact existed between ECE and CMEA until the 1970s.<sup>468</sup>

Toward the Six, ECE remained close, but critical. A month after the Schuman declaration, André Philip at the fifth ECE session “applauded [the] Schuman Plan and urged its expansion to include all Europe” – a suggestion that seemed far away indeed.<sup>469</sup> In East-West relations, ECSC contributed to the solidification of the blocs, even though its proponents had argued that it might indeed help to bring about some reconciliation. “Mr. Monnet seems to think that the creation of the European Coal and Steel Community might make Western Europe more independent with regard to the Americans”, ECE’s legal adviser Kopelmanas reported to Myrdal, “and that the Russians might change their attitude towards the Community and even consider it a worthy partner”.<sup>470</sup> In the context of the Korean War and German rearmament, however, the prospect of France and West Germany cooperating to increase their steel output seemed like a serious security threat to the USSR. While the novelty of the ECSC treaty was undisputable, it did not, as Myrdal pointed out, halt the ongoing disintegration of Europe into blocs.<sup>471</sup> What made the Schuman Plan special was its commitment to internationalist principles more so than ECSC’s practical accomplishments. The Six had delegated executive powers to an independent authority. Nation-states’ egoism was to be replaced with enlightened planning in a specially created, supranational forum – an exciting development so shortly after the two world wars.<sup>472</sup> The Schuman Plan and ECSC therefore received a favorable reception in academia, particularly

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<sup>465</sup> K. Opitz, Vertreter der DDR im RGW, an Henke, Staatliche Planungskommission, 20 February 1958.

DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>466</sup> Niederschrift über die Unterredung zwischen dem Stellvertreter des Sekretärs des Rates für gegenseitige Wirtschaftshilfe, Gen. Hamous, und dem Exekutivsekretär der Wirtschaftskommission der UNO für Europa, S. Tuomioja, 5 March 1958. DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.

<sup>467</sup> Jun Fujisawa, “A Program for a Eurasian Integration? The “Complex Program” of the COMECON and the Soviet Attempt to Create a Resource-Based Commonwealth, 1969-1978,” *Paper presented at the Conference “Competing Visions: European Integration beyond the EC/EU”* (University of Helsinki, 5-6 October 2017).

<sup>468</sup> UNECE, *Three Decades of the United Nations Economic Commission for Europe*, 3.

<sup>469</sup> Telegram US Resident Delegation at ECE to State Department, June 11, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>470</sup> L. Kopelmanas to Gunnar Myrdal, Report on my conversations in Paris concerning East-West trade and our relations with the European Coal and Steel Community, 15 October 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>471</sup> Myrdal, “Psychological Impediments to Effective International Cooperation”.

<sup>472</sup> Gilbert, *European Integration. A Concise History*, 38.

in the United States. Through the integration of West Germany, the Schuman Plan meant a further Western consolidation. On the other hand, it excluded the UK, and thus manifested an internal division within Western Europe.<sup>473</sup>

For ECE, this meant another ambiguous relationship with a sub-regional IO. On the one hand, ECE saw its position strengthened toward its main competitor OEEC. On the other hand, the mushrooming of European institutions and the UN's attention shifting away from Europe gave credibility to those seeking to cut ECE's budget. Regular contacts between ECE and ECSC remained in place. ECE's research division continued to support ECSC with studies on transport and the standardization of tariffs among the Six.<sup>474</sup> High Authority representatives attended ECE meetings, initially only in the working groups, but later also in the committees, as expert guests of the ECE secretariat. A formal relationship, however, was not established for fear of Soviet resistance. Still at the end of 1954, Fagen regarded the possibility "that ECE as an organization entered into the same kind of formal relationship as the High Authority had with the OEEC" as "impracticable and dangerous under the circumstances".<sup>475</sup>

With the Rome Treaties of 1956, the Six established two new supranational agencies, Euratom and the European Economic Communities (EEC). The treaty on EEC established the European Commission, a customs union, common policies in agriculture and transport, and a European social fund. Furthermore, it proposed the establishment of a common market for goods, labor, services, and capital. As a reaction, the Soviet Union began to use ECE much more intensively, trying to boost it as a competitor to the Rome Treaty organizations. "Underlying the projects of Euratom and the Common Market is the idea of further opposition between Western Europe and Eastern Europe", Soviet delegate A.W. Sacharow said at the ECE Commission session in 1957. "It is apparent that the realization of these plans will lead to an even deeper division of Europe, and to increased tension".<sup>476</sup> Previously, the Soviets had sought to peacefully undermine Western cooperation by playing up ECE instead. At the 1955 and 1956 Commission sessions, the Soviet Union had submitted several draft resolutions to ECE, stating the intention to increase economic cooperation, boost East-West trade, and create a shared organ for the peaceful use of atomic energy, all of which were rejected.<sup>477</sup>

A Swedish diplomat present at these sessions interpreted the rejection of the Soviet proposals as a result of the world's ongoing division into different "integration circles":

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<sup>473</sup> L. Kopelmanas to Gunnar Myrdal, Report on my conversations in Paris concerning East-West trade and our relations with the European Coal and Steel Community, 15 October 1952. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>474</sup> ECE Secretariat Memorandum on "The problems involved in the fixing of transport rates within the framework of the European Coal and Steel Community", 15 September 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>475</sup> Melvin M. Fagen to Gunnar Myrdal, Visit from Mr. Giretti of the High Authority, 2 December 1954. UNOG Box 67, Folder I/3/3 Schuman Authority.

<sup>476</sup> Rede des Genossen A.W. Sacharow, Leiter der Delegation der UdSSR auf der XII. Tagung des Europäischen Wirtschaftsrates zu Punkt 7 der Tagesordnung, 3 May 1957. BArch Staatliche Plankommission (1949-1961). Teil I: Internationale Zusammenarbeit.DE1/22082 Berichte über Tagungen und Arbeitsvorhaben der ECE, Kontakte RGW-ECE.

<sup>477</sup> Mueller, "Die UdSSR und die europäische Integration," 622-23.

*“The world’s governments [...] to a remarkable extent play the same games. In the 1930s they alternated between Mr. Schacht’s teachings and Mr. Keynes’ wisdoms; now, it is integration. Western Europe we know already. In Eastern Europe, small but certainly distinct efforts toward stronger integration are happening. [...] In Latin America, the idea of integration has grown [...] it is completely believable that [...] we will soon have a series of circles, wherein different countries integrate their economies to a larger or smaller extent. This work is so strenuous for the participating experts and so revolutionary [...] that it seems difficult, not to say impossible, to extent the game to [...] all-European dimensions.”*

The effect was reinforced by continuity of personnel across different venues, as national officials increasingly developed a sense of loyalty toward their respective “integration circle“. At the ECE meeting where the Soviet proposals were rejected, the unnamed diplomat continued,

*“the Brussels-group was represented by personnel who had been directly or indirectly involved in the work that led to the Rome treaties. These gentlemen shared the signs of physical and mental exhaustion. [...] They were animated by a new form of loyalty – loyalty toward their own integration circle. They [...] looked with reluctance and dislike at the new, colossal project of beginning an all-European economic agreement. Instead, they claimed [...] that all states were free to join the Rome Treaties under the condition, of course, that they were willing to accept its form and conditions”.*<sup>478</sup>

For ECE, with its all-European mission, and in particular for Myrdal, this development was difficult to accept. “I have seen reported a suggestion that the Western subregional organizations, operating outside the UN, should now be used as a matrix for region-wide economic cooperation”, Myrdal wrote, “On the basis of my knowledge and experience this seems to me to be unrealistic”.<sup>479</sup> ECE understood its task as minimizing the damage to economic interconnections brought about by sub-regional integrations. “In so far as we have to accept the continued existence of sub-regional groupings”, Myrdal told the 1952 Commission session, “ECE can and should develop an increasing number of links between them in order to minimize through cooperation the losses and dangers inherent in this division”.<sup>480</sup> ECE’s role as a bridge between the “integration circles” was boosted significantly by the breakthrough in East-West trade in 1953/54, when active Eastern participation was restored. After the return of Socialist delegations, ECE was no longer an effectively Western IO, neither in its institutional outlook nor in its staff composition. This also changed its relationship with sub-regional organizations. Both CMEA and EEC became increasingly involved in ECE work during the 1960s, while OECD became more reluctant to issue invitations to ECE representatives.

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<sup>478</sup> Untitled document, n.d. (1957?). KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>479</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 626.

<sup>480</sup> Opening Speech of the Executive Secretary to the Seventh Session of the Economic Commission for Europe, E/ECE/145, 3 March 1952. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

For many years, “the functional commitment of ECE to all-European integration led its Secretariat to adopt a basically reserved, if not negative, attitude toward subregional groupings, which represented in the eyes of the first Executive Secretary the institutional expression of Europe’s partition”, Genevan scholar Jean Siotis wrote in 1967, ten years after Myrdal had left.<sup>481</sup> “More recently, however”, he added, “there seems to be a growing realization on the part of the Secretariat that subregional organizations have become part of life in Europe and that ECE must learn how to live with them as best as it can”. Siotis called for ECE to act as a clearinghouse and coordinating agency for joint programs of subregional organizations and specialized agencies: “[E]fforts toward all-European integration must take into account the emergence of the new actors of the European system – the subregional groupings”, he emphasized. The secretariat took only reluctant steps toward adopting such a role.<sup>482</sup> ECE formalized its relations with CMEA and EEC only in 1975, in the context of the Conference on Security and Cooperation in Europe (CSCE) and its Helsinki Accords.<sup>483</sup> Until then, it had been perfectly possible for ECE and sub-regional European IOs to coexist in parallel. By the time relations were formalized,

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<sup>481</sup> Siotis, “ECE in the emerging European System,” 59.

<sup>482</sup> Chossudovsky and Siotis, “Organized all-European Co-operation: The Role of Existing Institutions,” 164.

<sup>483</sup> *Ibid.*, 178.

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## IV.5 CONCLUSION

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“Probably no other organ of the United Nations concerned with economic affairs has been so closely dependent on the current temper of east-west relations as the Economic Commission for Europe”, David Wightman wrote in 1957, “The paralyzing effect of the cold war on ECE was such that its activities, as distinct from its membership, have become truly all-European only within the last three years”.<sup>484</sup> This part of the thesis has shown how ECE not only managed to survive the years of peak tension in the early Cold War, but how it became entrenched in various intergovernmental functions. The all-European ECE, conceptualized as a product of WWII-era internationalism, was hard pressed to adapt to bloc formation and the new geopolitical realities of the Cold War. It did so by embracing the role of a technical agency it inherited from its direct predecessors and the League. ECE’s importance for technical cooperation is generally recognized in the literature.<sup>485</sup> But, as this part of the thesis has shown, ECE was not limited to this role. It fulfilled significant institutional and political functions as well, rendering it an important, hitherto neglected player among European postwar IOs.

Before 1953, ECE faced three critical problems: First, its technical committees, the core of ECE’s day-to-day activity, were being boycotted by its Eastern European member states. Second, it met prominent competition from sub-regional IOs with overlapping membership, chiefly among them the Marshall Plan organization OEEC and the Schuman Plan organization ECSC. Third, trade between the two blocs continued to decline sharply, widening the economic and political division of Europe.

The first problem, the boycott of ECE’s technical committees, rendered the organization’s all-European premise almost farcical. While the Soviet Union and its allies did participate in the annual Commission sessions, they shunned the year-round work of the committees. The projects carried out by these committees were, however, able to incorporate new participants once geopolitical circumstances changed. An early example was the admission of Yugoslavia into the ECE-led system of coal allocation, a crucial function of the organization. When Yugoslavia was ostracized from the Soviet bloc following the Tito-Stalin split, it could make use of its ECE membership to secure important sources of supply. Other ECE projects, like e.g. TIR or the e-roads system, started with small groups of participant countries but have today transcended even the boundaries of ECE membership. In research, the ECE secretariat found an additional niche where it could excel, and provide functions that were unique in Europe at the time. Despite the boycott, technical cooperation at ECE thus proved not only important and adaptable, but also resilient.

The second problem, the emergence of sub-regional IOs, created a complex relationship of competition and interdependence between European economic IOs. ECE’s relationship with OEEC, the harbinger of Western Europe, was the most problematic. Both organizations shared similar portfolios and an overlapping membership. Despite frequent calls for a merger or the abolishment of one in favor of the other, both IOs were ultimately

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<sup>484</sup> Wightman, “East-West Cooperation and the United Nations Economic Commission for Europe,” 1.

<sup>485</sup> Kaiser and Schot, *Writing the Rules for Europe. Experts, Cartels and International Organisations*

preserved. The eventual emergence of a “Europe of the Six” in ECSC meant a significant shakeup of economic cooperation in Europe. While ECSC, due to its innovative, supranational institutions, captured the sense of expectation connected to the buzzword of European integration, ECE and OEEC both faded into the background of public perception. Yet, ECSC formed as part of an already existing system of international economic cooperation, and its relative success was crucially linked to the expertise and work provided by preexisting institutions outside its framework. ECE contributed to European economic cooperation directly as a technical agency, but also institutionally by supplementing other IOs like ECSC.

The third problem proved particularly persistent: Trade between the two blocs continued to decline throughout 1949-53. There was, however, a sustained interest in the resumption of East-West trade connections on both sides. Around the time of Stalin’s death, a window of opportunity opened that permitted a careful rapprochement between the blocs: After the end of ERP in 1952, the US administration lost important leverage to coerce its Western European allies to comply with its embargo policy. The Soviet Union, for its part, sought a resumption of commerce once its bloc had been firmly established. The death of Stalin accelerated this process, culminating in the so-called Soviet peace offensive. During 1953-56, a first phase of Cold War détente ensued, which saw the end of the Korean War. ECE benefitted immensely from this development. Its 1953 trade consultation, a resumption of the failed 1952 conference, proved to be a significant turning point in East-West relations. Governments used ECE facilities to establish contacts, leading to a surge in new bilateral trade agreements. 1953/54 also saw the return of Eastern European delegations to ECE’s technical committees. Although the first phase of Cold War détente ended with the parallel crises in Hungary and Suez in 1956, there was no repetition of the complete breakdown of East-West relations in ECE that had followed the Czechoslovak coup in 1948. No delegations withdrew from ECE’s committees, and the contacts established on the work-floor level outlived the brief period of rapprochement. The mid-1950s détente did not lead to a lasting peace, and the “spirit of Geneva” was short-lived. It did, however, enable forms of cooperation that were not possible prior, and continued beyond the 1950s. It elevated the gravest period of Cold War bloc formation and seclusion.

After 1953, ECE was thus able to fulfill its all-European ambition. The window for détente in the mid-50s came at a time when the Soviet Union was not prepared for the substantial increase in trade with the West that Myrdal and others had hoped for. Yet, the self-declared “bridge between East and West” that had been deserted since 1948 was put to a limited, but regular use from then on. The Cold War did not end in 1955, as some optimistic contemporaries had hoped, but it evolved into a stabilized conflict, a permanent feature of international relations allowing peaceful coexistence rather than constant fear of escalation.

The changes also affected ECE’s relationship with other IOs. Vitalized by the reinstating of its active membership, ECE grew bolder toward OEEC, and the competition over responsibilities and the division of labor between the IOs became fiercer. Its role as arbiter of all-European cooperation also encouraged ECE to maintain a distant, non-formalized working relationship with EEC and CMEA. The maxim that was laid out during the early years – cooperation on depoliticized, technical issues – set ECE on a certain path, however. Operating outside the limelight of public attention and working on all-European issues that were deliberately de-politicized, ECE’s political mission of European economic cooperation began to fade. Bolder steps were eventually taken at other venues, particularly

EEC. Yet, ECE remained active as a technical agency, creating forms of cooperation beyond the narrow geographical framework of EEC.

When Myrdal resigned as Executive Secretary, he reported that “after all our determined efforts under very adverse political circumstances for ten years the Commission had finally become [...] an effective and stable organization with full participation of all governments in the East as well as in the West of Europe”.<sup>486</sup> In the letter announcing his resignation to UN Secretary-General Dag Hammarskjöld in 1957, Myrdal emphasized “even though the political climate has recently deteriorated, the work in our committees has, after a short period of uncertainty, continued its upward course. [...] The high standards we have reached are not in danger”.<sup>487</sup>

ECE had thus become the bridge between East and West that it had aspired to be. The organization kept busy with technical work, crossing the Cold War divide much more often than previously. But ECE’s focus on technical rather than political questions precluded it from taking a leading role in the context of the more far-reaching détente of the 1970s, with the Conference on Security and Cooperation in Europe (CSCE) taking over its role as the arbiter of East-West cooperation.

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<sup>486</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 623.

<sup>487</sup> Gunnar Myrdal to Dag Hammarskjöld, 8 April 1957. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

## PART V: EPILOGUE AND CONCLUSION

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 V.1 EPILOGUE: EAST-WEST SCHISM, NORTH-SOUTH DIVIDE
 

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“That the United Nations have come through the past ten years, and that membership is now prized in every nation, is – if one stands off and looks at it – extraordinary”, American journalist Walter Lippman wrote on the UN’s ten year anniversary in 1955:

*“These have been ten dangerous years. The world is rent by the cold war [...]. And with this cold war, alongside of it, as part of it, and at times overriding it, we have been living amidst the epoch-making rise of the peoples of Africa and Asia, and their emergence as new sovereign powers [...]. In the whole of our recorded history there have been few periods, perhaps no period, when so many peoples have been involved in such deep changes in the ways of their life, or engaged in such a diversity of conflicts. It is astounding, therefore, that the universal society of the United Nations survives, and that it is, if anything, more deeply rooted, more tenaciously adhered to, than it was ten years ago.”<sup>1</sup>*

This epilogue provides an outlook on how ECE, and the UN in general, changed in the 1960s and early 1970s. The key purpose of the post-WWII international system had been to maintain peace in Europe and, by extension, the world. By 1960, however, old demarcation lines had been overwritten with a new alliance system locked into a shaky stalemate. Europe was no longer the main scene of global confrontation, but one of several sites. The competition between the systems increasingly played out in other parts of the world. In the most severe clash of the Cold War, the 1962 Cuban Missile Crisis, European nations had no active role, neither as belligerents nor as mediators.<sup>2</sup> From 1963 onwards, détente spread again, and a relatively stable settlement emerged. As the world learned to live with the East-West conflict, new fault lines came to the forefront. ECE had occupied an important position in the UN system during its early years. It was the largest UN agency at its European office, and enjoyed considerable independence from UNHQ. But as the global North-South divide became increasingly important, the UN’s attention shifted away from Europe. While ECE was quite successful in technical cooperation during the 1960s and 70s, its institutional role within the UN system and its political role as arbiter of East-West reconciliation were thus diminished. Accordingly, this epilogue to a certain extent de-centers ECE, emphasizing changes in the UN system at large.

Newly independent states in Africa and Asia changed the composition of the UN’s General Assembly. At its inception, the UN had been a concert of more or less industrialized nations, including colonial empires. Now, developing nations constituted a majority, further shifting the UN’s attention away from Europe. The relative success of European IOs outside the UN framework provided an additional justification to reduce the UN’s responsibilities for European affairs. The first UN Conference on Trade and Development (UNCTAD) in 1964 came to epitomize this shift in the UN’s focus. UNCTAD was born as yet another UN institution mediating in the East-West schism, but came to represent the North-South divide instead. It originated in a Soviet initiative after the creation of a Western European free trade area in the EEC, and was meant to be a global trade

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<sup>1</sup> Walter Lippman, Today and Tomorrow. The Ten Years of the UN, *New York Herald Tribune*, 17 June 1955. ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

<sup>2</sup> Westad, *The Cold War. A World History*, 297-311.

conference, focusing on East-West trade. But at the conference itself, UNCTAD became a key moment in the emergence of the Global South. For the first time, governments in South America, Africa, and Asia presented a united front under the flag of their shared interests as developing nations. Under the chairmanship of Raúl Prebisch, Executive Secretary of ECLA, ECE's South American sister organization, UNCTAD became a body advocating the interest of the whole developing world, changing the UN system at large.<sup>3</sup> While the East-West schism continued to be the defining feature of international relations in the 1960s, UN affairs were increasingly dominated by the North-South divide between industrialized and developing countries.

"Development" was a key term of the era, and the concept eventually became the UN system's ideological core. In development, the world body found a mission in a field where both Cold War superpowers shared ideas of progress, while disagreeing on the end goal.<sup>4</sup> "On an immense scale the cold war holds back economic progress on both sides of the dividing line", Myrdal said in a speech, returning to Geneva on the occasion of ECE's 20<sup>th</sup> anniversary in 1967:

*"We should join together on an all-European basis, together with the United States of America, in a vast cooperative effort to help the under-developed countries, even outside Europe, hasten their growth in the interest of a higher standard of living for all. These and other big things should be done but, unfortunately, are difficult to envisage realistically as long as Europe remains divided."*<sup>5</sup>

But economic development was also an instrument in the Cold War. For both sides, material and technical assistance were tools of allegiance building.<sup>6</sup> Funneling development assistance through the UN, however, gave it an aura of impartiality. The UN's constitution as a multilateral diplomatic entity substantiated its role as both a flagship of development thinking and a central agent of assistance on the ground. The UN was able to converge funding and expertise from multiple members, and provide it to multiple states in need. Unlike bilateral development assistance, provided by an industrialized nation to a developing nation, UN assistance did thus not carry the impression of prolonging a quasi-colonial relationship. The UN's original purpose – to maintain global peace – was merged with the agenda of economic development. Similarly, large American private foundations increasingly focused on developing countries, investing millions of dollars into development-related projects in Africa, Asia, and Latin America. The Rockefeller Foundations, one of ECE's long-time supporters, had long been associated with scientific research; through development, the Foundation succeeded in portraying its sharing of

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<sup>3</sup> Sönke Kunkel, "Zwischen Globalisierung, Internationalen Organisationen und 'global governance'. Eine kurze Geschichte des Nord-Süd-Konflikts in den 1960er und 1970er Jahren," *Vierteljahreshefte für Zeitgeschichte* 60, no. 4 (2012).

<sup>4</sup> Webster, "Development Advisors in a Time of Cold War and Decolonization: The United Nations Technical Assistance Administration, 1950–59," 258.

<sup>5</sup> Myrdal, "Twenty Years of the United Nations Economic Commission for Europe," 625.

<sup>6</sup> Lagendijk, "Divided Development: Post-War Ideas on River Utilisation and their Influence on the Development of the Danube," 81.

expertise as a technical and humanitarian endeavor detached from ideology and political preferences.<sup>7</sup>

In 1961, the UN designated the 1960s to be the “Development Decade”.<sup>8</sup> U.S. President John F. Kennedy proposed this “United Nations Decade of Development” in a speech he gave in the General Assembly, just days after Dag Hammarskjöld had died in a plane crash in Congo in September 1961. “Dag Hammarskjöld is dead. But the United Nations lives”, Kennedy said, “A noble servant of peace is gone. But the quest for peace lies before us.”<sup>9</sup> Kennedy went on to link the UN’s expertise on technical assistance to the emancipatory agenda of de-colonialization. “The United Nations’ existing efforts in promoting economic growth can be expanded and coordinated“, he said,

*“Regional surveys and training institutes can now pool the talents of many. New research, technical assistance and pilot projects can unlock the wealth of less developed lands and untapped waters. And development can become a cooperative and not a competitive enterprise - to enable all nations, however diverse in their systems and beliefs, to become in fact as well as in law free and equal nations“.*

The international system’s shift in focus from a peace order centered on Europe to global economic development was not limited to UN institutions. In the same year Kennedy gave this speech at the UN, OEEC became the Organization for Economic Cooperation and Development (OECD) – substituting the letter “E” for Europe with a “D” for development.

In Europe itself, a prolonged phase of détente and relative stability ensued after the Cuban Missile Crisis. ECE was able to continue and expand its work on technical and trade cooperation, venturing into new fields like trade law and environmental protection. In doing so, it could build on the achievements of the 1940s and 50s. ECE had established itself as an expert organization on East-West cooperation and trade, and as a venue that kept communications on economic issues open across the Iron Curtain. It also withstood the competition from other, sub-regional European IOs. The self-proclaimed bridge between East and West had weathered the storm, and was able to harness East-West cooperation on technical, legal, and trade-related issues during the longer phase of détente in the 1960s and 70s. But larger political circumstances remained outside its control, and the UN’s newfound focus on global development diminished it within the UN system. While ECE thus became firmly established in its niche of technical intergovernmental cooperation, its political mission of East-West reconciliation faded. Eventually, the Conference on Security and Cooperation in Europe (CSCE) took over the lead.

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<sup>7</sup> Unger, "Present at the Creation: The Role of American Foundations in the International Development Arena, 1950s and 1960s". 75.

<sup>8</sup> General Assembly Resolution 1710 (XVI), December 19, 1961.

<sup>9</sup> John F. Kennedy: "Address in New York City Before the General Assembly of the United Nations", September 25, 1961. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. <http://www.presidency.ucsb.edu/ws/?pid=8352> [accessed 27-02-2018]

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V.1.1 ECE VETERANS AND DEVELOPMENT ECONOMICS

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The theory of development economics was intimately linked with the practice of work at IOs. Virtually every major development economist did some UN work at some point.<sup>10</sup> Development economics took off during the 1950s, and the grand theories created during that time were deeply influenced by the experience of the European postwar recovery. By the beginning of the development decade, ECE veterans Nicholas Kaldor, Gunnar Myrdal, and Walt W. Rostow were among the most prominent development economists.<sup>11</sup> Rostow, who could claim to be the intellectual father of ECE, even suggested the term “development decade” to President Kennedy.<sup>12</sup> As an academic, Rostow had an important part in the rise of development studies at American universities, and was a key theorist of modernization.<sup>13</sup> His most influential book was *The Stages of Economic Growth: A Non-Communist Manifesto* (1960).<sup>14</sup> In a lecture in Moscow shortly before its publication, Rostow called his modernization theory “my alternative to the historical analysis developed by Karl Marx”.<sup>15</sup> In the book, Rostow postulated a five-stage typology of modernization as the general pattern of modern economic history. This five-stage model was not only the theoretical framework for Rostow’s brand of development economics. It also served as a political template. As foreign policy advisor to Kennedy, Rostow established aid programs that would help developing countries proceed from stage to stage in an orderly fashion.<sup>16</sup> Both his theoretical and his political work was permeated by assumptions about European reconstruction, derived not least from his own experiences during World War II and at ECE.<sup>17</sup> After Kennedy’s assassination in 1963, Rostow became National Security Advisor to President Lyndon B. Johnson. In the Vietnam War, Rostow’s proposed strategy was massive bombing raids on strategic targets – just like the Allies had done in Germany, on targets Rostow had helped to select. The bombing was supposed to be followed by a substantial development aid program aiming to restructure Vietnamese society, in a similar way to the European Recovery Program.<sup>18</sup>

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<sup>10</sup> On the UN and development economics, see e.g. Jolly et al., *UN Contributions to Development Thinking and Practice*; John Toye and Richard Toye, *The UN and the Global Political Economy: Trade, Finance, and Development*, UN Intellectual History Project (Blomington, IN: Indiana University Press, 2004).

<sup>11</sup> On Kaldor, see John Toye, “Keynes, Kaldor and Economic Development,” in *The Pioneers of Development Economics: Great Economists on Development*, ed. Jomo Kwame Sundaram (New Delhi: Tulika Books, 2005).

<sup>12</sup> Engerman, “The Romance of Economic Development and New Histories of the Cold War,” 39. See also Michael E. Latham, *Modernization as Ideology: American Social Science and ‘Nation-building’ in the Kennedy Era* (Chapel Hill, NC: University of North Carolina Press, 2000).

<sup>13</sup> Donald L.M. Blackmer, *The MIT Center for International Studies: The Founding Years, 1951-1969* (Cambridge, MA: MIT Center for International Studies, 2002); Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore and London: The John Hopkins University Press, 2003).

<sup>14</sup> Walt W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifest* (Cambridge: Cambridge University Press, 1960).

<sup>15</sup> W.W. Rostow, the Stages of Economic Growth and the Problems of Peaceful Co-Existence. Lecture delivered on May 25<sup>th</sup>, 1959, at the Institute of World Economy and International Relations, Academy of Sciences of the USSR, Moscow. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>16</sup> Engerman, “The Romance of Economic Development and New Histories of the Cold War,” 39.

<sup>17</sup> Milne, *America’s Rasputin: Walt Rostow and the Vietnam War*.

<sup>18</sup> Mazower, “Reconstruction: The Historiographical Issues,” 26-27.

Westerners saw the knowledge gained through European reconstruction as a reason to remain involved in other continents, even as the colonial empires were dismantled. “It remains Europe’s role to contribute technical knowledge, as well as capital and equipment, to the economic development of other continents”, Myrdal had told ECOSOC already in 1951.<sup>19</sup> Along with Myrdal and Rostow, numerous others sought to transfer their know-how elsewhere. These sages of growth sought to adapt the European postwar experience, which was also their own professional experience, for Africa, Asia, the Middle East, and South America.

For Myrdal, the destination was South Asia. Already in 1953, Myrdal had been on a prolonged “Asian trip” he called “one of my greatest experiences in life” in a letter to Hammarskjöld.<sup>20</sup> Myrdal’s academic work increasingly focused on economic development. He published two books on the subject in 1956 and 1957, and lectured on it in Egypt.<sup>21</sup> Alva Myrdal, hitherto the head of UNESCO’s Social Science Section, became the Swedish ambassador to India in 1955. In her own UN work, she had been one of the key proponents in using the UN’s expertise on technical assistance to deliver growth and development.<sup>22</sup> Gunnar left ECE in 1957, following his wife to New Delhi. There, he set out to work on a new large-scale research project for the Twentieth Century Fund. Ester and Mogens Boserup, another intellectual husband-and-wife team, left ECE along with Myrdal to participate in the project. Both previously worked in ECE’s Research and Planning Division, where Ester was chief of the Current Analysis Section, and Mogens of the Economic Development Section. Again, Myrdal and the Boserups saw their work in Asia as an extrapolation of their previous experience in Europe: “I regard the scientific tasks which I am now undertaking as being directed towards the same goals which have been constantly before me during my service in the cause of the United Nations”, Myrdal told journalists when leaving ECE.<sup>23</sup> The Myrdals spent another three years in India before returning to Sweden, where Gunnar headed the newly founded Institute of International Economy at Stockholm University. There, he was eventually succeeded by Ingvar Svennilson, another ECE veteran and fellow Stockholm School economist. Myrdal’s research on South Asia dragged along until 1968, when *Asian Drama: An Inquiry into the Poverty of Nations* was published in three volumes.<sup>24</sup> Myrdal’s idea of economic development was one of development planning. His assumption was that industrialization would eradicate poverty, and that industrialization required central planning. Planning, he wrote in *Asian Drama*, “becomes the intellectual matrix of the entire modernization

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<sup>19</sup> Statement by the Executive Secretary of the Economic Commission for Europe to the Economic and Social Council, 14 September 1951. ARBARK: Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3334-2-5 1951-1955.

<sup>20</sup> Gunnar Myrdal to Dag Hammarskjöld, 4 December 1953. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>21</sup> Myrdal, *An International Economy. Problems and Prospects, Rich Lands and Poor; Economic Theory and Under-Developed Regions* (London: G. Duckworth, 1957); *Development and Under-Development*, Fiftieth Anniversary Commemoration Lectures (Cairo: National Bank of Egypt, 1956).

<sup>22</sup> Sluga, “The Human Story of Development: Alva Myrdal at the UN, 1949-1955.”

<sup>23</sup> UN Information Service, Gunnar Myrdal resigns from the United Nations, 17 April 1957. Press Release No. ECE/GEN/363.

<sup>24</sup> Gunnar Myrdal, *Asian Drama: An Inquiry Into The Poverty of Nations (Three Volumes)* (New York, NY: Pantheon / Twentieth Century Fund, 1968).

ideology”.<sup>25</sup> His analysis for the South Asian region, extending from India to Indonesia, was largely pessimistic. Myrdal regarded the governments in the region as too “soft” to implement necessary development plans. Reluctantly, Myrdal concluded that authoritarian regimes might do better at achieving industrialization than democracies.<sup>26</sup>

Myrdal’s brand of development economics is nowadays often presented as a negative example, illustrating the unwarranted overreach of central governments into societies. Development planning, anthropologist Arturo Escobar writes, “involved the overcoming or eradication of ‘traditions’, ‘obstacles’, and ‘irrationalities’; that is, the wholesale modification of existing human and social structures and their replacement with rational new ones”.<sup>27</sup> In *The Tyranny of Experts* (2014), former World Bank economist William Easterly rendered Myrdal the interventionist villain opposed to his neoliberal hero Friedrich von Hayek, with whom Myrdal shared the 1974 Nobel Prize in economics.<sup>28</sup> South Korean economist Ha-Joon Chang takes a different stand, arguing in favor of interventionist development policies like those proposed by Myrdal. In *Kicking Away the Ladder* (2002), Chang argues that historically, all major developed countries used interventionist policies in order to get rich, and then tried to forbid developing nations from pursuing similar strategies.<sup>29</sup> The debate illustrates that development economics continues to be a highly polarized and politicized field.

The debate on development economics often ignores, however, that theory is never pure, but derived from historical and personal experience. David C. Engerman regards Myrdal’s emphasis on planning a result of the “power of the Soviet model”.<sup>30</sup> It is far more convincing, however, to regard it as a natural progression of Myrdal’s own thinking based on his professional experience. Similar to the line he had held first in Sweden and then in Europe, Myrdal advocated egalitarianism, now on a global scale, and planning as the instrument to achieve it.<sup>31</sup> The recipe Myrdal proposed for economic development was not least the result of his professional experience at ECE during the European recovery. Already in 1948, an ECE report had postulated “that economic development invariably involves ‘industrialization’, i.e. the expansion of the proportion of population engaged in industrial production and in services and the diminution of the population engaged in primary production”.<sup>32</sup> The assumptions individuals derived from their work at ECE thus had a significant impact on development thinking, continuing to influence the debate until today.

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<sup>25</sup> Ibid., 2: 711.

<sup>26</sup> Tim Lankester, “Asian Drama: The Pursuit of Modernization in India and Indonesia,” *Asian Affairs* 35, no. 3 (2004): 291.

<sup>27</sup> Arturo Escobar, “Planning,” in *The Development Dictionary. A Guide to Knowledge as Power*, ed. Wolfgang Sachs (London: Zed Books, 1992), 149.

<sup>28</sup> William Russell Easterly, *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor* (New York, NY: Basic Books, 2014).

<sup>29</sup> Ha-Joon Chang, *Kicking Away the Ladder: Development Strategy in Historical Perspective* (London: Anthem, 2002).

<sup>30</sup> Engerman, “The Romance of Economic Development and New Histories of the Cold War,” 31.

<sup>31</sup> Sven Eliäson, “Gunnar Myrdal: A Theorist of Modernity,” *Acta Sociologica* 43, no. 4 (2000): 332.

<sup>32</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG Box 13, Folder “Ad Hoc Committee on Industrial Development and Trade 1948”

While the European experience deeply influenced prominent thinkers like Myrdal, Kaldor, or Rostow, the success of ECE's work on economic development in Europe itself was limited. Before the Development Decade, growth and development had already been important issues for various UN organizations, including ECE. But while economic development became an increasingly defining concern to the UN system at large, ECE was not in a position to become one of its principal agents. Development issues had been on ECE's agenda from the beginning, but they did assume a secondary position to technical cooperation and East-West trade. Initially, economic development in Europe was framed as an East/West rather than a North/South distinction. A 1948 report listed Albania, Bulgaria, Yugoslavia, Romania, and Poland as the five least developed countries in Europe, with the United Kingdom, Belgium, the Netherlands, Switzerland, and Germany the most developed.<sup>33</sup> Developing the Eastern European states was part of ECE's overarching agenda of encouraging East-West trade. "Our basic idea regarding development", Myrdal wrote in 1948, "is to help Eastern Europe generate export surpluses which would be of interest to the West [...] We have chosen in this connection the various aspects of a Danube development scheme".<sup>34</sup> This scheme, taking inspiration from the American New Deal and its Tennessee Valley Authority, was meant to serve as a model case for comprehensive development cooperation in Europe. ECE's plans for development of the Danube basin foresaw close international coordination on a broad variety of subjects, including agriculture, hydroelectricity, flood control, navigation, and afforestation. The Danube basin had, at that point, already been the subject of international regulation for a comparatively long time. A European Commission of the Danube had managed affairs pertaining to river navigation from 1856 until the Nazi takeover. ECE's efforts to succeed this IO were to no avail, however. At a Danube River Conference held in Belgrade in 1948, the riparian states ousted other countries from involvement in the river's management, and set up a new Danube Commission among themselves.<sup>35</sup> ECE's attempt to become involved in the international administration of the Danube thus failed, as did its model scheme for economic development in Europe.

With the Danube scheme thwarted, the orientation of ECE's preoccupation with economic development switched from East/West to North/South. Yugoslavia, after having left the Cominform, brought in a resolution at the 1950 Commission session asking ECE to "strengthen its activity with respect to technical aid to underdeveloped countries".<sup>36</sup> While ECE's efforts on East-West reconciliation lay in deadlock, economic development slowly emerged from the periphery of ECE's agenda. "[W]e have, during the past year, in all our committees and in the Commission, been stressing more and more the problem of economic development in Europe", Myrdal told ECOSOC in 1953.<sup>37</sup> At the preceding Commission session, the US resident delegation had noted the emergence of an

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<sup>33</sup> Potentialities for Increased Trade and Accelerated Industrial Development in Europe, E/ECE/ID/2, 14 August 1948. UNOG Box 13, Folder "Ad Hoc Committee on Industrial Development and Trade 1948"

<sup>34</sup> Gunnar Myrdal to Eric Wyndham White, Executive Secretary of the Interim Commission for the International Trade Organization, 21 June 1948. ARBARK: Václav Kosteckýs arkiv, 3332-4-2-2 Mars-december 1948.

<sup>35</sup> Lagendijk, "Divided Development: Post-War Ideas on River Utilisation and their Influence on the Development of the Danube."

<sup>36</sup> US Embassy Belgrade to State Department, June 28, 1950. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1345.

<sup>37</sup> Speech by the Executive Secretary of the ECE at the 716<sup>th</sup> Meeting of ECOSOC, 8 July 1953. ARBARK, Václav Kosteckýs arkiv, árslagda handlingar enligt arkivplan, 3332-4-2-5 1951-1955.

“underdeveloped bloc” in ECE. “This group, consisting of Italy, Greece, Yugoslavia, and Turkey, initiated the resolution on economic development, possibly with some assistance from the Secretariat. It remains to be seen whether this bloc will become an important element in revitalizing the ECE”, the American delegation reported to Washington.<sup>38</sup> The fact that these four southern European countries worked together on economic development is remarkable, already for the reason that relations between them had been hostile in recent memory. For the remainder of the 1950s, ECE adopted several resolutions concerning the economic development of Southern Europe.<sup>39</sup> The shift in geographical focus also brought a qualitative change to ECE’s understanding of development: When development was framed as a North/South instead of an East/West distinction, trade was no longer sufficient to solve it: “The fundamental inequality is [...] between the underdeveloped rural South and the industrialized North”, Myrdal wrote in 1956,

*“Trade by itself is no solution to this problem, and the trade liberalization which has actually taken place has even tended to perpetuate, if not widen, this inequality. West-European trade liberalization if unaccompanied by any concerted development policy, may in the end come to stand out as a repetition, on the wider European scene, of the hampering of industrial growth in southern Italy begun by the unification of that country almost a hundred years ago.”<sup>40</sup>*

The Southern European group continued its cooperation on development through the 1960s and 70s, expanding infrastructure projects like the e-roads and electricity networks.<sup>41</sup> While economic development was thus a going concern for ECE, it remained subjugated to technical cooperation. But the notion that trade liberalization could have negative repercussions on growth and development did soon resurface with force, this time in a global context, at the first UNCTAD in 1964.

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<sup>38</sup> US Resident Delegation at ECE to State Department, Analysis of the Eighth Plenary Session of the Economic Commission for Europe – Geneva, March 3-18, 30 March 1953. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>39</sup> UNECE, *Three Decades of the United Nations Economic Commission for Europe*, 7.

<sup>40</sup> Myrdal, *An International Economy. Problems and Prospects, Rich Lands and Poor*, 64.

<sup>41</sup> Lagendijk and Schipper, “East, West, Home’s Best: the Material Links of Cold War Yugoslavia.”

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V.1.2 THE UN REGIONAL COMMISSIONS AND UNCTAD

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By 1960, development was already at the core of the UN agenda. The issue affected not just the North-South gap that existed within Europe, but globally. At the 1960 Commission session, ECE passed a Yugoslavian resolution on aid to underdeveloped countries outside Europe. “[I]t was not just incidental that our initiative was unanimously adopted”, the Yugoslavian party newspaper *Komunist* reported,

*“so that in the Commission another fundamental long-term problem of [the] European economy began to be tackled: the settlement of relations between highly developed Europe and the backward non-European areas throughout the world [...] At the time when colonialism disappears from the world [...] it is necessary to seek and find other relations and a different basis for economic cooperation and commerce”.*<sup>42</sup>

As Europe’s relationship with its former periphery changed, so did the UN system. When ECA was founded in 1958, the colonial powers were excluded. Today, ECA and the Economic and Social Commission for Western Asia (ECSWA, 1973) are the only regional commissions in which France, the United Kingdom, and the United States are not full members. ECLA even tried to go against the regional logic of the regional commissions by inviting the large donor countries Germany, Japan and Italy to join – however, only Italy accepted and joined the Latin American Commission in 1990.<sup>43</sup>

As Europe became increasingly decentered within the UN, the importance of the other regional commissions grew. In 1960, ECOSOC set up a committee to appraise all programs of the UN family. Its report lauded the regional commissions’ achievements: “The regional commissions, in particular those for Asia and the Far East, Latin America, and Africa, are steadily gaining in importance as focal centres for the discussion and the promotion of economic development”.<sup>44</sup> The omission of ECE from this list illustrates both the increasing importance of economic development to the UN, and the relative decline of ECE among the regional commissions. When ECE and ECAFE, the first of the regional commissions, were founded in 1947, the number of professional staff was 187 for ECE compared to just 26 for ECAFE.<sup>45</sup> Until 1960, staff numbers evened out among the then four regional commissions. The budget of all four commissions grew between the mid-1950s and the beginning of the Development Decade; but in 1961, ECE had the smallest budget of the four (Fig. V.1). ECLA was, by then, the biggest of the regional commissions, both in terms of budget and number of professional staff (Fig V.2).

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<sup>42</sup> After this year’s session of the European Economic Commission, article in *Komunist*, organ of the JCY, May 19, 1960. KB, Karin Kocks paper, Handlingar rörande Economic Commission for Europe, 1947-1960.

<sup>43</sup> Berthelot, "Unity and Diversity of Development: The Regional Commissions’ Experience," 14.

<sup>44</sup> Malinowski, "Centralization and Decentralization in the United Nations Economic and Social Activities," 534.

<sup>45</sup> Economic and Social Council, Economic Commission for Asia and the Far East, Provisional estimate presented by the Secretary-General in accordance with financial regulation no. 25 of the General Assembly, E/366/Add.1, 23 March 1947. TNA, FO 371/62384: Establishment of an Economic Commission for Europe.

**Fig. V.1 Expenditures of the UN Department of Economic and Social Affairs (in thousands of USD)<sup>46</sup>**

	1956	1961
Headquarters	4237	5816
Regional Commissions total	4714	7864
... ECE	1210	1611
... ECAFE	1225	2162
... ECLA	1279	2418
... ECA	n.a.	1673

**Fig. V.2 Professional Staff of the UN Department of Economic and Social Affairs by Geographical Areas of Origin, August 1961.<sup>47</sup>**

<b>Headquarters</b>	<b>260</b>
Europe, total	96
... Western Europe	... (64)
... Eastern Europe	... (32)
North America	71
Asia and the Far East	58
Latin America	13
Africa	8
Middle East	14
<b>Regional Commissions</b>	<b>265</b>
<b>ECE</b>	<b>68</b>
Europe, total	56
... Western Europe	... (38)
... Eastern Europe	... (18)
Others	12
<b>ECAFE</b>	<b>65</b>
Asia and the Far East	55
Others	10
<b>ECLA</b>	<b>86</b>
Latin America	53
Others	33
<b>ECA</b>	<b>46</b>
Africa	19
Others	27
<b>Total</b>	<b>525</b>

<sup>46</sup> Malinowski, "Centralization and Decentralization in the United Nations Economic and Social Activities," 526.

<sup>47</sup> Ibid., 527.

Paradoxically, the staff reductions at ECE were partly a result of its success. “We have now [...] more than twice as many meetings as we had three or four years ago and very much more than twice the volume of work”, Myrdal told ECOSOC in 1956, when full participation in ECE had been restored.

*“Nevertheless, we have not increased our staff [...]. As a matter of fact, we have decreased our staff. [...] My idea of an effective international organization [...] is that the Secretariat should, in a sense, wither away. That means that our working parties are working parties in the real meaning of the term since as a rule they perform their tasks with the help of national rapporteurs.”<sup>48</sup>*

As work at ECE increasingly shifted to the committee level, the Secretariat lost some of its prior importance to keeping the organization afloat. Myrdal expanded on this logic in his opening speech at the 1956 Commission session:

*“ECE is an instrument for economic co-operation between the Governments in the region, placed at their disposal by the United Nations. Its Secretariat exists only to help these Governments achieve their stated aims. But essentially, and ultimately, the work which needs to be done is work by the Governments themselves. Indeed, the more successful the Governments are in their work together, the less important, in a sense, becomes the role of the Secretariat. [...] It is a sign of a weak and inefficient international organization when too much of its activity becomes work of the Secretariat.”<sup>49</sup>*

Instead, Myrdal suggested that “any additional budgetary resources [...] should be devoted rather to building up the personnel of the other two regional commission in Asia and the Far East and in Latin America”. This suggestion was very much in line with the thinking at UNHQ.

The relative decline of ECE among the regional commissions was part of the UN’s reorientation toward development as the new ideological core of the organization. During Phillippe de Seynes’ tenure as Under Secretary-General for Economic and Social Affairs from 1955 onwards, the UN set up a number of new economic institutions that put development front and center: ECA, the United Nations Population Fund (UNFPA), and the United Nations Industrial Development Organization (UNIDO). ECE’s role in this new agenda was marginal. In 1960, de Seynes suggested changing ECE’s organization and scope of activities “to make a real contribution to the wider purpose of the UN, particularly within the realm of industrialization of less developed countries”, along with “the short-term assignment to other parts of the world of a significant number of staff members”.<sup>50</sup> While ECE’s importance as a political organ declined, its expertise on economic cooperation thus continued to be relevant.

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<sup>48</sup> Statement by Gunnar Myrdal to the 22<sup>nd</sup> session of the Economic and Social Council on 19 July 1956.

ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>49</sup> Opening Statement by the Executive Secretary to the Eleventh Session of ECE on 5 April 1956, E/ECE/242.

ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

<sup>50</sup> A.F. Ewing to Sakari Tuomioja, n.d. (1960?). ARBARK, Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960.

Such inter-regional exchanges were not entirely new, however. Inter-regional cooperation through the regional commissions came up repeatedly during the 1950s, but an institutionalization failed not least due to American obstructionism. Avery Cohan of the US resident delegation, increasingly cynical and skeptical of Myrdal and ECE, wrote in 1952 that

*“Myrdal is, as usual, restless, frustrated, bursting with energy and seeking new ways and means of giving the Commission and his job additional meaning. [...] inter-regional cooperation has been his second ‘line of defense’, his first ‘line of defense’ having been E-W trade. Given what seems to some to be the collapse of the eastern interest in using the ECE for the purpose of discussing E-W trade, Myrdal may well seek more intensively than heretofore additional areas of activity in the field of inter-regional cooperation.”*<sup>51</sup>

When ECE’s efforts to increase East-West trade were still deadlocked, the secretariat pursued cooperation on trade with its sister commissions, testing inter-regional cooperation as a possible remedy when regional cooperation seemed to be failing. Similar to ECE’s relationship with OEEC, it cooperated with its sister commissions mainly in the form of inter-secretariat coordination.<sup>52</sup> Already in 1951, ECE, ECLA, and FAO published a joint *Study of Europe’s Trade with Latin America*.<sup>53</sup> Before Stalin’s death and the silent breakthrough, Myrdal suggested postponing the 1953 ECE session so that governments (and himself) could participate in an ECAFE trade conference in Manila. While ECE prepared its own East-West trade consultation, Myrdal hoped to also increase trade between Europe and the Far East. “Just in case the [ECE] trade consultations don’t completely eliminate the East-West conflict and thus revive the ECE”, Joseph Greenwald of the US delegation wrote, “Myrdal and the Secretariat are continuing to ride the inter-regional-cooperation horse”.<sup>54</sup> Ultimately, Myrdal and ECE did not participate in the ECAFE trade conference, not having received sufficient responses from European governments. “It seems that our good ally, - Lethargy, - has again helped us to dispose of one of the Secretariat’s bright and ambitious ideas”, Greenwald commented.<sup>55</sup>

But this was not the end of inter-regional cooperation. Later that same year, the Executive Secretaries of ECE, ECAFE, and ECLA met in Geneva. “Mr. Myrdal said he looked upon ECE as an organization which dealt with technical problems at a regional level”, the protocol of that meeting reads, “but ECE always had in mind the possibility that the solution to these limited local problems could perhaps be applied to similar problems

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<sup>51</sup> Avery B. Cohan to Ruth Phillips, September 4, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>52</sup> UNECE, *Three Decades of the United Nations Economic Commission for Europe*, 9.

<sup>53</sup> Statement by the Executive Secretary of the Economic Commission for Europe to the Economic and Social Council, 14 September 1951. ARBARK: Václav Kosteleckýs arkiv, årslagda handlingar enligt arkivplan, 3334-2-5 1951-1955.

<sup>54</sup> Joseph Greenwald, Economic Officer, US Resident Delegation to ECE, to Ruth Philipps, State Department, July 10, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

<sup>55</sup> Joseph Greenwald, Economic Officer, US Resident Delegation to ECE, to Ruth Philipps, State Department, September 26th, 1952. NARA: RG 59 Department of State Decimal File 340.240, 1950-54, Box 1349.

elsewhere [...] its work could have worldwide effects”.<sup>56</sup> This approach did yield some non-negligible results in the long run. The precedents that ECE set in the form of technical projects had profound repercussions in other parts of the world. ECE’s work on coal classification, for instance, was the basis for similar work by ECAFE, and eventually for a global classification framework. The e-road system served as a role model for the pan-Asian highway network, and the TIR customs scheme for goods in transit, which originated at ECE, has grown far beyond Europe’s geographical borders. ECE even sought to export its conferencing techniques. Shortly after the successful 1953 East-West trade consultation, one ECE official suggested a “multilateral broad confrontation of demand and supply, just as was carried out during our Trade Consultation” to ECAFE’s Executive Secretary Palamadai Lokanathan.<sup>57</sup> Also Myrdal advertised ECE’s “new and efficient technique” to ECAFE and ECLA.<sup>58</sup> Asian buyers of European goods should convene with government representatives and business people in a multilateral conference held in Geneva. While this proposal did not work out, ECE officials saw another opportunity to go forward with it at UNCTAD, ten years later.

The first UNCTAD in 1964 marked a caesura for the UN at large. UNCTAD was launched in the familiar context of East-West trade, and as a reaction to Western European integration. But the conference itself turned the issue on its head: It provided a venue for the developing world to formulate its own stance, transcending the binary logic of the East-West conflict, and further decentralizing Europe in the process. In 1962, the USSR had submitted a draft resolution to the General Assembly, calling for a global UN conference on trade. The primary motivation for this was concern over the formation of a Western European customs union in EEC, which the USSR perceived as threatening to its own trade. Foreign Minister Andrei Gromyko reserved strong words for the EEC, calling it a “closed group” that was primarily responsible for the discriminatory terms of global commerce.<sup>59</sup> Western countries dismissed the proposal, arguing that questions of East-West trade were already dealt with at ECE. But in the General Assembly, developing nations enthusiastically supported the proposed conference, seeing it as a way to renegotiate the tenets of international trade in a postcolonial setup. Socialist countries continued to be strong supporters of UNCTAD, albeit with their own agenda. As Michel Christian has shown, their primary concern was not the development of poorer countries, but the removal of trade barriers Eastern Europe experienced when trading with the West, and in particular, the effects of Western economic integration in EEC.<sup>60</sup> But while the Socialist governments prepared for another East-West trade conference, the developing nations effectively

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<sup>56</sup> Aide-mémoire of the informal meeting of regional Executive Secretaries and Headquarters staff held in Salle II, Palais des Nations, Geneva, 17 July 1953. UNARMS: S-0441-0161-03, Cooperation and Liaison between ECE Secretariat and Regional Economic Commissions Section, part A.

<sup>57</sup> E.M. Chossudovsky to Gunnar Myrdal, 16 July 1953. UNOG Box 12, Folder “Trade – Correspondence 1953”.

<sup>58</sup> Statement by the Executive Secretary of ECE to the Economic and Social Council, introducing discussion on ECE’s annual report, 3 August 1954. S-0441-0161-03, Cooperation and Liaison between ECE Secretariat and Regional Economic Commissions Section, part A.

<sup>59</sup> Quoted in Garavini, *After Empires. European Integration, Decolonization, and the Challenge from the Global South, 1957-1986*, 64.

<sup>60</sup> Michel Christian, ““It is not a question of rigidly planning trade”. UNCTAD and the Regulation of the International Trade in the 1970s,” in *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*, ed. Michel Christian, Sandrine Kott, and Ondřej Matějka (Berlin: de Gruyter, 2018).

discarded trade discrimination against the East from the UNCTAD agenda. “They [see] the world trade conference as their conference, where they want to see their own economic problems being addressed”, one GDR official summarized.<sup>61</sup> Western preparations for UNCTAD were characterized by conflict rather than by successful policy coordination. Some coordination took place at OECD, but internal tensions overshadowed these efforts. The rejection of a British membership application for EEC had severely poisoned the atmosphere, particularly between France and the UK.<sup>62</sup> Moreover, the British and French governments disagreed over key questions of trade policy. While the French endorsed regulations for commodity prices, the British were strictly opposed. The Western countries thus confined their preparations for UNCTAD largely to national ministries. Their lack of advance coordination put Western governments in a tight spot at the conference itself. The rich Western countries appeared deeply divided over trade and aid policy, and surprised by the united front presented by the developing countries. Only in the aftermath of UNCTAD did OECD step up to formulate a coherent Western voice in the North-South divide.<sup>63</sup>

Unlike OECD, the UN regional commissions were heavily involved in the preparations for UNCTAD. ECLA’s Executive Secretary, Argentine economist Raúl Prebisch, was UNCTAD’s chairman. Wladek Malinowski, the Chief of the Regional Commissions Section at UNHQ and Myrdal’s old friend from the group of wartime social democrat exiles in Stockholm, acted as an advisor to Prebisch. Malinowski was a driving force in turning UNCTAD into a permanent institution, which it has been ever since.<sup>64</sup> After the first UNCTAD convened in 1964, it met in a different location every four years. Since UNCTAD held its first session in Geneva, ECE provided staff and facilities for UNCTAD’s ad hoc secretariat. ECE’s own secretariat and Trade Committee worked closely with Prebisch. At the conference itself, the ECE secretariat submitted ten reports as working papers. This collaboration was “not at all surprising, considering that many of the Commission’s key officials were ideologically very close to Prebisch”, Jean Siotis wrote in 1967.<sup>65</sup> Tackling international trade in a permanent, multilateral framework involving both East and West had long been ECE’s preferred approach. UNCTAD lifted this method to a new level by including the non-European world. In a sense, UNCTAD did what ECE could not: It perpetuated a multilateral conference on international trade, involving Socialist countries as well as the developing world.

UNCTAD also produced a strong synergy between development economics and institutional action. Unlike the then-dominant modernization theory of Rostow and others, which understood modernization as a process limited to the confines of one nation state, Prebisch’s understanding of development emphasized economic relations of countries with each other. But instead of a bilateral aid relationship, wherein a developed country would

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<sup>61</sup> Quoted in “UNCTAD,” in *Den Kalten Krieg vermessen. Über Reichweite und Alternativen einer binären Ordnungsvorstellung*, ed. Frank Reichherzer, Emmanuel Droit, and Jan Hansen (Berlin: De Gruyter, forthcoming).

<sup>62</sup> Garavini, *After Empires. European Integration, Decolonization, and the Challenge from the Global South, 1957-1986*, 38.

<sup>63</sup> Patricia Hongler, “The Construction of a Western Voice: OECD and the First UNCTAD of 1964,” in *The OECD and the International Political Economy Since 1948*, ed. Matthieu Leimgruber and Matthias Schmelzer (New York: Palgrave, 2017).

<sup>64</sup> Toye and Toye, *The UN and the Global Political Economy: Trade, Finance, and Development*, 194.

<sup>65</sup> Siotis, “ECE in the emerging European System,” 48.

help a developing country to proceed from one stage of growth to the other, the policy that derived from Prebisch's argument centered on multilateral trade relations. Already in 1949, Prebisch argued that the world economy was divided between a periphery producing raw materials and an industrialized center benefitting from manufacturing. In the highly influential paper *Toward a New Trade Policy for Development* (1964), a central document of debate at the first UNCTAD, Prebisch identified a widening gap between the revenues developing countries generated through exports and their needs for imports and investments.<sup>66</sup> This multilateral understanding of development translated directly into multilateral action at UNCTAD. Prebisch proposed not only aid and increased industrialization, but higher prices for raw materials. Focusing on international trade allowed developing countries to act on their shared interests in a multilateral environment. At the Geneva conference, delegates from Africa, Asia, and Latin America formed a lasting alliance, and tried to fundamentally challenge the architecture of world trade. UNCTAD has since become synonymous with the Global South's arrival on the scene of international politics.

For ECE, UNCTAD became an asset rather than a competitor. East-West trade, ECE's *chasse gardée*, was not taken over by UNCTAD. Problems of trade between countries with different economic systems were discussed at the conference, but mostly in reference to Socialist trade with the developing world. Moreover, the establishment of UNCTAD's headquarters in Geneva led to an increased influx of permanent delegations and trade experts, which also proved beneficial to ECE.<sup>67</sup> While UNCTAD thus stood in the limelight of world trade discussion, particularly during its 1970s quest to establish a "New International Economic Order", it did not impede on ECE's agenda.<sup>68</sup> ECE's entrenchment in intergovernmental functions was such that an increasingly crowded stage of IOs working on trade-related issues did marginalize it even further in public perception, but did not challenge its existence.

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<sup>66</sup> Raúl Prebisch, "Toward a New Trade Policy for Development," in *Proceedings of UNCTAD Vol. 2*, ed. United Nations Conference on Trade and Development (New York: United Nations, 1964), 3-66.

<sup>67</sup> Siotis, "ECE in the emerging European System," 48-49; 69.

<sup>68</sup> Johanna Bockman, "Socialist Globalization against Capitalist Neocolonialism: The Economic Ideas behind the New International Economic Order," *Humanity* 6, no. 1 (2015).

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### V.1.3 THE ROAD TO CSCE

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While the North-South divide increasingly dominated UN affairs, Europe experienced a prolonged phase of *détente*, culminating in the Conference on Security and Cooperation in Europe (CSCE) in the mid-1970s. The crisis atmosphere that dominated the early Cold War receded in the 1960s and 1970s. *Détente* came along with an increase in East-West trade, which tended to lessen political tension further. Myrdal, by then back in Stockholm as an academic, described the relationship between mid-1960s *détente* and East-West trade as a “circular causation with cumulative effects”, adding that “political developments have played the leading role” while “the development of trade has been more of a response to the political changes”.<sup>69</sup> This observation was clearly in line with Myrdal’s experience at ECE. ECE’s role was not that of a leading actor of *détente*, but of an instrument that had survived the period of deep freeze in East-West relations and now stood ready to play its part. After Stalin’s death, lasting contacts were established on the work floor level that survived the political crises of the late 1950s. When *détente* gained traction again after the Cuban Missile Crisis in 1962, ECE had successfully established machinery for international cooperation on trade and technical issues across the Cold War divide. By the mid-1960s, writes Vincent Lagendijk, ECE’s attempts “began to bear fruit. [...] Myrdal’s secretariat had created an organizational structure that could act as a bridge between East and West. Now the international political situation, characterized by *détente*, provided the circumstances under which this bridge came in use”.<sup>70</sup> ECE’s strategy for survival had been to focus on largely de-politicized, technical issues. It did so relatively successfully, given the circumstances. But as ECE became an increasingly technical organization, its political mission faded, until it was eventually taken over by CSCE.

During the 1960s, several ECE projects were reinvigorated and intensified, e.g. electricity connections, trade arbitration, and agricultural standards. After the Trade Committee’s restoration in 1954, it was also possible to focus more on legal questions. For six years after 1954, the Trade Committee prepared a “European Convention on International Commercial Arbitration” that allowed settling legal conflicts between private entities and socialist states with a monopoly on trade. The convention came into force in 1961, with two thirds of ECE member states participating.<sup>71</sup> The committee also increasingly worked on re-insurance, and the simplification and standardization of export documents. Despite this new legal focus, ECE still engaged in the more basic task of facilitating trade consultations during the 1960s. Although the establishment of direct bilateral relations between most European countries had eliminated the necessity for large extraordinary trade consultations, many of the smaller countries still considered ECE’s mode of bilateral trade consultations in a multilateral framework as valuable opportunities to expand their trade. A group of ECE delegates from small and medium countries, nicknamed the “von Platen group” after its initiator, Swedish delegate Carl Henrik von Platen, continued trade consultations on a more regular basis until the mid-1960s.<sup>72</sup>

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<sup>69</sup> Myrdal, “Political factors affecting East-West trade in Europe,” 143.

<sup>70</sup> Lagendijk, “The Structure of Power: The UNECE and East-West Electricity Connections, 1947–1975,” 63.

<sup>71</sup> Siotis, “ECE in the emerging European System,” 24.

<sup>72</sup> *Ibid.*, 35.



**Fig. V.3** *Technical cooperation as a means of coexistence: ECE transport experts from France, Greece, Switzerland, the USSR and the UK gather around a table to look at a map. January 1958.*<sup>73</sup>

While ECE was making considerable progress on technical and legal cooperation, political factors remained outside of its control. “ECE’s work proceeds in an even flow of effective labor”, von Platen wrote to the Foreign Office in Stockholm in 1960,

*“Their activity is mostly of technical nature, and goes on year-round within the different committees: coal, iron and steel, timber, etc. Then, the annual commission session arrives. Political tensions take over. The commission keeps ECE in a cold and gloomy dimness, which is lifted only once the head delegates have left Geneva. This is how it was, and this is how it is. ECE never became the centrum of European economic policy it was meant to be.”*<sup>74</sup>

While expert delegations worked quietly and efficiently on technical issues in the committees, the Commission sessions remained theatres of Cold War posturing. Despite

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<sup>73</sup> UN Photo, Photo # 364939

<sup>74</sup> Svenska representationen i Geneve till utrikesdepartementet, Tankar inför ECE:s årsmöte 1960, 11 February 1960. KB, Karin Kocks papper, Handlingar rörande Economic Commission for Europe, 1947-1960.

the prevalence of détente, Myrdal wrote in 1968, “the common idea that we are approaching the end of the Cold War is illusory”.<sup>75</sup>

But while the European Cold War was not nearing its end in the mid-1960s, its dynamics had changed considerably. Europe became increasingly polycentric. Sub-regional IOs were part of this increasing polycentrism, as was resurgent Germany, and the smaller European nations. “The situation today is changing rapidly [...] and the powers that led to the two blocs no longer play a decisive hegemonial role in [ECE’s] affairs. Many smaller countries – for example, Austria, Belgium, Czechoslovakia, Hungary, Poland, and Sweden – are sometimes pivotal in the new complex system of power relations”, Siotis wrote in 1967, “although the great powers’ views are still very important, they can no longer be imposed on the other members, because the negotiating process within ECE’s multilateral bodies now involves a large number of delegations”.<sup>76</sup> Smaller nations enjoyed greater room for maneuver than previously, but the political restraints of the Cold War divide still set limits to their capability to cooperate at ECE.

Even in the more relaxed atmosphere of the 1960s and 70s, political problems that riddled East-West cooperation at ECE endured. Export discrimination persisted, although the United States held considerably less sway over the trade policy of its European allies than it did during the ERP years. “European politicians learned quickly that the most efficient way of getting generous help from the United States was to point out the Communist threat”, Myrdal wrote in a sociological textbook in 1971. “As the aid declined, so did the Europeans’ fear of the dangers of Communism.”<sup>77</sup> Also in the United States itself, the usefulness of the export controls associated with CoCom was called into question. Rostow, who had always been critical of the US-led export controls, wrote a report on US trade with the Soviet bloc for the Kennedy administration in 1963. “For a number of years now, we have attempted to maintain, virtually in isolation, a posture tantamount to economic warfare”, the report stated:

*“The major issues in our trade control policy are political not strategic, economic or commercial. Neither full access to, nor complete denial of, trade with the U.S. can affect Soviet capabilities to wage war – either hot or cold war. Nor can either trade situation affect in any meaningful sense the performance or potentialities of the Soviet economy.”*<sup>78</sup>

Nevertheless, Rostow did not call for an immediate end of the embargo, emphasizing its psychological – rather than practical – value: “Trade denial has come to be an important symbol of our cold war resolve and purpose and of our moral disapproval of the USSR”, he wrote. In a static Cold War situation, “there can be no question of giving quarter, psychological or otherwise, to the enemy”.<sup>79</sup> While Rostow concluded that the embargo did not serve its initial purpose of hindering the Soviet Union’s war-making capacity, he credited it with an important symbolic role instead. It signaled American resolve to wage

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<sup>75</sup> Myrdal, “Political factors affecting East-West trade in Europe,” 145.

<sup>76</sup> Siotis, “ECE in the emerging European System,” 10-11.

<sup>77</sup> Gunnar Myrdal, *Objektivität in der Sozialforschung* (Frankfurt/M: Suhrkamp, 1971), 44.

<sup>78</sup> Quoted in Dobson, “From Instrumental to Expressive: The Changing Goals of the U.S. Cold War Strategic Embargo,” 109.

<sup>79</sup> *Ibid.*, 110.

the Cold War, a message directed at friends and enemies alike. But as the origins of UNCTAD had shown, export discrimination in East-West trade was not an American Cold War instrument alone. Hungarian economist Janosz Szyta claimed in 1974 that “the conduct of the European Economic Community constitutes the main problem” for East-West trade.<sup>80</sup> According to Szyta, the EEC’s agricultural regulations were the most serious obstacle to trade with Eastern Europe. To make his case, Szyta quoted ECE’s 1969 economic survey, which “stated that, as a result of the EEC farming regulations, the export markets of the socialist countries lost their stability, and the market regulations related to market derangements led to the restriction of imports from socialist countries”.<sup>81</sup> While the American-led export controls of the early Cold War were thus diminished, new obstacles to East-West trade had arisen from Western European integration.

ECE did not become the champion of détente in the early 1970s, although it would have been in a position to do so. “The Commission gradually became a regular *lieu de recontre* of experts from both parts of the continent gathering at regular intervals to consider sectorial problems of common interest”, Jean Siotis and Evgeny Chossudovsky, a long-serving ECE secretariat member, wrote in 1976.<sup>82</sup> The strategy to de-politicize issues by reducing them to a series of narrowly circumscribed components that could be dealt with by specialists made sure that ECE was still doing effective work. Conferencing practices, like no-vote decision-making based on consensus in the committee meetings, and East-West rotation in chairmanship, created a de facto parity of East and West in ECE that was not representative of Western voting strength. While these procedures assured ECE’s position as a point of contact between the blocs, they also limited its influence on the more politicized, controversial issues of East-West cooperation. Technical cooperation alone did not suffice to overcome the Cold War. Siotis and Chossudovsky admitted that the “low level of political relations especially between the principal actors at the time constricted the Commission’s impact on national policy-making”. They quoted “a well-informed American observer” who pointed out that ECE’s pre-occupation with technical issues has “exacte d a price in removing the ECE from the central position in East-West controversial questions”.<sup>83</sup> In order to survive despite the Cold War, ECE had effectively become a Cold War organization, working in a niche of technical and trade cooperation that political circumstances permitted.

The role of the flagship of 1970s détente was instead taken on by CSCE. The conference extended all-European cooperation from ECE’s purely economic mission to include the fields of security and human rights. In doing so, it effectively took over ECE’s political mission. On the occasion of ECE’s twentieth anniversary in 1967, the Commission had adopted a declaration that underlined the relationship between economic cooperation and security, reflecting the early preparations for wider East-West cooperation that would result in CSCE. The declaration featured new forms of cooperation, for instance joint research on economic development and management of enterprises. In 1969, ECE established four overall priorities: the development of trade, in particular between East and West; scientific and technological cooperation; long-term economic projections and planning; and

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<sup>80</sup> Janosz Szyta, “On Intra-European Economic Cooperation and East-West Trade,” *Acta Oeconomica* 13, no. 3-4 (1974): 292.

<sup>81</sup> *Ibid.*, 290.

<sup>82</sup> Chossudovsky and Siotis, “Organized all-European Co-operation: The Role of Existing Institutions,” 161-62.

<sup>83</sup> *Ibid.*

environmental problems.<sup>84</sup> These ECE priorities were virtually identical to the part of CSCE agenda's entitled "Co-operation in the fields of Economics, of Science and Technology and of the Environment". These economic issues were summarized as CSCE's "Basket Two", the other Baskets being security (Basket One) and human rights (Basket Three).<sup>85</sup> While the CSCE process was underway from 1972 onwards, ECE was placed in a "state of almost suspended animation since some governments were not unnaturally reluctant to move on the ECE plane, so long as these matters remained unresolved in the Conference", as Siotis and Chossudovsky describe it.<sup>86</sup> In the major East-West negotiations of the 1970s, ECE played the part of a technical support venue to CSCE. This role was also reflected by changes in ECE membership, which was enlarged to mirror that of CSCE: Switzerland became a full member of ECE in 1972, followed by Canada and the GDR in 1973. San Marino was admitted as an observer in 1975, Liechtenstein and the Vatican in 1976. The only ECE member states not participating in CSCE were Albania and the Byelorussian and Ukrainian SSRs, while the only signatory state of CSCE's Final Act not participating in ECE was Monaco.<sup>87</sup> CSCE and ECE were thus more closely intertwined than ECE and any other postwar IO.

The CSCE process concluded in the Helsinki Final Act of 1975. The implementation of its decisions was left to governments and other IOs. As the preamble to Basket Two put it, its signatories sought to "take advantage of the possibilities offered by these organizations, in particular by the United Nations Economic Commission for Europe, for giving effect to the provisions of the final documents of the Conference".<sup>88</sup> ECE was the primary venue charged with the implementation of the Helsinki Final Act's economic provisions. The text of Basket Two went on to reference ECE's work with regard to areas as wide-spread as statistics, trade, industrial cooperation, environmental problems, inland waterways, and inland transport, and charged it with new tasks on trade law and scientific cooperation.<sup>89</sup> The CSCE process harnessed the political will necessary to proceed on the agenda of East-West reconciliation, and absorbed the light of public attention. It gave the political impetus for ECE, the survivor of post-WWII internationalism, to continue its task of all-European cooperation.

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<sup>84</sup> Paul J. Bailey and Ilka Bailey-Weibecke, "All-European Co-operation: The CSCE's Basket Two and the ECE," *International Journal* 32, no. 2 (1977): 391.

<sup>85</sup> Bettina Hass-Hürni, "The Relevance of Economic Issues at the Belgrade Conference," *Intereconomics* 13, no. 5/6 (1978).

<sup>86</sup> Chossudovsky and Siotis, "Organized all-European Co-operation: The Role of Existing Institutions," 165-66.

<sup>87</sup> Bailey and Bailey-Weibecke, "All-European Co-operation: The CSCE's Basket Two and the ECE," 387.

<sup>88</sup> Quoted in Chossudovsky and Siotis, "Organized all-European Co-operation: The Role of Existing Institutions," 166-67.

<sup>89</sup> Bailey and Bailey-Weibecke, "All-European Co-operation: The CSCE's Basket Two and the ECE," 396-97.

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## V.2 CONCLUSION

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Concluding the thesis, this final section proceeds in three steps. It first returns to the four research questions raised under I.1 and summarizes the results. It then summarizes the insights gathered from the study of ECE on European history during the Cold War more generally. Finally, this conclusion reflects on ECE and the other UN regional commissions today, relating present-day concerns about their role and usefulness to the historical experience.

*What was ECE's role within the context of War the Cold and of European economic cooperation?*

This thesis has argued that ECE combined the UN's universalism with a regional, European premise. Against the backdrop of the unfolding Cold War, it upheld the idea of all-European cooperation. All-European economic cooperation at ECE was a technocratic process of depoliticized intergovernmental cooperation on technical subjects that emerged in the period of postwar emergency, survived the years of peak tension in the early Cold War, and contributed significantly to the "hidden integration" of Europe. This technocratic approach to international cooperation was partially a legacy of the League of Nations and inter-Allied, civilian organizations of the mid-1940s, i.e. UNRRA and the three e-organizations EECE, ECO, and ECITO. The creation of ECE combined European interwar internationalism with an American ideal of reinvigorated, hands-on postwar internationalism in the UN framework. But ECE also became a vehicle for the European resistance against certain aspects of a global *Pax Americana*, particularly against a looming confrontation with the Soviet Union and the division of the continent.

Hence, ECE occupied a peculiar place in the developing landscape of global and European IOs. It was a regional IO embedded into the global UN system, traversing the emerging geopolitical division of Europe and the intra-mural integrations fostered by the Cold War. ECE was an important, hitherto under-researched player among postwar IOs. The case of ECE shows that institutionalized economic contact between East and West never fully broke off, and that a framework for the possibility of *détente* was consciously maintained. ECE provided a forum where bloc discipline was established and showcased, but also where the two blocs, once solidified, continued to meet on economic issues.

The breakdown of East-West relations and commerce challenged ECE's all-European premise and its self-ascribed role as the champion of East-West trade. During the Socialist countries' boycott of ECE's technical committees 1948-1953, ECE effectively consisted of Western European and neutral countries. This further complicated its relationship with OEEC and other Western IOs, since the substantial overlap in membership and responsibilities between them became even more pronounced. In the beginning, US and French officials sought to keep the parallel structures of ECE and OEEC alive, using ECE as a backdoor for potential defectors from the Eastern camp. This strategy paid off in the case of Yugoslavia: resource supply organized through ECE with US backing was crucial for making the Tito-Stalin split economically feasible. The UK, on the other hand, sought to reduce ECE activity to a minimum, fearing Soviet meddling. ECE thus never became the ambitious, all-European planning agency it was projected to be, and faced existential difficulties from the start.

*How and why, then, was ECE maintained throughout the peak of Cold War tensions 1948-1953?*

The reasons why ECE survived the critical years between the Czechoslovak coup and the death of Stalin are threefold. First, despite the Socialist countries' initial boycott of the committees, technical cooperation at ECE proved adaptable and resilient. Making use of its intergovernmental setup and inherited focus on technical problems, ECE adopted a *modus operandi* whereby technical experts from the member states agreed on international norms and standards they themselves negotiated and went to implement at home. While only interested governments participated in initial agreements, ECE-projects like TIR or the e-roads system were not closed coalitions, but open to late adopters. This approach proved very successful in the long run, with several ECE agreements having even outgrown the ECE region. Second, the ECE secretariat's research division, comprised of several prominent economists, became an important *raison d'être* for the entire organization. It produced regular statistics and economic analyses whose all-European scope was unique at the time and very much in demand. Third, as one of the few remaining forums where East and West regularly convened on economic issues, ECE upheld the possibility of increased cooperation once tension receded. It was thus a reserve organization, an instrument kept for future use. While European countries began to integrate within their respective camps and along the lines of the continent's geopolitical division, ECE retained the idea of a wider, older Europe. Despite frequent critique and repeated calls for the organization's abolition, these reasons were strong enough for member governments to keep ECE alive.

*Confronted with prominent competitors such as OEEC and ECSC, how was ECE able to carve out a niche for itself?*

Sub-regional cooperation in Europe fostered a large number of IOs concerned with economic issues. Toward such other, sub-regional European IOs with overlapping membership and portfolios, ECE maintained an ambiguous relationship of competition and interdependence. This ambiguity was most pronounced in its relationship with the Marshall Plan-organization OEEC, which introduced "Western Europe" as a competing framework for economic cooperation to ECE's "Europe". Coordination between the two IOs had to remain informal, precluding an effective division of labor between them. While ECE and OEEC were thus competitors as venues for economic cooperation, they also depended on one another for their success. While OEEC relied on research produced by the ECE secretariat, ECE's own reconstruction goals were greatly furthered by OEEC initiatives. While the Marshall Plan was surrounded by a vast public relations effort, UN propaganda was truncated at around the same time. ECE's work thus received little public attention. Yet, ECE was a central forum for international aspects of European reconstruction, most importantly regarding supply problems, resource distribution, and inland transport.

A key area of ECE activity was the international allocation of coal supplies during 1947-1951, the vast majority of which came from the Ruhr area in occupied Germany. The admittance of Yugoslavia into this allocation system following Tito's break with Stalin was crucial for non-aligned Yugoslavia. However, it demonstrated to Western European importers, most importantly France, that continued coal allocations through the UN could threaten their privileged access to Ruhr coal in case of similar geopolitical changes in the Cold War. The Schuman Plan for a European Coal and Steel Community in 1950 presented ongoing negotiations over what should replace the ECE allocations mechanism with a

French *fait accompli*. ECE officials were closely involved with the formation of ECSC over the following years, and relations to it or its successor organizations never became as tense as with OEEC. This was not least due to a substantial change in ECE's standing after the restoration of Eastern European participation in its technical committees following Stalin's death in 1953. With all member governments back at the conference table, the overlap with Western IOs was less critical than before. ECE was now able to properly make use of its all-European scope, and to initiate practical cooperation across the Iron Curtain.

*Did ECE thus provide a loophole in the Iron Curtain after Eastern European participation was restored?*

Politically and financially, US support was vital to ensuring ECE's survival during the late 1940s. Around 1950, however, ECE gradually lost Washington's backing. After its trade committee went into deadlock in 1949, ECE conducted a series of extraordinary "consultations" on East-West trade. The ECE secretariat's proactive stance on restoring commercial exchange between the blocs increasingly conflicted with American strategies of economic warfare and export control, particularly after the start of the Korean War. These informal meetings, held on the invitation of the Executive Secretary, did initially not succeed to rekindle commerce across the Iron Curtain, but they established a number of important precedents and practices.

A breakthrough eventually occurred at an ECE East-West trade consultation in 1953, just weeks after Stalin's death. Using a refined conferencing technique, ECE isolated the US delegation, encouraging Western European delegations to initiate direct bilateral contacts with Eastern European governments. This meeting constituted a turning point in East-West trade; the downward trend was reversed, albeit on a smaller scale than many had hoped for. In the context of the so-called Soviet peace offensive in 1953-56, full participation in ECE's technical committees was restored. Importantly, the contacts established during this first window of *détente* were not subsequently broken when Cold War tension again increased during the parallel crises in Suez and Hungary in 1956. East-West cooperation at ECE became a going concern, for example in the fields of electricity, roads, river utilization, and other infrastructures. ECE thus became a point of contact, allowing negotiations on trade and practical cooperation on limited, technical issues.

In the late 1950s and the 1960s, the UN – and ECE along with it – altered its orientation. Development became the UN's ideological core. The UN system had been created to maintain peace in Europe and, by extension, the world. With the East-West conflict locked into a shaky stalemate, and newly independent states changing the General Assembly's composition, the UN began to refocus its energies toward the developing world. Europe preoccupied a less central role in world affairs. Yet the European experience deeply influenced the UN's reorientation. Several ECE veterans – like Gunnar Myrdal or Walt Rostow – became luminaries of development theory. They adapted experiences gained in the context of European postwar reconstruction for the developing world. UNCTAD, a conference launched in the context of East-West trade, came to represent the North-South schism instead. The UN regional commissions, among them ECE, were closely involved in the preparations for UNCTAD. But with ECE entrenched in technical cooperation and the UN reorienting itself toward the global South, ECE's political mission faded into the

background. During the CSCE-process, ECE fulfilled an important role as a technical organ, but less so as a political forum. CSCE thus took over the political mission of ECE.

This thesis has told the story of ECE not as a self-contained institutional history, but has used it as a lens to look at wider developments. A look through this lens reveals several insights on European history during the Cold War more generally. First, it becomes evident that in the late 1940s, “Western Europe” was by no means a given or natural economic entity. The first serious and consequential attempts to institutionalize European economic cooperation after 1945 took place within the global UN framework and on an all-European basis, including the Soviet Union and its allies. With the Marshall Plan, Western Europe was not only reconstructed in the physical sense, but also constructed as a meaningful political and economic category. Second, the introduction of Western Europe through OEEC (or, for that matter, of the Europe of Peoples’ Democracies through CMEA) did not negate or replace ECE’s earlier, all-European conception. Different conceptions of Europe, institutionalized and embodied through a multitude of IOs thus existed in parallel. Some member states had clear preferences: the UK, for instance, preferred OEEC to ECE, and France preferred to establish ECSC outside of either framework. Yet the organizations continued to find niches justifying their continued existence, and member states used the parallel venues actively. Third, the first direct predecessor of today’s EU, the ECSC, was embedded into this pre-existing system of European IOs from the beginning. It was not the first IO that sought to distribute Ruhr coal in a way that benefitted the European recovery. Rather, ECSC took over a function previously executed by ECE, OEEC, and IAR. This existing mechanism for international coal distribution was an important, hitherto under-researched part of ECSC’s pre-history. It shows that other IOs and geopolitical shifts in the Cold War context had a far-reaching impact on the formation of European institutions. So-called spill over-effects, the central assumption of functionalist integration theory, were not limited to one singular venue. Rather, the phenomenon can be observed across different venues, e.g. when the formation of ECSC created ripple effects on the coal, steel, and transport committees of ECE. These findings underline the value of a broadened understanding of European integration that takes institutions outside the immediate EC/EU framework into account. Fourth, the story of ECE’s attempts to save East-West cooperation during the early Cold War and the breakthrough it produced after the death of Stalin reveal that the détente of the 1970s had an important prelude already during the 1950s. Even at the peak of tensions during the Korean War, when open conflict in Europe seemed likely, ECE officials tried to organize extraordinary meetings on East-West trade. They demonstrated that a sustained interest in rekindling economic activity across the divided continent existed, at IOs and in several member governments.

ECE still exists today – to the ire of some and the admiration of others. “Every day when I go to work at the Palais des Nations in Geneva”, ECE’s then Executive Secretary Christian Friis Bach said in 2015, at a Nordic Council meeting in Reykjavik,

*“I am reminded of how countries after the First World War promised never to go to war again and came together in the League of Nations [...]. But it also reminds me of how the crisis in the 1930s eroded the cooperation and solidarity between*

*countries in Europe, leading to the collapse of the League of Nations, the Second World War, and one of the largest refugee and migration crises ever seen.*<sup>90</sup>

The Palais does indeed have a peculiar ambiance. It is an unintended monument to the failure of interwar internationalism. The building functions as a reminder that international cooperation can fail, and the potential for global disaster looms within its lacquered corridors. Friis Bach's description shows remarkable continuity. This strange atmosphere was commented upon already in the first few years of ECE, when a third world war seemed not merely possible, but even imminent. Friis Bach went on to emphasize these early years in his 2015 speech:

*“When UNECE was established 68 years ago it was because [...] ‘constructive economic cooperation was essential to the maintenance of peace’. Or, as the first Executive Secretary, Gunnar Myrdal from Sweden, stated it: ‘The more tightly the limitation of the political factors has affected economic cooperation, the bigger would be the common gains of such cooperation – if it were possible’. Right now, Europe is moving in the opposite direction. We see conflict and lack of trust between the countries of Europe. We see countries breaking ties, building barriers, striving to be independent and imposing sanctions. This is not in the long run the direction Europe needs.”*

Since then, the trend Friis Bach described has continued. Russian military action impeded the territorial integrity of a European nation; authoritarianism in Turkey has destroyed what aspirations were left to join the EU; ongoing disagreement over migration has rendered solidarity among European nations a rare commodity; the UK has voted to leave the EU; and an unpredictable US administration threatens to tear down the pillars on which the Western alliance and the legal tenets of global trade rest. While the long-term consequences of these developments are unclear, it seems safe to say that fundamental changes are underway – changes that threaten the European and global order established after 1945.

Against this backdrop, the story of ECE, an IO whose historical role was to work against an overwhelming geopolitical trend, provides inspiration. Founded on the principles of wartime internationalism, the onset of the Cold War rendered its all-European premise a remnant of a bygone age within mere months of its foundation. The geopolitical trend of the late 1940s was one of bloc formation and increasing tension. After the Czechoslovakian coup in 1948, Eastern European delegations shunned ECE's technical committees, while Western governments began to set up competing IOs with overlapping membership and responsibilities. Trade between the two blocs declined drastically, despite ECE's efforts, fundamentally altering European economies and rendering the continent's geopolitical division even deeper. A proxy war in Korea, with Soviet-supplied North Korean and Chinese troops fighting on one side, and an American-led UN coalition force on the other, made war in Europe seem imminent. ECE's self-ascribed role as a bridge between East and West seemed like an absurd proposition under these circumstances. The prospect of a UN commission in Geneva reuniting the Eastern and Western halves of Europe was so distant as to appear quixotic, even to those working at ECE. Yet, much like Sisyphus in the

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<sup>90</sup> Statement by Mr. Christian Friis Bach, United Nations Under-Secretary-General, Executive Secretary of the UN Economic Commission for Europe, at the 67<sup>th</sup> session of the Nordic Council. Reykjavik, 28 October 2015.

absurdist philosophy of Albert Camus, ECE carried on, pursuing a task best described as Sisyphean: difficult, unrewarding, full of constant setbacks and frustrations.

This approach produced few tangible results at first, and it repeatedly called the value of ECE and the UN's other regional commissions into question. "[A]mong the European institutions I got to know, ECE was [...] weak and altogether non-effective", Alfred Müller-Armack, a West German politician who participated in ECE sessions during the early 1950s, wrote in his memoir.<sup>91</sup> Müller-Armack was not alone in this harsh judgment. In fact, the value of the UN regional commissions is far from evident even today. In a policy brief published in 2013, political scientists Stephen Browne and Thomas G. Weiss of the Ralph Bunch Institute for International Studies ask how relevant the UN's regional commissions are. They arrive at a devastating assessment: "The harsh reality for the regional commissions", they write, "has been that without significant amounts of resources for regional reconstruction, institution-building, or the creation of infrastructure, their achievements [...] have been minimal".<sup>92</sup> The argument leading them to this conclusion is essentially historical: When the United States launched ERP, and Europeans set up OEEC instead of working through ECE, ECE was marginalized and the UN's regional aspirations suffered a major blow. Why, then, does ECE still exist?, Browne and Weiss ask. After all, it was "established for a purpose that never materialized". In a more general vein, international relations scholar Susan Strange asked in 1998 "Why do international organizations never die?".<sup>93</sup> There are few instances where this did indeed happen. The League of Nations may have died in WWII, but the end of the Cold War was not the end of NATO; and the end of the Marshall Plan was not the end of OEEC (although it did transform into OECD). ECE's death was predicted many times, but the IO proved resilient against some extremely adverse circumstances. Strange's tentative answer to her question was that international bureaucracies tend to find reasons for their continued existence out of self-interest. But the case of ECE shows that this explanation does not suffice. After all, it is easier in principle for governments to abolish an IO than to create one – if an institution outlives its purpose, member states can decide to withdraw funding. Browne and Weiss arrive at a more cynical answer to the question why ECE and the other regional commissions still exist. They suggest that ECE and its sister commissions were simply "too-friendly-to-fail": With operational costs that are marginal in comparison to other, larger IOs, the regional commissions neither achieved much, nor did they hurt anyone.

But the story of ECE shows that this explanation is far too simplistic. Success and failure are not adequate categories to assess the value of IOs. ECE did not successfully complete a checklist laid out by its founders – nor did it fail to live up to its ambitions altogether. Its major achievement was to keep alive the idea of a Europe both larger and older than the narrow conceptions of "Western" and "Eastern" Europe produced by the Cold War.<sup>94</sup> ECE's Europe transcended not only the Cold War boundaries, but also the intra-mural integrations that took place within the blocs, chiefly among them the Common Market and the European Community. During the years of peak tension in the early Cold War, ECE

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<sup>91</sup> Alfred Müller-Armack, *Auf dem Weg nach Europa: Erinnerungen und Ausblicke* (Tübingen 1971), p. 167

<sup>92</sup> Stephen Browne and Thomas G. Weiss, "How Relevant Are the UN's Regional Commissions?," *Future United Nations Development Systems* 2013, no. 1 (2013), [http://futureun.org/wp-content/uploads/2013/02/FUNDS\\_Brief1.pdf](http://futureun.org/wp-content/uploads/2013/02/FUNDS_Brief1.pdf).

<sup>93</sup> Strange, "Why Do International Organizations Never Die?."

<sup>94</sup> A similar point is made by Berthelot and Rayment, "The ECE: A Bridge between East and West," 63.

reinvented itself as a reserve organization, standing ready for an unspecified time in the future when all-European cooperation would become possible again. Once the thaw arrived after Stalin's death, ECE did provide a venue and the conferencing machinery necessary to help reverse the trend in trade relations. While this shift was not as significant as the luminaries of East-West trade like Myrdal had hoped for, it was still a meaningful turning point. East-West cooperation on the work floor level of ECE was reestablished, and did not break down again once the window of mid-1950s détente closed. As a technical agency, ECE produced hundreds of narrowly defined agreements that individually might seem insignificant, but taken together amount to an awe-inspiring achievement with real, tangible benefits. Still today, ECE-agreed technical standards touch upon the everyday lives of millions in Europe and beyond. One particularly significant recent achievement was the Aarhus Convention (UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matter), the first international treaty granting rights in environmental protection to everyone. Not only did ECE contribute to the "hidden integration" of Europe with such agreements; it also helped to establish a practice of expert cooperation between countries with very different socio-economic systems. While ECE's story is thus not a success story, it is not a story of failure either – it is a story of a concentrated effort to achieve limited international cooperation against extremely adverse conditions. The answer to the question why ECE still exists is thus not that it was "too-friendly-to-fail". Rather, ECE managed to keep alive an inclusive conception of Europe, using it for concrete, cooperative efforts. ECE's story provides the powerful idea that a bridge can be built and maintained for the future even if, in the present, no one might dare to cross it.

# ADDENDA

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## VALORIZATION ADDENDUM

The purpose of this addendum is to “valorize” the results of my thesis in accordance with the *Maastricht promotiereglement*. Therein, valorization is defined as “creating value from knowledge, by making knowledge suitable and/or available for social (and/or economic) use and by making knowledge suitable for translation into competitive products, services, processes and new commercial activities”.<sup>1</sup> Few doctoral theses translate into marketable products. The “products” of critical thinking are nuance, complexity, and prudence – results that are indeed difficult to sell. “Making knowledge suitable for social use”, on the other hand, is an inherently political process. It requires the interpretation of knowledge, and will thus always remain tentative, as interpretations compete and change over time. Valorization as defined above is thus both political and provisional. Therefore, it seems to me that the most fitting format to tackle this task is the political essay, a genre that is usually (and rightfully) shunned in academic writing. This addendum thus connects the results of my historical case study to present-day international politics in an essayistic format.

This addendum is not the only form of valorization I engaged in during the PhD trajectory. I presented my work in progress at conferences and workshops in several European countries (the Netherlands, Germany, Italy, Switzerland, the United Kingdom, and Finland). This included several events with an outreach beyond the academic community. I was an invited speaker at colloquia in Cologne and in Freiburg. I presented parts of my research at a conference in Munich with an audience of academics, policy makers, and (former) EU officials. Conference papers I presented at other occasions have led to three book chapters in edited volumes. These books are targeted primarily at academic audiences, but also at IO officials and policy makers. Two of these have already been published; the third is currently in preparation.<sup>2</sup> Moreover, I have published in web-based publications intended for popular audiences, i.e. in *Themenportal Europäische Geschichte*<sup>3</sup> and in the history of science blog *Shells & Pebbles*.<sup>4</sup> Besides the intended publication of a book based on this PhD thesis, I am currently preparing a chapter for a popular volume celebrating the 100-year anniversary of the League of Nations and of IOs in Geneva. This volume is intended for a broad audience and is published by researchers at the University of Geneva based on an initiative by the Geneva city council and the Swiss Parliament. With

<sup>1</sup> Promotiereglement Universiteit Maastricht (2018), Artikel 22.

<sup>2</sup> Daniel Stinsky, “A Bridge between East and West? Gunnar Myrdal and the UN Economic Commission for Europe, 1947-1957,” in *Models of Economic and Social Planning in Cold War Europe. Competition, Cooperation, Circulations (1950s-1970s)*, ed. Sandrine Kott, Michel Christian, and Ondřej Matějka (Berlin: de Gruyter, 2018). Daniel Stinsky, “Western European vs. all-European Cooperation? The OEEC, the European Recovery Program, and the United Nations Economic Commission for Europe (ECE), 1947-1961,” in *The OECD and the International Political Economy since 1948* ed. Matthieu Leimgruber and Matthias Schmelzer, *Transnational History Series* (New York: Palgrave Macmillan, 2017). Daniel Stinsky, “European Integration and the UN Economic Commission for Europe”, in: *Beyond Brussels: Reassessing European Integration in East and West Europe*, ed. Matthew Broad and Suvi Kansikas (Palgrave Macmillan: forthcoming).

<sup>3</sup> Scott H. Krause and Daniel Stinsky, “For Europe, Democracy and Peace: Social Democratic Blueprints for Postwar Europe in Willy Brandt and Gunnar Myrdal’s Correspondence,” *Themenportal Europäische Geschichte* (2015), [www.europa.clio-online.de/essay/id/artikel-3799](http://www.europa.clio-online.de/essay/id/artikel-3799).

<sup>4</sup> Daniel Stinsky, “The Riddle of the Phantom Island” (2014). Shells and Pebbles. Interesting Finds on the Shores of the History of Science. <http://www.shellsandpebbles.com/2014/05/11/the-riddle-of-the-phantom-island/>

these planned publications, I hope to further increase the popular outreach of my PhD research.

While this thesis' focus is on the history of a single IO, it seeks to embed this history into the wider story of the emergence of the post-1945 international order. I thus trace several key developments in the reordering of international relations: the UN's transformation from a military alliance to a permanent peacetime organization; the construction of the Marshall Plan's "Western Europe" as an alternative framework for economic cooperation to ECE's "Europe"; the interconnections between the emergence of the EU's first direct predecessor organizations and other European IOs; and UNCTAD's replacement of bilateral colonial relations with a rules-based multilateral system. The relatively stable multilateral order epitomized by institutions like the UN, NATO, and the EU is a hard-won achievement of 20<sup>th</sup> century diplomacy. In this thesis, I emphasize the value of compromise and continuous negotiation. The history of ECE is an example of an IO that worked for international cooperation against a seemingly overwhelming geopolitical trend toward global confrontation. As the world faces new overwhelming challenges, most notably climate change prevention and adaptation, the story told in this thesis might provide some inspiration for careful optimism. Yet, multilateralism and its institutions have been increasingly under fire in recent debates.

The process of researching and writing this thesis took place between 2013 and 2018. During these five years, European and global politics saw some drastic shifts and dramatic developments: the Eurozone debt crisis; the rise of "illiberal democracy" in Hungary, of outright authoritarianism in Turkey, and of right-wing populism in Poland, Austria, Italy and elsewhere; war in Ukraine and Syria; a global migration crisis; the Brexit referendum; and the election of an unpredictable US administration threatening to abandon multilateralism altogether. While I was researching the origins of the post-1945 international order for my thesis, others were busily chipping away at the tenets of that very order. As I was delving deeper into the archives, I began to encounter several of the issues that were central to the reorganization of global politics after World War II not only in my historical sources, but also increasingly in the news cycle. The following sections relate the findings of my historical work to three selected recent political debates: the debate on bilateralism in international trade; the current US administration's critique of multilateralism and its institutions; and the EU's cycle of crisis and convergence.

BILATERALISM IN INTERNATIONAL TRADE

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In July 2016, shortly after the Brexit referendum, newly appointed British Minister of Commerce Liam Fox attempted to force a fundamental shift in global trade relations. During a visit to Washington, Fox said in an interview with the *Wall Street Journal* that the world was moving away “from an era when multilateral agreements dominate the landscape” of international trade. Instead, Fox saw the world entering a new era, “where bilateral free trade agreements and plurilateral agreements between small numbers of countries are becoming more common”. These new trade agreements would be concluded between “economies that were functionally similar rather than geographically proximate”, he said.<sup>5</sup> Fox’ comments were a quip against the EU, the world’s largest trading bloc, which the United Kingdom had just voted to leave. They were also an advertisement for Fox’ idea of replacing Britain’s European trade with a series of bilateral trade agreements around the world, targeted at a largely disinterested American audience. Since then, there have been little news coming from Fox’ ministry. In the face of ongoing domestic quarrels over the UK’s withdrawal from the EU, the vision of a freewheeling, free-trading “Global Britain” appears to have been shelved for the time being.<sup>6</sup>

But while Fox’ comments did not succeed at scoring political points, the analysis contained a kernel of truth. The WTO’s Doha Round, the latest in a series of multilateral meetings to lower global trade barriers, stalled in 2008 over substantial differences on agriculture. With the Doha Round dormant, bi- and plurilateral free trade agreements (FTAs) have indeed become more common. Fox’ observation was thus correct. It ignored, however, that the key player pushing for these FTAs was the very body Brexiteers like Fox had claimed was holding back “Global Britain”. In entering FTAs, the EU acts as a single agent. It has finalized numerous FTAs since 2008, including bilateral (e.g. with Canada, Japan, or Vietnam) and plurilateral (e.g. with 16 West African or 6 Central American countries) variants. The proliferation of FTAs since 2008 was thus not a sign that the era of multilateralism was ending. Rather, it showed that when negotiations at the dedicated venue for global trade stalled, the EU was able to pick up the pieces and use its bargaining power to expand the reach of its own multilateral framework.

Fox touted his proposed network of bilateral and plurilateral FTAs among functionally similar rather than geographically proximate economies as new and innovative. It is everything but that. Postwar trade relations in Europe were organized on similar principles, as I show in my thesis. The resulting network of bilateral agreements was patchy at best, and placed strict limitations on the freedom of economic agents to buy and sell abroad. Overcoming this inefficient system among the countries of Western Europe was a major challenge, and required multilateral innovations in payments, arbitration, tariffs, and technical norms and regulations. Throughout the Cold War, bilateralism in trade remained in place between the Western and Eastern halves of the divided continent. As my thesis shows, this persistent bilateralism in East-West trade was not only inefficient, but also highly vulnerable to protectionism as well as tactics of economic warfare. The idea that a similar system would be able to not only replace, but even improve global trade relations

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<sup>5</sup> Quoted in *The Guardian*, July 26, 2016. <http://www.theguardian.com/politics/2016/jul/26/british-eu-relations-to-be-resolved-by-2020-says-liam-fox> [accessed 16 December 2018]

<sup>6</sup> The case for a “Global Britain” relying on bilateral trade agreements was prominently made by Daniel Hannan, MEP: *Why Vote Leave* (London: Head of Zeus 2016).

over the existing multilateral institutions is thus not convincing. For all its imperfections, multilateralism in international trade relations is a major achievement of international politics. Historical evidence does not suggest that a network of FTAs between individual countries could easily replace multilateral trading arrangements.

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### MULTILATERALISM AND ITS DISCONTENTS

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Fox and the Brexiters are not the only challengers promoting the value of bilateral “deals” between nation states over rules-based multilateral economic and security arrangements. In December 2018, US Secretary of State Mike Pompeo gave a programmatic speech titled “Restoring the Role of the Nation-State in the Liberal International Order” at the German Marshall Fund’s (GMF’s) Brussels office. The venue was chosen for its twofold symbolism. The GMF is a non-partisan American public policy think tank, instituted through a gift from the West German government on the occasion of the Marshall Plan’s 25<sup>th</sup> anniversary. Through its historical link to the Marshall Plan, the GMF represents both transatlantic cooperation and American leadership in international affairs. Brussels, on the other hand, is the seat of both NATO and the EU. It represents two pillars of the multilateral order that have been repeatedly under attack from the sitting US administration. Pompeo used the speaking engagement at the GMF’s Brussels office to double down on this critique of multilateralism and to promote a reevaluation of the global order. He decried the state of existing multilateral institutions ranging from the UN to the African Union, the Organization of American States, the World Bank and the IMF to the EU. “Multilateralism has too often become viewed as an end unto itself”, Pompeo said. “The more treaties we sign, the safer we supposedly are. The more bureaucrats we have, the better the job gets done.”<sup>7</sup> Unlike Fox’ argument, this sweeping critique was thus not limited to trade, but directed against multilateralism and existing international institutions in general. Pompeo condensed the argument into a rhetorical question: “The central question that we face is [...] whether the system as currently configured, as it exists today, and as the world exists today – does it work? Does it work for all the people of the world?”

Even among the Brussels audience at the GMF, few listeners will have answered this question in the affirmative. Condensed like this, the answer will always be no. No system of international governance will ever “work for all the people of the world”, just like political systems in nation-states do not work equally well for each and every citizen. The problem with Pompeo’s message is thus that it measures the value of multilateralism and its institutions against utopian standards. To a certain extent, IOs have themselves to blame for such exaggerated expectations directed toward them. In the introduction to this thesis, I discuss briefly how prominent IOs like the UN or the EU serve as projection screens for human emotions. The idea of inter- or supranational governance can instill fears of governmental overreach and a loss of national sovereignty, but also hope for accurate solutions to complex global problems. But IOs cannot be measured by their success at saving the world. Such standards are not accurate to describe any formal organization, and lead to flawed evaluations of existing institutions. Rather, the purpose of multilateralism and IOs should be seen in the myriad of small successes they have produced over the last decades. Measuring IOs by the question whether they “work for all the people of the world” minimizes achievements like the worldwide drop in analphabetism, or the (nearly)

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<sup>7</sup> Remarks by Michael R. Pompeo, Secretary of State at the German Marshall Fund, Brussels, Belgium, December 4, 2018. <https://www.state.gov/secretary/remarks/2018/12/287770.htm> [accessed 16 December 2018]

global acceptance of man-made climate change as a defining issue for international politics. Indeed, even practical landmarks that have positively affected millions of lives, like the institution of freedom of movement within the EU's Single Market, may seem petty and insignificant when measured against such overblown expectations. Moreover, the value of multilateralism and IOs lies not in the creation of utopias, but very often in the prevention of outcomes that are even worse than the status quo. As UN Secretary-General Dag Hammarskjöld said in one of his speeches quoted in this thesis, "[...] the United Nations was not created in order to bring us to heaven, but in order to save us from hell"<sup>8</sup>.

Pompeo's counterproposal to multilateralism and the existing institutions remained rather vague. Instead of multilateral institutions, Pompeo emphasized the role of individual nation-states and of American leadership in international affairs. With reference to the Marshall Plan, he said that the "men who rebuilt Western civilization after World War II, like my predecessor Secretary Marshall, knew that only strong U.S. leadership, in concert with our friends and allies, could unite the sovereign nations all around the globe". The Marshall Plan, launched unilaterally on US initiative, was indeed able to "unite", albeit at the cost of cementing divisions at the same time. As my thesis shows, it both unified and divided nations. By facilitating Western Europe, the Marshall Plan laid the groundwork for new forms of political and economic cooperation within the Western alliance. It helped to redirect international trade flows, and provided the impetus for a Western European economic area including West Germany, but not the Eastern and Central European nations. As such, the Marshall Plan cemented the continent's division into East and West. Importantly, however, it did not replace earlier forms of multilateral cooperation involving Socialist countries. My thesis shows that the UN at large, and ECE in particular, helped to maintain a communications channel for economic cooperation across the descending Iron Curtain. This historical example shows that the international system has always been flexible enough to allow for multiple forms and sites of cooperation to exist in parallel. While a forceful unilateral intervention like the Marshall Plan was able to fundamentally alter economic realities and create strong political alliances, it was most certainly not "only strong U.S. leadership" that was capable of facilitating international cooperation, as Pompeo suggested.

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#### EUROPE'S CYCLE OF CRISIS AND CONVERGENCE

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Brexit and the US administration's ravings epitomize a popular backlash against multilateralism and its institutions. In the light of recent events, even a breakup of the EU does not seem as implausible as it did just a few years ago. Throughout the last decade, European politics were haunted by a persistent diagnosis of crisis. The last years saw the Eurozone crisis, anti-EU parties gaining strength in many member states, terrorist attacks, and an ongoing refugee crisis leading to deep divisions within and among EU member states. In the history of European integration, the diagnosis of crisis is of course nothing new. "Crisis" is a term that keeps returning in the textbooks on European integration. The crisis of the nation-state after World War II, the empty chair crisis in 1966, the energy crises of the 1970s and the Balkans crisis in the 1990s all left their mark upon the EU and its predecessors. For Jean Monnet, the famed architect of the Schuman proposal, crises

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<sup>8</sup> Address by Secretary-General Dag Hammarskjöld at University of California Convocation Berkeley, 13 May 1954. ARBARK, Václav Kosteckýs arkiv, årslagda handlingar enligt arkivplan, 3332-4-2-6 1956-1960. Original emphasis.

were even an important driving force of European consolidation. As Monnet saw them, crises were a catalyst for progress: “people only accept change when they are faced with necessity, and only recognize necessity when a crisis is upon them”, he wrote in his memoir: “Europe would be built through crises” and “be the sum of their solutions”.<sup>9</sup> In Monnet’s optimistic understanding, crises were to be followed by political outcomes leading to further convergence.

In 2012, German historian Andreas Wirsching took up this idea and developed it further. Wirsching argued that crisis and convergence were not alternating phases of a linear development, but instead part of the same dialectic. The trend toward convergence was so strong that it was accompanied by a persistent diagnosis of crisis. Wirsching argued that Europe had entered a logic of path dependence, wherein the solution to any new crisis lies in the formula “more Europe”.<sup>10</sup> Since the publication of Wirsching’s book in 2012, multiple, interconnected crises have continued to haunt Europe. There is, however, a new quality to the challenge. Brexit, whatever its outcome will be in the end, has shown that European integration is reversible. The European project is itself in crisis - the commitment to an “ever-closer union”, first laid out in the Treaties of Rome in 1957, is no longer consensus among EU governments.<sup>11</sup> Even before the referendum on EU membership in the UK, “ever closer union” had been a contested principle. Seeking to renegotiate the UK’s membership terms, then-PM David Cameron demanded in 2015 “to end [...] in a formal, legally binding and irreversible way [...] Britain’s obligation to work towards an ‘ever closer union’”.<sup>12</sup> Already with this demand, the UK broke with the dialectic of crisis and convergence as attested by Wirsching, since it rejected further conversion on principle.

What could a union that is no longer committed to becoming “ever closer” look like? ECE’s approach to economic cooperation shares some remarkable similarities with the reformed EU Cameron proposed in the open letter to Council President Donald Tusk quoted above. ECE’s mandate is static and does not include a commitment to further convergence. It is focused on trade and on cutting down regulations that hinder the free flow of goods and capital by introducing common norms and standards. Embedded in the global framework of the UN, it has the machinery to incorporate trading partners outside Europe. As an intergovernmental organization, the ECE method of cooperation provides an opt-out for each member state to every policy, and encourages ad-hoc coalitions. Is the ECE model of European cooperation thus a viable alternative to the EU’s ever-closer union?

Without trying to stretch the analogy, it seems safe to assume that a post-“ever-closer union” Europe would have to deal with similar problems as the pre-“ever-closer union”-Europe that is the subject of this thesis. ECE’s mode of organizing cooperation was expert-driven and relied on the coordination of national policies. Without legislative competences

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<sup>9</sup> Jean Monnet, *Memoirs. The Architect and Master Builder of the European Economic Community* (Garden City, NY: Doubleday, 1978), 109; 417.

<sup>10</sup> Andreas Wirsching, *Der Preis der Freiheit. Geschichte Europas in unserer Zeit* (Munich: C.H. Beck, 2012), 18.

<sup>11</sup> Treaty Establishing the European Economic Community and Related Instruments (EEC Treaty), 25 March 1957.

<sup>12</sup> David Cameron, A New Settlement for the United Kingdom in a Reformed European Union. Letter to Donald Tusk, 10 November 2015. *The New York Times*. Retrieved May 15, 2016 from [http://graphics8.nytimes.com/packages/pdf/international/2015/DonaldTusk-letter\\_001.pdf](http://graphics8.nytimes.com/packages/pdf/international/2015/DonaldTusk-letter_001.pdf)

or a budget to finance projects directly, ECE provided a forum for policy coordination. Its bread-and-butter business was technical norms and standards as well as large-scale infrastructure projects, giving it an important role in the “hidden integration” of Europe. But external political factors curbed ECE’s capability to live up to its ambitions, and encouraged the formation of different institutional frameworks. As my thesis shows, incentives for cooperation and further convergence did not translate into a stronger ECE, but into new institutional frameworks. ECE’s static, all-European model was soon accompanied by a plethora of IOs with overlapping membership and portfolios. ECE’s model of cooperation is thus no alternative, but a supplement to the EU.

In my introduction, I discuss how the IOs that are subjects in this thesis resemble Russian nesting dolls, with the oldest being the biggest and the youngest the smallest. The UN (1945) was not yet today’s truly global organization, but nevertheless the biggest; ECE (1947) embodied a broad definition of Europe, including the Soviet Union and the United States; OEEC (1948) introduced “Western Europe” as an economic area; while ECSC (1952) consisted of merely six states within the Western bloc. A similar, more recent development can be found in the Eurozone, which constitutes a group of members within the wider EU framework. The trend toward convergence can thus not be reduced to a singular frame. The dialectic of crisis and convergence as postulated by Wirsching is flawed if it is applied to a single forum and mode for solving cooperation problems among European nations. Integration is multi-faceted as well as multi-sited and cannot easily be reduced to the EU and its direct predecessors, as both EU-enthusiasts and critics often do. Historically, cooperation problems have sparked incentives for economic integration in different forums. European integration is a broad phenomenon, and the historical analogy of ECE suggests that the dialectic of crisis and convergence will continue to shape the political development in Europe, albeit not necessarily within the same institutional frames.

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## CURRICULUM VITAE

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Daniel Stinsky (\*17 September 1986, Bad Dürkheim) grew up in the plains of Northern Germany. His research interests include the history of international organizations, European integration, and modern Nordic and European history. Daniel received a BA in History and Scandinavian Studies in 2010 and an MA in Comparative Modern History in 2012, both from Freiburg University. During his studies, Daniel spent an Erasmus semester in Gothenburg, Sweden, and interned at the German Historical Institute London and at the German Embassy in Stockholm. As a student, he worked as a research assistant in various functions at Freiburg University, e.g. at the Freiburg Institute for Advanced Studies (FRIAS) and the chair of Prof. Sylvia Paletschek. He was also a teaching assistant in the MA program Interdisciplinary Anthropology. From 2013 to 2017, Daniel was employed at Maastricht University's Faculty of Arts and Social Sciences (FASoS). There, he was a tutor and course coordinator in the BA programs European Studies and Arts & Culture. During his PhD work, he was a member of the Dutch-Flemish *Onderzoekschool Politieke Geschiedenis* (OPG, Research School Political History). While completing his dissertation, Daniel took up a one-year course in Public Administration in Speyer. He entered the diplomatic service in 2019 and now works for the Federal German Foreign Office (*Auswärtiges Amt*). In his free time, Daniel is a keen hiker and board gaming enthusiast.

## ARCHIVES

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### GERMANY

Bundesarchiv, Berlin-Lichterfelde (BArch)

Politisches Archiv des Auswärtigen Amtes, Berlin (Politisches Archiv)

### ITALY

Historical Archives of the European Union, Florence (HAEU)

### SWEDEN

Arbetarrörelsens arkiv och bibliotek, Stockholm (ARBARK)

Kungliga biblioteket, Stockholm (KB)

### SWITZERLAND

United Nations Offices at Geneva (UNOG)

### UNITED KINGDOM

The National Archives, Kew (TNA)

### UNITED STATES

National Archives and Records Administration, College Park, MD (NARA)

Rockefeller Foundation Records, Sleepy Hollow, NY

United Nations Archives and Records Management Service, New York, NY (UNARMS)

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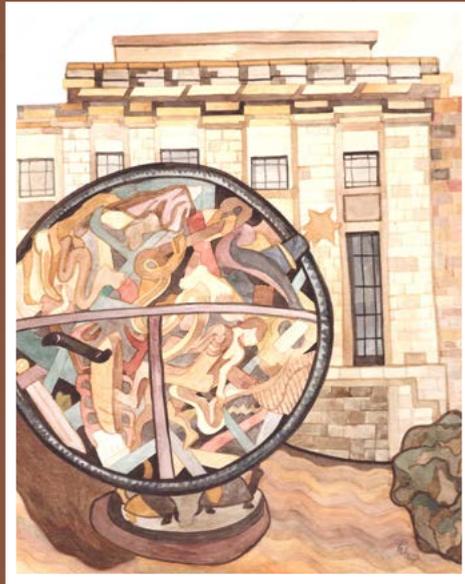
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The United Nations Economic Commission for Europe (ECE) was the first permanent international organization dedicated to general economic cooperation in Europe after 1945. As a UN organization, it included both the United States and the Soviet Union, together with their respective European allies, and neutral countries. While the Cold War was unfolding, ECE sought to reestablish and maintain a broad system of contacts across the descending Iron Curtain. The organization's determination to work against the geostrategic trend of political and economic bloc formation in both Eastern and Western Europe soon became a Sisyphean task. ECE was housed in the Palais des Nations in Geneva. The building itself was an unintended monument to the failure of interwar internationalism, and became a constant reminder of the fragility of peace.

**Sisyphus' Palace** analyzes ECE's role in the postwar architecture of international organizations. As both the oldest and geographically broadest economic organization in Europe, the history of ECE offers surprising insights on the Cold War, on the UN, and on European integration.