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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

COMPTROLLER

November 8, 1977

(Administration)

Mr. John H. Ohly
904 Turkey Run Road
McLean, Virginia 22101

Dear Mr. Ohly:

We have completed the typing of your revised interview with Mrs. Condit on April 28, 1977, and are enclosing a copy for your files.

Mrs. Condit has found the interview to be extremely helpful, particularly in this enlarged and clarified version. Your aid on this project is much appreciated; you have done a great deal to enrich the historical record.

Sincerely,

Alfred Goldberg
Historian, OSD

Encl

Interview

with

JOHN HALLOWELL OHLY

Positions held, 1947-1953: Special Assistant to the Secretary of Defense, 1947-1949; Deputy Director, Office of the Director of Mutual Defense Assistance, Department of State, 1949-1951; Assistant Director for Policy and Program, Office of the Director of International Security Affairs, Department of State, 1951; Assistant Director for Program, Office of the Director for Mutual Security Assistance, 1951-1953

by

D. M. Condit

Washington, D. C.
April 28, 1977

INTERVIEW WITH
JOHN HALLOWELL OHLY

April 28, 1977

CONDIT: You're very kind to give us an extra day like this.

OHLY: I'm very glad to do so. I'm very much interested in the whole historical process and I have spent much of this week being interviewed by historians. Some people were here from IDA; they wanted to go deeply into the early history of the Weapons Systems Evaluation Group (WSEG).

CONDIT: That must be the John Ponturo group.

OHLY: Yes. I gave Ponturo a copy of the pages from my master index that list the memos that I wrote or that others wrote on the creation of WSEG and suggested that they get in touch with your office on the possibility that these memos might be located in the files of the Secretary of Defense. He had seen some of the papers listed in the index, but most of them he had not seen, one reason being that he hadn't known specifically what he was looking for. They are doing a history of WSEG: why it succeeded, why it failed, what use it was, what future use such a mechanism might have in analyzing weapons systems, etc. Ponturo and Rosemary Hayes were here for almost three hours yesterday afternoon. These interviews are now frequent and I am delighted to take part in them.

CONDIT: I've seen the beginning of your previous tapes. They are being transcribed right now.

OHLY: As far as I'm concerned, there's no rush. In the case of the

Truman Library, three years have elapsed since their historians interviewed me for an entire day, and I have yet to see a transcription of the tapes that I was promised would be forthcoming when the interview took place. On one of my more recent interviews, twelve months elapsed before the tapes were transcribed. So a short delay in transcription is of no concern to me.

CONDIT: I don't promise anything, but we'll try to be faster.

OHLY: Before we go into your own personal questions, there are a number of further things that should be said about questions on the separate sheet of questions from Dr. Kaplan that you brought with you to our last interview. One of these, which I said that I would look into further, related to a proposed Title VI on military aid that was to have been appended to the ECA act for 1948 in the spring of 1948. I have been unable to locate anything in my records on this subject; I seem to recall it vaguely but my impression is that this proposal was not considered very seriously. At the time the ECA Act for 1948 was going through the process of preparation and Congressional review, the military assistance program was only in the early stages of development. In any event, I appear to have had no significant role in connection with the 1948 ECA legislation. Dr. Kaplan also asked about an article in The New York Times alleging that I was ruling MSA as an agent of State while Harriman was abroad. I answered this question in my last interview, but I thought it might be interesting, in substantiation of my answer then, for you to see (1) the cable that was sent by Harriman from Europe to the Secretaries of State and Defense, ECA, and so forth, stating that he had asked me to act for

him in running ODMS and (2) the release put out by the State Department after its receipt.

CONDIT: Do you have a cable number there?

OHLY: Yes, you can take it down.

CONDIT: Recto 5284, October 20, 1951, control No. 10431, personal from Harriman signed Porter. We'll read this into the tape.

> In order to ensure effective coordination during the transitional period pending the full establishment of the Office of the Director for Mutual Security and the other administrative arrangements pursuant to the Mutual Security Act, I have asked John Ohly to act on my behalf in coordination and general policy formation with respect to the implementation of the Mutual Security Program for Fiscal Year 1952 and the development of the program for the Fiscal Year 1953.
>
> I should be grateful if you would advise your staffs working on Mutual Security Act matters of the above and request cooperation with Ohly, in order that the actions on program implementation and program planning may proceed expeditiously.

This was from Paris and to the ECA Administrator.

OHLY: Pursuant to that cable the several addressee agencies put out releases. This is departmental announcement 209 of the Department of State, which summarized the content of this cablegram, indicated that I was to act on Harriman's behalf in the several respects mentioned, and stated that all offices of the Department were to cooperate with me.

CONDIT: It's always lovely to have these specific memory jogs. That's really great.

OHLY: I don't know how you want to proceed today on the variety of extraordinarily interesting problems that you raise.

CONDIT: I have to confess that I am really not an expert on foreign aid, the military aid side of this, and I am working hard trying to get myself into better shape; so I did pull out all those semi-annual reports that you referred to last time and I read them. I'm still searching for the Draper Commission Report, which I will find in the library. We should have it in the office, but I haven't seen it. I went through a lot of the correspondence also. The thing that has puzzled me is where off-shore procurement fitted into everything, so that I went through my file on that. I discovered that once you raise one particular problem on NATO or military aid, you raise the whole problem. In an instant, I was into all kinds of problems as to the reasons for off-shore procurement. Was it political and psychological strategy? Was it to augment defense support funds? I think that now I have an outline in my mind, a framework at least upon which you can talk. Why don't we begin with Mr. Johnson and his reactions to military aid and to NATO. That would have been within your aegis at that time. How did you feel about Mr. Johnson and how he reacted to things?

OHLY: Of course, the decision to create a NATO and the subsequent decision that you couldn't have an effective NATO without something like military assistance to go with it, at least in its early stages, had been made long before Johnson became Secretary of Defense. Both decisions had already become established national policy.

CONDIT: Do you want to go into that?

OHLY: All of these policies are reflected in NSC documents. One of the primary purposes of the United States in attempting to establish NATO and in initiating a military assistance program to support NATO forces was in reality a political-economic purpose rather than a military purpose. While the Department of Defense did want to create a real military shield in Western Europe, everyone recognized that this was a long-term job and that it could not be performed in the near future. Acheson, Marshall, Forrestal, and the other people who were making policy in 1947, 1948, and early 1949 all knew that. They also thought -- and this I think was generally the opinion at that time -- that unless you could get Europe back on its feet economically and begin to instill a sense of confidence in the future, you were likely to see political and economic disintegration and deterioration there that would create the worst of all possible worlds. Such a development would probably be accompanied by a disintegration of the colonial empires, a sort of collapse of the structure of that part of the world with which our whole future was inextricably bound up. Such a development was more feared by planners and policymakers at that time than the possibility of Soviet military aggression in Western Europe, although Soviet occupation of Czechoslovakia had scared a great many people. What with our hegemony in the nuclear field and in other areas of technology, I don't think that our military leaders were seriously worried at that time over the possibility of a Soviet attack in Western Europe in the near future.

However, in Europe itself, there was not the same degree of confidence that a Soviet attack would not occur. There was a tremendous sense of

insecurity there. The French businessman was not investing his money; he was putting it in a stocking in the closet. There was tremendous political ferment, particularly in Italy and France. The real question was whether or not the Communists, while perhaps assisted to some extent by subversive means, would take over these countries through processes that were essentially democratic, that is, by winning relatively free elections. This was the great worry, and it was felt that one of the best ways of creating a sense of security in Western Europe -- of establishing confidence among Europeans in their future -- and of thereby ensuring its economic recovery and furthering its political stability was to provide, along with economic aid, the military assistance that was necessary for the successful construction of a security system for the whole of Western Europe. It was well understood in the Department of Defense, I think, as well as elsewhere in the U.S. Government, that while the establishment of NATO and the furnishing of military assistance to support European NATO forces constituted military measures, the purposes of these measures were much more than military purposes.

The foregoing judgments and decisions had all been reached in 1948. Therefore, at the time Johnson took office, the initiation of a military assistance program for NATO Europe was already established U.S. Government policy and legislation to establish this program, to begin operation in Fiscal Year 1950, was part of the Administration's approved legislative program and was ready for submission to the Congress. While the legislation was not actually enacted until mid-October, the process had started and, as far as I know, Johnson was sympathetic. I don't recall his ever constituting an obstacle to its development under (Maj. Gen. Lyman L.)

Lemnitzer, who had been brought into OSD while Forrestal was still in office to undertake the development of a specific program. He was in my office. One circumstance that makes me think that Johnson was probably in favor of the program is the fact that one of his principal buddies, James Bruce, had been selected by Truman to be Director of the Military Assistance Program, as and when it was established. Johnson's close association with Bruce was apparently the principal reason why I happened to end up as Bruce's Deputy Director -- becoming such without realizing that it was contemplated at that time that I was to take over as Director when, as he had been promised, Bruce was named Ambassador to the Court of St. James's.

CONDIT: Apparently he could hardly wait.

OHLY: He could hardly wait. That appointment was never made because the State Department considered Bruce to be an impossible appointee for that position and persuaded Truman that this was the case. Bruce was an astute businessman and a very nice person, and he had probably contributed more than anybody else financially to the Truman campaign. He was a friend of Johnson's and they were continually in touch with one another. Apparently Johnson and he had talked about getting me appointed as a Deputy; this was unknown to me at the time, and I didn't learn about it until months later. Relations between Johnson and Acheson, however, were not good. Acheson couldn't abide Johnson and I have a feeling that Johnson couldn't abide Acheson, but then there were very few people in the government that got along very well with Johnson. There were, in fact, very few people within the Department of Defense who got along too well with him. I

happened to like him, even though I had a number of very stormy sessions with him on personnel matters -- situations in which I thought he was infringing on an individual's liberties and rights. But we remained on good terms throughout the time that he was in government and afterwards. I used to see him occasionally after he left the government and went back to the Steptoe and Johnson law firm.

CONDIT: You're the first person who apparently has really liked him personally.

OHLY: Well, like him personally in the sense of affection -- no. I had no affection for him, but in many respects he was able, and he was very nice to me. We got along. I did have a great affection for his deputy, Steve Early, and Steve Early, I think, had great affection for Johnson. Steve Early was in no way equipped to be Deputy Secretary of Defense, but his appointment nonetheless turned out to be a wise appointment because he had the capacity to calm down Johnson and to keep him from being too much like a bull in a china shop. He was one of the few people who could talk turkey to Johnson -- could give him hell and expect him to take it. Johnson might have shrugged off what Early had to say, but at least Early could get away with saying whatever he felt.

CONDIT: How did McNeil get along with Johnson?

OHLY: I can't say. I was there only until late August (1949). That was about four months. Unlike the situation that existed when Forrestal had been Secretary -- when McNeil, Leva, and I were continually in and out of each other's offices, working together as a team -- there was no longer

the same sort of working camaraderie among the three of us, one reason being that the Office of the Secretary of Defense had expanded greatly by the time that Johnson had been in office for a few months and another that a lot of my own duties had changed. While there were still the same close personal relations among the three of us as there had been during the Forrestal regime, we didn't continue to work together in the same way that we had before. I think that Marx Leva got along reasonably well with Johnson but this is something that you will have to ask Leva about. I'm not sure whether Leva liked him personally or not although I know Johnson didn't stand in Leva's book anywhere near where Forrestal, Lovett, or Marshall stood. In the case of McNeil, I just don't know. I expect there might have been some flare-ups because of McNeil's very, very strong feelings about aircraft carriers and the Navy and because of the fact that one of Johnson's initial steps was to cancel the carriers and some other things without consulting McNeil or anybody else. I suspect that there were problems in their relations, but I don't know this of my own knowledge. With Acheson, there were plenty of problems. I've heard Acheson many times express his feelings about Johnson which were anything but . . . .

CONDIT: Well, his book . . . .

OHLY: Yes, his book makes it clear how he felt. But he was also outspoken on the subject at the time. His expressions of his feelings were made openly in staff conferences; he made no bones about what he thought. Off the cuff orally or in writing, his remarks were devastating. However, insofar as the substance of the military assistance program was concerned,

I don't now recall any serious differences between them. While there were at the time some serious differences of view between Defense and State on military assistance, I don't remember that Johnson himself got very much involved in them.

CONDIT: Well he brought in (Maj. Gen. James H.) Burns, didn't he?

OHLY: He brought in Burns.

CONDIT: That was after you left?

OHLY: Burns came in just about the time I was leaving, I think. Burns was someone whom I'd known slightly back in 1940 and for whom I had a high regard. Lemnitzer was there for some or all of the Johnson period. (Maj. Gen. S.L.) Scott may have come in to replace him before Johnson left, I'm not sure. For a while (Najeeb E.) Halaby, (Jr.) was there, as well as Burns, and then Halaby left. I don't think Johnson got into military assistance very much. You mentioned one incident the other day of his reaction after Korea -- of his running off with the four-billion-dollar program that Lemnitzer . . . .

CONDIT: I'd like to go into that Korean business just a little bit. When did you move over to State Department under Bruce?

OHLY: I went over there in October 1949.

CONDIT: October 1949, so you were entrenched by the time the Korean war broke. Now, before the Korean war, the great emphasis was really on economic aid, wasn't it, and the military side was just a little side-show?

But after Korea, things changed. You said something last time about the Korean war being a watershed and that there was an immediate reaction to it at the highest levels. Could you go through that a little bit, that reaction and just about when it occurred, and how far up and down it went, and about when Defense was told to prepare a supplemental budget? I'm trying to document the fact that this was government policy before Defense did anything about the budget. That's what I'm really trying to get at.

OHLY: I should first go back a little bit before the Korean invasion and say something about the first general military assistance program, which was for Fiscal Year 1950 and authorized by the Mutual Defense Assistance Act of 1949. This Act had been enacted in October 1949 and Title I of this law provided authorization for a billion dollars of military assistance to Europe. A certain amount of this was to be used for a program that was called the Additional Military Production program. This program was designed to provide certain types of items that European defense establishments might need in order to get into production of military items in Europe.

CONDIT: This is what, machine tools? Raw materials?

OHLY: It would be machine tools, but it wouldn't be raw materials. It was to be machine tools primarily, if I recall. There were so many of these defense and military programs that I forget the exact legal limitations of each.

Title II of this law authorized the appropriation of $211,370,000 for the Greek-Turkish military assistance program. This program, which had been started two years earlier as a separate program was thus brought

within the framework of the general military assistance program. Title III, as originally proposed by the Administration, provided only for military assistance to Iran, Korea, and the Philippines and contained an authorization for an appropriation of $27,640,000 for such purpose. This submission contemplated aid to Iran of about $10 million, aid for Korea at a similar level, and aid for the Philippines in a somewhat lesser amount. Another provision of considerable later importance was added to Title III during the course of the Congressional process. This was a provision authorizing the appropriation of an additional $75,000,000 for use in the general area of China. This provision had been added in committee or on the floor by the adoption of an amendment that was proposed by Senator Knowland. (All title III totaled $102,640,000.)

CONDIT: Was the $75 million for Formosa mainly?

OHLY: This is what I think he had in mind, although at that time, of course, fighting on the mainland hadn't completely stopped. The Chinese Nationalists still controlled Hainan and I think some of the southeasternmost part of China, although not much of it, and they were still conducting some guerrilla operations. I'm not sure exactly what Knowland had in mind, but the China lobby was growing in strength and influence and the addition of this provision reflected its feeling that something ought to be in this legislation that would permit the furnishing of support to the Chinese Nationalists. Two points about this provision should be noted. First, the use of these funds was not limited to the furnishing of military assistance, although the furnishing of some military assistance was plainly contemplated by its inclusion; rather the funds might be used by the President "to

accomplish . . . the policies and purposes declared in this Act." Second, the funds were to be unvouchered to the extent that the President wished to keep the nature of their use secret. I might say parenthetically at this point that the Chinese Nationalists were already receiving a great deal of military aid under one of the surplus property acts, although at this time the surplus property available for use consisted largely of stocks that had been left in the Pacific Theatre by our forces because it was uneconomic to bring them back to the States. Those stocks, while still substantial, were nevertheless rapidly being depleted as they were turned over to the Nationalist forces.

The foregoing brief description summarizes the military assistance program for its first year -- Fiscal Year 1950. However, almost immediately after I took office in the fall of 1949, we began work on the development of the Fiscal Year 1951 program for submission to Congress in the spring of 1950. Insofar as Title I was concerned (that is, military assistance to support NATO forces), the proposals developed contemplated a continuation of the program at the billion dollar level in FY 1951. This level was not of course adequate to provide for a real buildup of NATO forces to a size that was considered desirable, because the estimates of what such a buildup would require were already very much larger. However, it was felt that no larger sum could be budgeted for military assistance at that particular time. The emphasis continued to be on the European Recovery Program, with this program viewed, as I have previously said, as a program that would supplement that earlier program and, by creating a sense of security and confidence in Europe, contribute in an indispensable manner to that program's ultimate success.

Two other very important considerations had entered the picture before Executive Branch drafting of the proposed FY 1951 legislation had been completed. Both of these considerations related to programs about which your list contains questions. One consideration arose from the fact that in late 1948 it had become clear that a schism was developing between Russia and Yugoslavia. There was a strong feeling that we could exploit this split as time went on and that it was of the utmost importance to the future of Europe to do so. If Yugoslavia were to fall under total Soviet domination (either through its military takeover or its peaceful submission), it would mean that the Russians would be on the Adriatic and have easy access to the Mediterranean. Such a development would also mean that the probably increasingly corrosive effect of the schism itself within the Communist world would be lost. It also would very possibly mean the resumption of guerrilla warfare in Greece; guerrilla warfare in Greece could probably not be successfully mounted for long without the hinterlands of Yugoslavia as a safe refuge and supply base for the guerrillas. All of these circumstances combined to make the continuing independence of Yugoslavia from Soviet domination a really important objective of American foreign policy at that time. The Yugoslav army was the second-best in Europe. It had high, favorable terrain in which to mount a defense of the country; it was very well trained; and it was composed to a considerable extent of the guerrillas who had fought so successfully in the mountains during World War II. It was generally felt that this army, if it could be assured of equipment, would be able to withstand a Soviet invasion for a long period since the Soviets would have a very unfavorable terrain in which to operate a prolonged successful

offensive. Yugoslavia presented such a problem militarily that the Soviets were not likely to support (through its satellites) or itself resort to military measures against it if the Yugoslav forces had an assured source of equipment.

CONDIT: Did you really think the Soviet army would go into Yugoslavia?

OHLY: There were three alternatives that were considered by the Joint Chiefs of Staff. One alternative was that the Soviets would attempt to exploit the conflict among nationalities in Yugoslavia and be able to promote and support guerrilla warfare that would gradually drain the country and ruin its economy. The second alternative was that Soviets would use satellite forces to invade the country, and the third was that the Soviet Army itself might actually be used for that purpose. After all, it had gone into Czechoslovakia in 1948.

CONDIT: Well, they didn't fight.

OHLY: They didn't fight, it is true; but they didn't have to fight in Czechoslovakia and they would have had to fight in Yugoslavia. Soviet military action was considered, at least by the Joint Chiefs of Staff and I think also by the political experts in the Department of State, as a possibility. Therefore, it was decided that we should place ourselves in a position to support the Yugoslavs with military assistance in substantial amounts if the need for such assistance should develop and to supply such assistance quickly. No decision had then been made in the Executive Branch to supply military assistance to Yugoslavia unless military action against her that was thought to be threatened should appear about to materialize.

Therefore, without putting extra money into the program to cover possible assistance to Yugoslavia, we did seek to include an ambiguous provision in the legislation that would enable us, after secret advice to the Congress, to provide aid legally to Yugoslavia without delay.

CONDIT: This was covertly supplied, wasn't it?

OHLY: Well, it hadn't been supplied yet. I'm talking about arranging for it.

Let me switch to one other program. Through all of the late 1940's, the State Department had been negotiating with the Soviet Union on a peace treaty for Austria. That peace treaty, even in its earlier versions, provided for the evacuation of all occupation forces within, I think, 90 days after the treaty was ratified. The Soviets were in occupation in part of the country and we were in occupation of the remainder of the country or shared this occupation with our other allies. Both the Joint Chiefs of Staff and the State Department felt that it was imperative that by the end of those 90 days the nucleus of an Austrian military force should be in existence -- a gendarmerie that would be capable of satisfactorily dealing with the internal security problems that they were worried might be encountered. I think that they were not worried about the possibility of a Soviet invasion once the occupying Soviet forces had withdrawn, especially since it was perfectly clear that, in the event of any such Soviet reoccupation, we would have moved right back in with our own troops simultaneously. But there was the distinct fear, given the very weak state of the Austrian economy at the time and the many difficulties that would be encountered in getting a new government established and operating, that

the Soviets might engage in disruptive subversive activities and attempt to create a political or economic crisis that the Communists could exploit. Therefore it was considered important to have some sort of an internal security force in being and capable of action very quickly after the treaty was ratified. I think the ground element was to be limited under the treaty's terms to something like a maximum of 50 thousand men eventually and a small air force of 30 or 50 planes and five thousand men -- more or less just a police air force -- was to be permitted. No one thought that one could successfully build up a force of this size from scratch in 90 days, but it was felt that one could build up a force of 10,000 to 20,000 within this period and to equip it in such a way that it could maintain law and order until, over a period of perhaps two years, one could raise and fully equip the total force permitted by the treaty. The legislation to be sought in 1950 had to take into account the need for authority to equip and train this Austrian force immediately upon the treaty going into effect, but the necessary authority had to be incorporated in the legislation without coming out openly and saying that the buildup of such forces with our assistance on a crash, emergency basis was something that the United States contemplated doing.

One of the problems in the Austrian case was to have the equipment available, stockpiled, identified, and ready to rush over the Austrian border into the hands of people selected to constitute the force the day the treaty was signed, so that when the 90 days were up and the troops had moved out one would have at least the nucleus of the force ready. Even though you were not going to turn this material over to the Austrians for some time, one had to finance it, to have it in being, to locate it in a

convenient spot, and to have its delivery authorized by legislation.

Our problem, then, was to draft a legislative provision that would provide us with the necessary authority to deal with both the Yugoslavian and Austrian situations but that would not disclose the particular situations that it was intended to cover and, having drafted such a provision, to get the provision adopted by the Congress. What we did, encountering much difficulty at first, especially with Senator Connally, then chairman of the Senate Foreign Relations Committee, was to parsuade the several concerned Congressional committees to approve a provision that would enable the Executive Branch to use up to 10 percent of the funds made available pursuant to the authorizing legislation to provide military assistance under certain limited circumstances to any non-NATO European nation whose strategic location made it of direct importance to the defense of the North Atlantic area and whose immediately increased ability to defend itself the President, after consulting other NATO members, found contributed to the preservation of the peace and security of the North Atlantic area and was vital to the security of the United States. This was one of the major new provisions in the 1950 (FY 1951) MDAP authorizing legislation.*

The other money authorizations sought for Fiscal Year 1951 were for substantially the same purposes for which authorizations were provided in the Mutual Defense Assistance Act of 1949, but some of the authorizations sought (those for Greece and Turkey, for example) were for lesser amounts than were provided in that legislation. The total new obligational authority for which authorizations were requested in all titles again approached one-and-a-quarter billion dollars, of which a billion was sought for NATO purposes.

*Sec 408(c) of the Mutual Defense Assistance Act, as amended.

This time the Executive Branch itself sought an authorization for an appropriation of $75 million for use in the general area of China, but this request reflected growing general concern about what was happening in Southeast Asia, and especially in Indochina, all of which area was interpreted as being included in "the general area of China," rather than concern only for Taiwan and remnants of Chinese Nationalist forces still on the mainland.

In June 1950 South Korea was invaded by North Korea and this event changed the whole picture in a number of ways. In the first place, this led to the decision that, because this action constituted outright military aggression across national boundaries and was therefore a clear violation of the Charter of the United Nations, we should move in to resist the invasion with all the force necessary to repel it and in accordance with the United Nations resolution that called for such a step. This decision resulted, of course, in the imposition of a tremendous demand on our own military establishment for troops and supplies and in the preemption of the attention of all of the top personnel in the establishment. Second, and even more important, the fact that this attack had occurred was taken as an indication that the world in which we were living was probably a very different world from the world in which we had assumed that we were living and on whose assumed existence our basic policies and earlier programs had been based. In other words, it was taken as an indication that the Soviet Union had concluded that it would use military force to expand its sphere of influence whenever it perceived what it believed was a good opportunity for successfully doing so. Based on this changed perception or interpretation of the world situation, it was concluded that we should

now proceed to build up real military strength in NATO as rapidly as possible and not to proceed, as we had been proceeding, to support a slow buildup of NATO forces that emphasized political and psychological rather than immediate military purposes.

CONDIT: Before it had really been psychological, hadn't it?

OHLY: Largely so. Of course it was hoped that eventually, as NATO itself evolved as an institution and as individual European nations recruited and trained personnel for cadres around which they could rebuild the military forces that had been destroyed during the war or demobilized at its end, one would create military strength in Western Europe that would in fact constitute an effective military shield. Nobody had decided how large such forces should be, what should be their composition, or what should be their capabilities, but the creation of military forces capable of ensuring the defense of Western Europe was certainly the long-term objective. The various NATO committees had from the beginning been working on the development of short-term, medium-term, and long-term war plans and strategies, the estimation of force goals to support such plans and strategies, etc., but there was no immediate intention, at least until the European economy was back on its feet, to try to quickly raise and to maintain large forces. The task of building large forces in Europe involved a great deal more than simply providing the huge quantities of U.S. military equipment that would be needed by such forces; the provision of such equipment was clearly possible even though it would take considerable time in view of the competing demands for the then limited supplies

of such equipment and would also require a many times higher annual level of grant military end-item and training assistance than the then current level of one billion dollars. The performance of this task would also have to contend with the fact that the European countries were not in a position to continue to rebuild their economies and at the same time to raise and maintain large military forces unless they were provided with a large amount of additional economic assistance.

This was the general situation that confronted the United States once the decision had been reached to proceed as rapidly as possible to develop strong NATO military forces. Thus one specific question that had to be immediately addressed was how to transform the Marshall Plan European economic recovery program into a program that would furnish the Europeans with the economic resources that would be required to support the maintenance of large European military establishments while at the same time completing the task of rebuilding the European economy to the level contemplated by the Marshall Plan. Answering this question became just as important, from a purely military standpoint, as the furnishing of the military end-item equipment and training that these military establishments would need. In any event, with the Korean invasion, it was immediately apparent that one had to consider whether this development required changes in the size and/or character of existing military and economic assistance programs around the world, and not merely in the NATO area, or the launching of any new programs to countries that were not then military aid recipients. Thus one had to ask whether, in view of the Korean aggression, the programs for Indochina or the Philippines should be changed in any way. For example, if the Chinese Communists or Russians

were prepared to support the Korean aggression, it was necessary to consider what they might be prepared to do in Indochina.

CONDIT: Or the Philippines?

OHLY: Very serious guerrilla warfare was already in progress in Malaya. The British were attempting to deal with the situation there; they had not yet withdrawn their military forces from the Far East, were still in Singapore, and still had substantial forces on the Malay peninsula. The warfare in Indochina was beginning to escalate and the French were asking for our help there. In the Philippines, the Huk uprising was getting more and more serious. The question had also been raised of what part, if any, might be played by Chinese Nationalist forces in the defense of South Korea. You will remember that MacArthur was asked fairly early in the war whether he would like to have forces from Taiwan in his UN command and that he turned down this proposal only to revive it later, when his situation had once again become desperate and at a time when everyone else had concluded that the presence of Taiwan Chinese troops in Korea would constitute more of a liability than an asset.

All of these questions and many more began to be asked in the few days following the invasion and we of course had many meetings in which they were discussed. I can't tell you the exact sequence of their consideration, but, among other things, the Administration came to the conclusion that we ought to go up to Congress for the four-billion-dollars appropriation.

CONDIT: Where did that four billion come from -- that precise amount?

OHLY: I'm not at all sure how this figure was derived. I had originally

thought that Lemnitzer or I or both of us together may have picked this figure out of the air, but the more I go into the matter the more I realize that the determination of this figure was the result of a much longer, more complicated process that was finally completed only on the very eve of the President's message to Congress on the supplemental appropriation, a message that went to Congress some five weeks after the Korean invasion occurred. At some point, probably quite early, a minimum figure of $4 billion for military assistance as such for the NATO area appears to have been generally accepted, but its derivation is still unclear. However, amounts above this, for economic assistance to Europe and military aid to other areas of the world were also under consideration and there was apparently much discussion of whether portions of the $4 billion should be reserved for procurement offshore in Europe and/or for increasing European military production in other ways.

There had been all sorts of estimates of future requirements; but these were pretty crude because the process of planning in NATO was not yet very far along, either in terms of military plans or equipment requirements to support those plans, let alone in terms of the refinement of such plans into the kind of detailed listing of requirements that would be necessary before procurement could be undertaken. The proposal that the request for four billion dollars in additional MDAP should be made was tentatively formalized at a meeting that Acheson, Johnson, and Harriman had with the President on July 21, 1950 at which they submitted to the President, and received his approval of, a memorandum of instructions for Mr. Spofford that authorized the latter to advise NATO representatives that the Administration was prepared to recommend to Congress an increased program in the

order of magnitude of 4 to 6 billion dollars of additional aid provided the other NATO countries were prepared to promptly take the measures required for the development of defensive forces of the order of magnitude that was indicated in a U.S. study of Mid-Term Defense Plan force requirements that had been drawn up as guidance to General Bradley as the U.S. Representative to the Standing Group. The memorandum stipulated that of this amount 4 billion dollars was to be solely related to defense and indicated that some or all of the balance might be employed for economic recovery. In approving the memorandum the President indicated that his decision was technically that of approving a negotiating position for Spofford but that he was prepared to support whatever came out of the negotiations.

I wrote numerous memoranda about the general situation at the time but none that I have been able to discover indicates exactly where the basic minimum four billion dollar MDAP figure came from. These memoranda are more concerned with the question of how this request should be presented to Congress -- what Acheson should do, what the President should do, and what Johnson should do. We faced the very difficult problem of getting this appropriation without in the first instance going through the time-consuming process of obtaining an authorization for this appropriation. This meant getting the appropriation bill through both houses of the Congress without a point of order being raised in either house that there was no authorizing legislation. This is something I don't think has ever been done before or since with an appropriation of this size. However, my papers give some indication that as late as July 26th, agreement on a four billion dollar figure had not been reached except as a minimum figure for end-item equipment

to North Atlantic Treaty countries. The possibility of $500 million in further military end-item assistance to Title II and Title III countries and of a separate amount of 500 million to a billion dollars for assistance to increase European military production was still under discussion in FMACC. Moreover, on July 24th the President had tentatively approved a $4½ billion MDAP program with the understanding that some of it would be used for off-shore procurement and that a request for any added economic assistance would be postponed until January. A definite decision on $4 billion appears to have been arrived at on July 27th, and the President appears to have used this figure in his conference with the Congressional leaders on the morning of July 28th in telling them of the message that he would be sending to Congress on August 1st.

CONDIT: Very impressive. You got the original amount of $1.2 billion or whatever for FY51, and then immediately another $4 billion.

OHLY: Four billion. I think we had the appropriation by the middle of August. I can't tell you exactly when.

CONDIT: Did you have to get authorizing legislation for the original?

OHLY: Oh, yes. We always had to get authorizing legislation.

CONDIT: Just this one FY51 supplement escaped?

OHLY: This one supplement. I don't know of any very large appropriation of any kind that has ever gone through the Congress in the manner in which this appropriation did. The decision to proceed in this manner was of course a gamble.

CONDIT: Let's look at the personal relationships between Defense people and State people, after the time that you went to State in 1949. October 1949 to October 1950 seems to me to be a good period in which to frame that relationship, because in that period there was a change from State-oriented foreign aid to Defense-oriented foreign aid. Did people at State and people at Defense get along well in FY 1950? What were the problems? Acheson says he didn't get along well with Mr. Johnson, but at the working levels how did it work?

OHLY: Yes, of course, but Mr. Acheson was dealing with Mr. Johnson on a great many things besides foreign aid. Foreign aid was only one of the many problems with which both Defense and State were mutually concerned, and a large proportion of those problems were ones with which I was in no way associated. Let me also, before addressing your questions directly, say a word about your point that a shift occurred from State-oriented foreign aid to Defense-oriented foreign aid. While it is true, as you indicate, that after Korea there was a change from a program that emphasized political purposes even though its content was military hardware and military training to a program that was designed to create real military strength in Western Europe, I should emphasize that the Department of Defense was solidly behind the initial program as a necessary first step in creating a strong NATO and as an essential, if only small, beginning in the long process of building effective military forces. Defense, at least at the level of OSD and the Joint Chiefs, was as anxious as State to get the first military assistance legislation enacted and thereafter to get the program actively under way. But you're right, the issues did change after the Korean invasion

along with the change that occurred at that time in the views of the United States Government of the nature of the problems that we faced in the world.

This might also be a good time at which to interject a few other important remarks about the organizational problems that are invariably involved in the running of foreign aid programs and particularly a military assistance program. Even apart from the bureaucratic difficulties that usually arise in the operation of any program involving two or more agencies, major problems in inter-agency organization and serious conflicts of interest among concerned agencies tend greatly to complicate the operation of this kind of enterprise. The person who was ultimately responsible for the military aid program, the Director of Mutual Defense Assistance, had not only to ensure the sound development and effective implementation of programs with a military content and specific country-by-country military purposes but also to make certain that the development and conduct of these programs took into account in the best way possible the great variety of political and economic, as well as military, factors that had to be properly taken into account if the programs were to be successful in achieving their various objectives. In every country in which we had programs, the extension of military aid had military consequences, political consequences, and economic consequences; and these several types of consequences interacted and often were also interdependent. For example, if you provided a country with military equipment, that equipment had to be maintained if it was to continue to be useful militarily, but its maintenance would cost money and therefore place an added financial burden on the local military establishment and the local economy. In this kind of situation, it might be unwise to provide the equipment unless one also provided economic

assistance to cover the cost of its maintenance or unless you could get the local government to agree to increase its military budget by allocating additional amounts of its limited revenues thereto. However, there might be political reasons (or even military reasons) for providing military equipment that the recipient could not afford to maintain or that was too advanced for its military personnel to use effectively or to keep in repair; the provision of such equipment might constitute the necessary quid pro quo for military base rights of incalculable value to our own military forces or might be the means of otherwise influencing a country's ruler who wanted the equipment for reasons of national prestige.

As de facto Director of the Military Assistance Program,* I had the problem of balancing the views of the Department of Defense, the political desks in the State Department, and the Economic Cooperation Administration, because everything that was done in the military assistance program affected the legitimate interests and responsibilities of each of these several institutions and each of these institutions had an important contribution to make to the development and effective implementation of that program. Thus

*I should explain the reference to myself as "de facto Director." James Bruce who was appointed Director never took an active part in the formulation or running of the program; he was abroad part of the time, seldom came to the office, and, when he did, was rarely on hand for more than a small portion of the day. Then, in late March or early April 1950, when he learned that he was not to become our Ambassador to Great Britain, he resigned and I became Acting Director and remained such for the next ten or eleven months until early in 1951, when the Department established the Office of International Security Affairs, which had responsibilities for a much wider range of activities. In this new office, in the capacity of Assistant Director for Policy and Program Development, I continued to perform much the same duties as before until late in 1951 when the Mutual Security Act of 1951 created the Office of Director for Mutual Security and the whole organizational structure of foreign aid was changed.

to ensure the continued progress of economic recovery in Europe, it was necessary to consider the character of the economic burden that a Defense-suggested military aid program for a country (or the increased force level in the country on which the program was predicated) might place upon the country in terms of an increased military establishment budget or even increased foreign imports -- for POL, for example -- and then to decide whether the program still made sense and, if not, whether its disadvantages could be overcome by increasing the country's previously established economic aid program. This is one of the reasons why the structure that was set up was such a complicated one.

Primary responsibility for the military assistance program was vested in the Secretary of State. This assignment of responsibility was based on the premise that this program constituted an instrument of foreign policy even though it involved the furnishing of military equipment and military training and that, as an instrument of foreign policy, ultimate control over it should be in him. The Director of Mutual Defense Assistance reported directly to, and acted as a Special Assistant to the Secretary, and his salary was fixed by law at the same level as the then salary for each of the two Deputy Under Secretaries of State, which I believe was $1,000 or $1,500 higher than the salary of an Assistant Secretary of State. In organizational terms he treated the State Department geographic areas and their respective country desks as the political (foreign policy) counterparts of the Department of Defense, looking to them for advice on the political considerations that they felt should be taken into account in approving country programs and in making other decisions involving the program. The Director was also obliged to take the views of ECA into

account so that, in reaching conclusions, it was necessary for the Director to consider the military, the political, the economic, and the economic aid factors that the Department of Defense, the geographic areas of the Department of State (and certain other areas as well -- the economic, for example), and ECA respectively thought were relevant in resolving the issues involved, and frequently, also, important domestic political, legal, and Congressional considerations that likewise were pertinent. Thus the Director had to be responsive to three and sometimes more "constituents", all of whom had their individual interests to present. If an agency disagreed sufficiently with the Director's decision, there were, as I shall presently indicate, avenues through which to appeal it and there were also mechanisms that were designed to facilitate interagency agreement by consensus where this was possible. The assignment of policy and program responsibility to a Director of Mutual Defense Assistance in the Department of State while at the same time placing operational responsibility under a military deputy in the Department of Defense produced a bastard sort of organizational arrangement. However, this arrangement worked surprisingly well under the circumstances that prevailed during the first 12 to 18 months of the program.

In recognition of the need to blend all of the several factors identified above in developing policies, formulating programs, and making decisions on matters involving military assistance, several interagency mechanisms were created. First, there was a cabinet-level committee composed of Acheson, Johnson, and Foster. It was called the Foreign Military Assistance Steering Committee (FMASC). As far as I know it never met formally as a body. Immediately below the FMASC was the Foreign Military Assistance

Coordinating Committee (FMACC), which consisted of the Director of Mutual Defense Assistance, who acted as its chairman, a representative of the Department of Defense (General Lemnitzer), and a representative of ECA. The Committee met weekly on a regular basis, and often more frequently. It was the forum for the consideration of significant matters of common concern to two or three of the agencies that could not be handled by telephone conversations. While the Committee was only an advisory committee to the Director, more often than not it served as a kind of board of directors for the program -- a forum in which policies and programs were usually determined through agreement on the part of the participants. The whole organization for foreign aid sounds very complicated, and it in fact was very complicated, but this complication was to a large extent the unavoidable consequences of the complexities of the military aid program itself and of the necessity of taking so many considerations into account in its operation.

Late in 1950, with the mounting of a greatly expanded military assistance program to NATO and the growing expectation that NATO countries would have to raise and maintain much larger forces than they could possibly support without continued economic aid on a massive basis (even though Marshall Plan goals as such had been substantially attained), it became apparent that it would be necessary to find some better way of integrating and coordinating the military and economic aid programs for Europe. Whereas, until then, it had been necessary to shape the military aid programs to take into account the needs of European Recovery (which, by statute, were to take precedence) and the economic aid programs to European countries, it now became necessary to shape both programs so that they would complement

one another and be mutually supporting. Thus if one decided that France should support five divisions that were equipped in a certain fashion and would be capable of carrying out certain missions, one had to consider not only what equipment would be needed by these divisions but also what amount of economic aid would be required by France from the United States if France were to be capable of financing the support of these forces without at the same time adversely affecting the economic recovery that we had been working so hard to accomplish. This meant, in effect, that there would have to be a kind of simultaneous programming of the two programs. Thus, in the planning of both programs, it would be necessary to look jointly at the combination of political, military, and economic factors in each country that were relevant in determining what kinds and amounts of aid were necessary (as well as what measures would have to be taken by the country) in order to enable the country to raise and maintain forces of X level with Y capabilities by Z date and at the same time to continue to increase its GNP at a rate of A percent, etc. Similarly, it would be necessary to present all of these programs to Congress in a way that would show the relationships between the two programs adequately and successfully demonstrate the likely political, economic, and military impact of the combination of programs. Later, at the implementation stage, it would be necessary to continually consider these relationships.

And so the State Department, presumably as a result of conversations between either Webb or Acheson and Foster and Harriman, established the Office of International Security Affairs (January 1951) and simultaneously abolished the Office of Mutual Defense Assistance. Insofar as the Department of State was concerned, the Director of the new office (who filled

the senior statutory position under the Mutual Defense Assistance Act), in addition to performing all the functions with respect to military assistance that had theretofore been performed by the Director for Mutual Defense Assistance, was to have the responsibility for supervising and coordinating that part of the planning, the programming, and the Congressional presentation of both the military and the economic aid programs that required their common handling.

At approximately the same time, there was one other development that had a tremendous bearing on subsequent organizational arrangements for foreign aid both in the State Department and later in the government as a whole. This was the passage in June 1950 of the legislation that authorized and funded the commencement of the Point IV program. This legislation contemplated the initiation of technical cooperation programs in most of the less developed areas of the world. It also created the Technical Cooperation Administration (TCA), which was to be a separate, quasi-independent agency in the Department of State. This too was a strange organizational arrangement. When, six months later, the Director of International Security Affairs was appointed, he assumed various functions in relation to TCA and its programs.

By this time Congress -- like everybody in the Executive Branch as well -- was becoming confused by the proliferation in aid programs and aid organizations when it seemed that there was a need to deal with all of them in some single coherent way. Moreover, it was troubled, as were the top people in the Executive Branch, by the bureaucratic in-fighting that was going on and increasing. There was not too much disagreement between the Department of Defense and the Department of State on military assistance,

but there was very bitter feuding between State and ECA over who should control the economic aid programs and over the question of whether the whole European Recovery Program should not now be brought under the direct control of the Department of State rather than left under ECA, which was a completely independent agency. With the legislative people in both agencies lobbying on the Hill for one solution or another to the organizational problem, Congress this time really bit the bullet and decided to put all foreign aid programs together in one piece of legislation -- everything to do with foreign aid: the Point IV program, all the economic aid programs in Europe, all the mutual security programs in the Far East, all the military assistance programs, and a large miscellany of other aid programs, such as those for refugees, Palestine refugees, escapees from behind the Iron Curtain, etc., and those involving contributions to certain international organizations. It proceeded to write some really basic legislation, which eliminated ECA, replaced ECA with a new agency (the Mutual Security Agency (MSA)), and created the position of Director for Mutual Security. The Director for Mutual Security, who was to report directly to the President, was to wear two hats; he was, on behalf of the President, to direct and coordinate all foreign aid programs and he was also to head the Mutual Security Agency. Harriman was named as the first Director.

This general organizational arrangement continued for the next two years. At the top, generally directing, supervising, and coordinating all the programs was the Director, and he had three really separate operational arms -- the Mutual Security Agency, which he treated as a separate entity even though he was also its director; the Department of Defense; and the

Technical Cooperation Administration, which, though it remained in State, was nonetheless for programming and all other purposes subject to his direction. The State Department (apart from TCA) was of course also deeply involved, and the Director was required by law to look to the Department for political advice on all of these programs, and he did so. Actually, this organizational arrangement represented one of the most sensible organizational arrangements possible for the conduct of the U.S. foreign aid program and I believe that it worked well at least until early 1953. However, as I said during my last interview, one reason why this kind of arrangement did work was the existence of a close personal relationship among the people who were at or near the top of the agencies that were concerned with the program -- Marshall, Lovett, Foster, Harriman, Acheson, and Webb, and all the other top people who had been working together for years in government and, in many instances, before they entered the government in private life -- and the existence of a comparable relationship among many, if not all, of the people who were at the next lower level -- John Kenney, C. Tyler Wood, Harlan Cleveland, and Dick Bissell in MSA; Ed Martin, Paul Nitze, Dean Rusk, and others in State; and Lemnitzer, Frank Nash, Halaby, and others in Defense.

This organizational arrangement continued for the first six or so months of the Eisenhower Administration, when the direction of the program was taken out of the White House and placed in the hands of the head of a new, independent agency, the Foreign Operations Administration. However, even before this, with the change in administrations in January and the appearance of a whole new team of first-and second-level leaders on the scene, most of them previously unacquainted with the others, the easy

working relationships that I have described above disappeared, and this change had a lot of consequences that we can talk about later.

Although the number and character of the relationships among agencies and people that I have described and the organizational changes that I have mentioned may strike you as very complicated, I can assure you that I have oversimplified these things a hundred times.

CONDIT: Well I guess what I'm really after is State Department's view of the Defense role in foreign aid. You represented the State Department and yet you came from this amazing background in the Defense Department and knew where all the bodies lay and what the issues were and how people would strive to get control. In the year between the start of the Korean war (June 1950) and the start of ODMS in October 1951, what would you say were the dominant characteristics of the relationship between State and Defense?

OHLY: Before I answer your question directly, I think I ought to bring out the kinds of issues on which there were obviously going to be problems, if not necessarily disagreements. The points of view of the several different agencies that were involved in the program were naturally quite different. Although their overall goals were generally the same, their subordinate objectives often differed. For example, let us consider the following very important yet, relatively speaking, small problem that was encountered in one form or another in nearly every country in which a military assistance program was instituted: The operation of the military assistance program was dependent upon the establishment of a military assistance group to plan and operate the program in each country to which military assistance was to be provided. The introduction of such a group

brought about a significant and sometimes a drastic change in the character of the American community in many of these countries and necessitated the establishment of new sets of relationships within the American community and between the American community and the local community and its government. Thus the Department of Defense might want to bring 100 to 200 military personnel into a country in which the Embassy had only 30 or 40 employees, and possibly a country that might resent, and not understand the need for, the introduction of large numbers of foreign military personnel, especially since it would be required to cover many of their local expenses. The Ambassador might object to having this many military people there and say, "I don't want that many military people in this country." The military would say "We can't run a program like this unless we have this number of people because we've got to undertake extensive training of the locals. The Ambassador just doesn't understand what a military mission is about."

In almost every country this problem was encountered: How do you accommodate this new animal and successfully blend it into the local and U.S. communities -- not just a military or a naval attaché , but a large group of people -- programmers, trainers, maintenance men, end-use inspectors, etc., some with considerable rank (and used to status), who were coming in, expecting various services, and establishing new liaison arrangements with the local defense establishments? What was the Ambassador's responsibility for providing them with office space and housing and for negotiating with the local government on these and other matters? Which of the military officers should receive diplomatic or some other special status? What prerequisites and privileges should be granted all military

personnel? What should be the diplomatic and social rank of the top military? What communications channels were the military to employ? Would they have to go through the Ambassador, as chief of mission and head of the country team, and get his approval of every message, or were they allowed separate channels of communication and, if so, on what sorts of m atters? Control of communications was a very important issue that was never wholly resolved in a manner satisfactory to all parties. Some of these problems between State and Defense were similar to problems that arose between ECA and Defense, especially with respect to communications; however, the introduction of additional civilian personnel, especially in European communities, was usually not a serious problem whereas the introduction of a large number of military personnel, especially in less developed countries (and even in NATO countries, as, for example, in Norway), sometimes presented a serious problem, a problem that was aggravated by our insistence that the host country cover local costs of the mission.

I have jotted down a list of some of the things that were sources or potential sources of problems between Defense and State in connection with the military assistance program. One matter that was to continue to be a source of problems throughout the entire history of the military assistance program was the question of the extent to which the Director of the foreign aid program should go into detail when he reviewed and carried out his responsibility for approving military programs for implementation?

CONDIT: Are you referring to Harriman and the JCS fracas in 1952?

OHLY: I'm not referring to that particularly. I'm really referring more to the question of the extent to which people in my office should examine

and question the detailed equipment composition of an end-item program that was prepared in Defense and submitted for my approval. These people might, for example, raise a question such as the following: "Why do you want to send 26 of this model of a tank to Belgium? Shouldn't you send a different model tank?" Now, one might say that the question of whether tanks should be included in a country program and, if so, of the kind and model that should be provided was a purely military question and therefore that those persons outside of Defense who had the responsibility for approving the program should not be permitted to raise any questions about their inclusion and, perhaps, should not even be given such details about the program. But the matter was not that simple. The State Department reviewers might know that the model of tank that was included was not the latest model, that the intended recipient country would object strenuously to the inclusion of an older model in its program, and that its inclusion in lieu of the latest model would have serious political ramifications and end up in a political fracas at the foreign minister level. Much oversimplified, this is precisely what did happen in the case of tanks that were programmed for the French and the result was a cause célèbre. Or the State Department reviewers might know that the particular model of tank had been declared surplus to the Army's needs, that its inclusion in the program might simply result from the Army's desire to receive reimbursement therefor from military assistance funds and to use such reimbursement for the purchase of newer model tanks that it wanted, and that this model of tank was not the model that was needed in the intended recipient country. There might be serious questions as to whether, even with training, personnel in the recipient's military establishment could effectively employ equipment

that was programmed -- whether it was not highly likely that with the kind of maintenance that could be expected the equipment would break down, with resultant political kickbacks. There might also be questions of whether the costs of maintenance, spare parts, and replacements due to early obsolescence were going to be so high over the following years that the local government would be unable (or unable without further military and/or economic aid) to meet them and that, as a result, again with political repercussions, the equipment soon would cease to fill the military need that Defense wanted it to fill. Another kind of situation involving specific items of equipment was illustrated by the inclusion by Defense in its program for the Philippines of flame throwers. While, from a purely military standpoint, this might be an extremely effective combat weapon for use in the campaign against the Hik guerillas, people in the State Department who were familiar with the Philippines felt that the popular reaction to the use of this seemingly cruel and horrible weapon might be strong and in fact prove counterproductive in the efforts of the Philippine government to deal with a phenomenon that had political, social, and economic roots as well as military manifestations. These conflicting considerations had to be balanced and the result was, if I recall correctly, that the flame throwers were not approved for delivery. There were many similar situations -- situations in which the Director of the program and his staff, without attempting to second guess the military on strictly military matters, had legitimate reasons for raising serious questions about the general composition or the item content of programs submitted by Defense. Because of the political repercussions that were sometimes produced as a result of the character of specific equipment that was delivered under the program, we

gradually built up a body of experience with respect to some of the kinds of program decisions that were likely to cause political or economic problems with a host country. Now I should say that questions concerning the detailed end-item composition of military assistance programs often caused as much disagreement between the political desks in the Department of State and the Director's office as they did between his office and the Department of Defense. Ambassadors, and the country desks representing them in the Department of State, were continually pressing -- sometimes on their own but more often under pressure from the countries to which they were accredited -- for the inclusion of certain kinds of military equipment for political reasons. For example, an Ambassador might press for the inclusion of F-51 aircraft for his less-developed country client because the local government wanted such aircraft included for prestige reasons or because some neighboring government had received them; yet their inclusion might make no sense from a military programming standpoint. There was the famous case of tanks that were badly wanted by the Shah of Iran, a case that I will discuss in more detail later. Thus repeatedly the Director of the military assistance found himself in the following position: the Ambassador would be pressing for certain kinds of equipment because the local government wanted to have this equipment; the Department of Defense would oppose the furnishing of this equipment on the ground that it made no military sense; and the Director himself would be of the view that, in any event, it was doubtful whether the local government would be able to afford the costs of maintaining and operating such equipment if the equipment were to be delivered.

There were therefore many kinds of situations in which it was in fact

reasonable or necessary for the Director to concern himself with the detailed composition of the program even though this sometimes irritated the Department of Defense or the State Department desks. Let me say in this connection that Lemnitzer, Nash, Halaby, and others in the Office of the Secretary of Defense understood this problem, and the only real difficulty arose when some of the individuals in the Office of the Director became too meticulous and over-conscientious in carrying out their responsibilities for reviewing the programs -- when, in perfectly good faith, they would go beyond the bounds of legitimate review and begin to second-guess the military on things that it was the responsibility of the military to determine by themselves. Of course, even when this did not happen -- and it only did happen infrequently -- there were bound to be situations in which there were disagreements and prolonged arguments because the military people didn't fully understand what it was that the political and economic experts were saying and the latter had difficulty in comprehending the points that the military people were trying to make. Hence the composition of programs was a source of continuing difficulties, sometimes involving the kind of content detail that I have just been discussing and sometimes involving the more general questions of the extent to which the program should ensure the modernization of the whole military establishment of a country, the force goals that the program should support in a country, or the roles and missions that a country's armed forces should be capable of performing.

There was also inadequate coordination during the early stages of MDAP of the operation of the military assistance training program and the operation of the end-item equipment program. The two programs, which

were complementary and interdependent, were not in proper phase. Lemnitzer got this under control after a time, but my office was much concerned until he did. His difficulties were due to the fact that these two programs were being developed and handled by two different groups of people in each of the services.

CONDIT: So in effect you trained for one plane and sent another?

OHLY: No, not providing them with training for one plane and then sending them another, but rather failing to provide for a balance between the training of locals to maintain the equipment to be delivered and the training of other locals to operate such equipment. It seemed to my office that the latter was being overemphasized to the detriment of the former. This may have been due to a gross overestimation within the services of the level of maintenance capabilities in some of the recipient countries.

There was another extremely important problem that became increasingly acute. This was the fierce competition for limited amounts of equipment between the military forces of the United States and the military forces of MDAP recipients or, as one might say more accurately, between the military aid program and the U.S. military program. Until the outbreak of the Korean war there had been no reason to believe that serious competition of this kind would develop; however, with its outbreak the competition quickly became fierce and steadily grew. U.S. and MDAP requirements skyrocketed simultaneously whereas the augmentation of limited existing supplies could only be effected through the slow processes of industrial production. The Joint Chiefs of Staff, the Secretary of Defense,

and people like Lemnitzer and Nash understood the nature of the problem and were anxious to secure appropriate allocations of equipment for NATO forces and for the forces of other aid recipients. But when one got down to the service level, where the actual allocations were made, one was dealing with supply people who did not understand the importance of ensuring adequate allocations for allied forces and who were getting urgent messages from field commanders in the Far East who were fighting a war and in desperate need of more equipment, and the process of allocation was not carried out in an orderly fashion. Throughout the whole period that we are discussing there was always this problem of how to get the equipment that was needed to permit the scheduled build-up of NATO and other allied forces and at the same time meet our own defense requirements, and there was never any machinery that was effective in dealing with this problem. Moreover, this was a problem that could not be satisfactorily handled from without the Department of Defense and one of the most difficult tasks with which I was continually faced in directing the program was that of trying to find ways of getting and helping that Department to resolve what was essentially its own internal problem. However, my own difficulty in this respect was only a little more than the difficulty that Lemnitzer and others in the Office of the Secretary of Defense encountered in trying to get hold of and in dealing with this same problem. For a while, there was a Munitions Allocation Council, which was set up in the Department of Defense, but it never really worked satisfactorily.

CONDIT: That came along in 1951.

OHLY: That came along in late 1951, I think, and it broke down in early

1953, and I don't think that it was used very much. You were bound to have disagreements on equipment allocations, even if they could be friendly disagreements.

CONDIT: Well, the Korean war had a higher priority than NATO.

OHLY: This fact was one that very much troubled the top people in government at this time. The Korean war, since it was an ongoing war involving American forces, obviously had to take precedence, but I believe that most of these people nevertheless were of the opinion that the security interests of the United States over the long term required the assignment of first priority to the building of real strength in the European Theater. This was particularly the case after the Korean war began to bog down and it became quite clear that there was not going to be any sort of complete ending of that war, that there would be no unification of Korea, and that the best outcome one could hope for was some kind of a truce or stalemate. Once you had reached that point, it once again became possible to look at the American security problem in terms of the larger global considerations that were considered most important in the long run. Moreover, there had in the meantime been another development that immediately became a concern of the military assistance program and which, because it also involved an ongoing war in what was viewed by many as a critical area, resulted in urgent military assistance requirements that started to compete with the requirements for the ongoing war in Korea. This development was the rapid deterioration of the situation in Indochina and the threatened collapse of the French forces there. While Korea, because American forces

were involved, continued as the first priority, Indochina also became a very high priority in late 1952. The French were over here asking for millions upon millions of dollars of equipment for both the Associated State forces and their own forces. During a large part of the first year and a half of the Eisenhower administration, the whole question of military aid to Indochina was a very important one.

Another matter that was a source of friction between those in State and, later, in DMS who were directing the aid program and the Pentagon (and between the Office of the Secretary of Defense and the service departments) were the practices that were followed by the several services in pricing the equipment that they turned over from their own stocks to MDAP. These practices, which in effect amounted to an exploitation of the military aid program for the purpose of modernizing their own forces, consisted in (i) turning over either an unused or a rehabilitated item from their own stocks to the military assistance program, (ii) replacing the item that was being transferred to military assistance with an item that was a much improved, newly procured, and much more expensive item than the former, and (iii) charging the full cost of the replacement against military assistance funds. In other words, to use a hypothetical example that is not at all far-fetched, a service might turn over to MDAP a rebuilt World War II-model tank that cost X dollars and charge MDAP 3X dollars, representing the cost of the most recent model of a similarly-sized tank with many new improvements that the service wanted to purchase but didn't have (and didn't want to ask Congress to appropriate) the funds that it would require for its procurement. If I correctly recall, Lovett, when he learned of these practices, stepped in and tried to stop them, insisting that the

services employ a more equitable formula (the nature of which was also the subject of a controversy). I should interject again that, at least for the most part, our differences weren't with Lemnitzer and the people in OSD; they were differences that we both had with the services who were thus manipulating the program to their own advantage.

Still another problem, which I think I mentioned during the last interview, was one that resulted from the desire of the several services to keep certain production lines for tanks, aircraft, and some other major items operating on a continuous basis so that they would be available for immediate utilization in the event of a need for rapid mobilization. This meant that rather than utilizing the full capacity available for the production of these items -- either by maximizing the use of such operating lines (through speeding the operation of a line, increasing the number of shifts on a line, operating the line on a 7-day per week basis, etc.) or activating additional lines in the same or different plants -- and thus obtaining the earliest possible deliveries of MDAP-required equipment, the services would schedule the deliveries for such items in such a way as to ensure the operation for the longest period possible using MDAP funds (or a combination of MDAP funds and their own funds) of those lines that they wanted to keep in continuous operation as a basis for mobilization expansion. This practice at times slowed down very materially the delivery of materials to military aid recipients. Army Ordnance presented the most serious problem in this respect.

Offshore procurement, about which you asked questions earlier, also was a source of disagreements. Every agency -- Defense, State, and ECA -- had an interest in this subject; and the interests of each agency tended

to differ from those of each of the others. Whether and, if so, under what circumstances, where, to what extent, and subject to what conditions, items that were to be included in the military assistance program should be procured offshore were questions that could not be satisfactorily answered without considering a large number of different factors. In the first instance, offshore procurement was looked at as a possible way of getting war production started in Europe. Particularly in the early days, the Defense Department was anxious to build up a war production base in Europe; and offshore procurement, along with the Additional Military Production program (AMP), were among the devices that seemed appropriate for use for this purpose. We were anxious to get the European countries in a position to eventually supply their own forces and hopeful -- this is before Korea -- that over a period of two or three years they would be able to take on a considerable portion of the task of re-equipping their forces. We were not at that time thinking of offshore procurement on a massive scale nor of offshore procurement as a major substitute for conventional economic aid. However, after Korea, as it became clear that we should move rapidly toward a very large increase in the effective military forces in Europe -- toward building a real defensive shield against possible military aggression -- while at the same time Congress was becoming less and less enthusiastic about furnishing economic aid to a Europe that had already reached Marshall Plan goals (even though Europe was still not economically capable of sustaining its recovery and raising and maintaining the military forces that it was now obliged to support), the idea of using offshore procurement on a greatly increased scale was espoused by more and more people. It appeared to be an excellent means of supplying Europe

with the dollars (foreign exchange) that it needed to support its continuing recovery as it took on the added burden of supporting much larger military establishments while simultaneously providing for the procurement of a substantial amount of the military equipment required by those establishments. In fact, the level of offshore procurement that it was hoped could be placed in a country became an important element in the foreign aid packet that was presented to and negotiated with each of the European countries for several years. The country team would say to the local government: "You'll get this much military aid and this much economic aid and, in addition, we'll place $100 million of offshore procurement contracts in your country and these contracts will provide you with dollars which, together with the dollars that you'll receive through the economic aid that we propose and that you earn through exports, etc., should provide you with the foreign exchange that you will require to continue your economic recovery and handle your added military responsibilities." Offshore procurement was thus conceived of as a means of getting double duty out of U.S. dollars. However, offshore procurement on this scale, especially after Korea, also raised a great many problems. The Defense Department was anxious to rebuild our own munitions industry to support our own expanding forces, and procurement overseas also involved many technical issues of considerable importance. As a result offshore procurement became a temporary source of serious conflict between the Department of Defense and other agencies (whose personnel, for the most part, had little sense of the difficulties that a massive offshore procurement program presented to Defense). I can remember one instance -- this may have been when Harriman was in Europe or it may have been later and

at his specific request -- in which I advised the Department of Defense that it would have to use a billion dollars of the current military assistance appropriation (it might have been a larger amount) for offshore procurement in Europe of items in its end-item program. Obviously, this kind of a requirement, particularly on a large scale, caused all sorts of problems for Defense. In this particular case there was no kickback. Frank Nash said, "All right, I understand why this is being done and we'll go ahead and do it." He knew, of course, that Harriman would back the thing up.

CONDIT: Nash had to answer to Lovett, didn't he?

OHLY: That is true, but Lovett had been Under Secretary of State and understood the problem just as well as Nash and Harriman. Harriman, Lovett, and Foster had gone to Europe as a part of the effort in the fall of 1951 to agree upon a NATO force buildup and to line up requirements for military aid and economic aid.

CONDIT: Are you referring to the Temporary Council Committee?

OHLY: Yes, the TCC Committee. All of these individuals thoroughly understood all of the political, economic, and military ramifications of the European problem. This circumstance, coupled with the close personal relations and mutual respect of these individuals, was one of the important features of this period; it meant that difficult problems involving the seeds of serious interagency conflicts could be worked out reasonably and amicably, at least at the top.

There were still other sources of conflict with Defense in the military assistance field. One of these involved the question of what program was to finance the so-called common use items that were required by the military forces of aid recipients -- POL, equipment, clothing, foodstuffs, and other soft goods that are of a kind that are commonly used both in a civilian economy and in a country's military establishment and that for the most part depended for procurement on the use of foreign exchange. In some instances requirements for common use items were very substantial. This was especially the case in some of the less developed countries which had large forces but were not capable of handling sophisticated equipment. They could get along with rifles and other equipment that was truly excess to the needs of our own forces, plus large amounts of common use items that they could not afford to import themselves. But there were also important instances where better trained and equipped forces required help in this area as well. The needs in this area also multiplied when the local forces were involved in combat operations. Should such items be provided under the military assistance program or as economic aid?

CONDIT: Clothing and food are what they needed.

OHLY: Yes, that's right. Defense argued that such items should be financed out of economic aid appropriations rather than out of the military assistance appropriation; and the economic aid people, who were anxious to provide as much economic aid as possible, argued that the military aid should take care of these items.

Another problem was the insistence of the Department of Defense, reflecting, I think, primarily the position of McNeil, that the United States'

share of the cost of NATO infrastructure -- the airfields, the communications systems, the aircraft warning systems, the military headquarters (SHAPE), etc., that were required for the common support of NATO forces -- should be paid for out of military assistance funds rather than out of the regular appropriations of the Department of Defense. His argument was to the effect that all sorts of mutual security expenses, including U.S. contributions toward the costs of constructing such things as SHAPE headquarters and European communications systems, should be financed from mutual security funds. I took the position that such payments simply represented U.S. contributions to a common venture and shouldn't be confused with the military aid program.

Another problem that kept arising and to which I have already adverted had to do with communications between Washington and the field -- the channels to be used in communication and the rights of each agency to be fully informed of all the communications of each of the other agencies. This involved the question of whether the MAAG should have a separate line of communication to Defense (and, sometimes, to intermediate headquarters, such as CINCPAC and CINCEUR) and, if so, whether the Ambassador should have the right to see (or automatically receive) any communication that flowed through any such separate channel. There was, of course, a similar question in Washington having to do with the right of my office to see any MDAP-related communication to or from the field. Should communications on "purely internal" military matters be allowed to flow independently and without any external distribution, permitting the military to talk back and forth to one another without other people looking over their shoulders? The same problem arose in connection with the economic aid programs and

also in connection with communications between State and its embassies.

CONDIT: How was that resolved?

OHLY: I don't think there was ever any single resolution.

CONDIT: You know, when you get into this matter of relationships, I've come across two instances in 1952 where it seems to me the dissension between Defense and ODMS went a little bit higher than these run-of-the-mill questions that arose everywhere. I think I mentioned before the Tannenwald letter, in which he complained that Defense did not appear to be recognizing certain rights that ODMS had. The OSD answer was signed by Maj. Gen. Clark L. Ruffner, and pressure was definitely put on Ruffner from within OSD to recognize the rights of ODMS. There was very clear deference to ODMS from Defense. The second instance is that through much of 1952 Harriman kept up a direct line of questioning of the priorities which JCS had applied to forces for NATO. What really upset Harriman was that a higher priority was given to the forces for D-Day than to the forces for D-plus-three. Harriman kept saying that the two forces were going to be engaged in combat practically simultaneously, three days difference. How could the one force have a higher priority than the other force? And he didn't let this go. I think it went through a number of rounds, and in the end Harriman said that he was still not satisfied. Now this episode did surprise me, because I felt that priorities were a JCS function. Do you remember anything about this?

OHLY: I do vaguely recall the matter but I don't recall actually writing any memos about it. It could have been handled by Lincoln Gordon. Gordon

was deeply involved in the whole NATO problem in Harriman's office at that point. You haven't talked to him, have you?

CONDIT: No, I haven't.

OHLY: It would be very worth your while to talk to him about the period from the spring of 1950 through 1952. He was in Harriman's office during much of this time. He is a person of very, very great ability and possesses a fantastic memory. He could probably quote these memos to you if he had actually written them, and he might be able to anyway.

CONDIT: I know who he is, but I've never met him.

OHLY: He's the kind of person who would be delighted to talk to you and he probably would talk to you for eight hours straight, going into all these matters in great detail and to your great advantage, because he's a tremendously thoughtful person. The only problem in interviewing him is the fact that it's impossible for anybody else to talk once he gets talking; however, he has so much to say that is worthwhile that you don't resent the fact you don't have a chance to answer him back.

I do recall the general problem that you are talking about. However, I'm inclined to think that Harriman's position reflected the views that were being expressed by other governments through political channels after they had gotten nowhere in pressing their views through ordinary military channels, Equipment simply was not flowing in quantity to NATO forces at that time, and while this was due primarily to the necessity of diverting supplies to the Korean conflict, it had many effects in Europe, both political and military.

CONDIT: That paper I brought shows the dollar deliveries and what percentage was delivered. The last column, I think, gives total appropriations and you can see what has been expended. At the end of Fiscal 1952 one had a $10.8 billion fiscal availability and $8.4 billion had still not been received.

OHLY: Or even expended.

CONDIT: It had been obligated though.

OHLY: Yes, it had been obligated. This is a good point to mention a development in 1951 that contributed -- as we then knew that it would -- to the serious delivery problems that developed later but that at the same time is indicative of the degree of cooperation that there was between my office, the Department of State generally, and the Department of Defense. I am somewhat rusty on the details but here is essentially what happened. When Congress appropriated the additional $4 billion of MDAP funds in the summer of 1950, the Secretary of Defense sent a letter to the Secretary of State -- a letter jointly drafted by Lemnitzer and myself -- asking that a very substantial portion of these funds (a billion-and-a-half or possibly more) be used immediately to finance contracts for the production of tanks and aircraft, and possibly some other items as well, for which, at the time, we had no approved program need in the then still small military assistance program. The purpose was to get production lines going at once for items that were desperately needed by Defense and that were of a kind that would probably be needed in the expanded military aid program eventually.

The important thing from the standpoint of both the Department of Defense and the military assistance programs was to get industrial mobilization under way quickly. Defense was out of funds of its own for procurement; it had obligated all of the funds that it then had available and was just then in the process of seeking supplemental appropriations. Therefore we proposed this massive contracting with the understanding that if, at a later point, (a) the particular items that were to be contracted for didn't fit into the military assistance program as it was refined or (b) the diversion of these particular items to Defense's own needs as they came off the production line became necessary because of combat requirements, they would be repaid in kind by Defense. It was a matter of faith on the part of Acheson and myself that this commitment would be honored. Acheson agreed and sent a memorandum (I believe a joint memorandum also signed by Johnson) to the President saying that this was what we were going to do if he agreed. And the President said, "Yes, I do agree." This action resulted in a tremendous diversion of military assistance funds for the procurement of items that Lemnitzer, Acheson, and I knew might very well not go to the military assistance program except as repayment was made out of later production financed from Defense's own funds.

However, when, in the middle of 1952, some two years after the outbreak of the Korean war, we were still not getting decent military equipment deliveries in Europe, the situation was viewed as a matter for very serious concern by every one of the western European countries. By then also, there were competing active combat requirements in Indochina; the French were pressing us for tremendous quantities of equipment. There were also other new military assistance programs; military assistance

programs seemed to mushroom once such programs had been initiated in limited areas; everybody wanted to get in on the act. By this time a military assistance program for Latin America had been approved.

But coming back to your question, I simply don't know whether Harriman's harping on the folly of trying to distinguish between requirements for D-Day forces and those for D-Day-plus-three forces might have been an effort on his part to get a higher priority for the delivery of military end-item equipment to European NATO forces in response to very strong political pressures from European governments. I'm just guessing that this might have been the case.

CONDIT: I think it's a very educated guess. It may have been part of the whole thing, to get something for Europe. As a matter of fact, good faith becomes involved by this time, because it is the end of 1952. You're in FY 1953 and if equipment is not going there yet, European governments can certainly question the bona fides of our insistence that they should put out a lot of money and a lot of GNP into military programs. If the United States does not do its share, why should Europe? I can see the problems there very much.

OHLY: That is just a guess. There was also the fact that some said Harriman was a roving special assistant for the President as well as the Director for Mutual Security. He ranged far and wide and into things that I guess he felt he just wanted to get into.

CONDIT: I think he had carte blanche to do it, don't you?

OHLY: I think he had pretty much carte blanche to do it.

CONDIT: Don't you really feel he's the one who got rid of Secretary Johnson?

OHLY: I don't know. It could just as well have been Acheson because Truman and Acheson were also very close.

CONDIT: You know, you've been very kind about the Department of Defense, but Defense had one set of aims throughout this thing, and I suppose they really looked upon offshore procurement, for example, as a military program. Then as offshore procurement progressed, it became a program with many facets. It was used to help the British through their terrible dollar crisis in 1952; it was used to help the French get through their crisis. The military may have been irritated by this evolution in two ways. One, they weren't in complete control of what they thought was a military program; and second, they may have felt that they were reverting to a place where the political-economic side would take precedence over the military side. They had had two years where the military was the biggest part of the program. This is just a hypothesis on my part but I would like to know your reactions to this.

OHLY: It is hard to generalize. I felt, at least until the time when Wilson, Kyes, and the rest of the Eisenhower team came in, that the civilian team in Defense and most of the military people working with the civilian team, including some of the key people in the Joint Chiefs of Staff and in the Plans and Operations divisions in the individual services, pretty much understood the reasons why things were done as they were being done. They were sympathetic, not necessarily in detail, but in a general way, with

the program and the way the program was going which of course is not to say that there weren't disagreements. On the other hand, I didn't feel that there was this same understanding and cooperative attitude in the services themselves, and they had the responsibility for staffing the MAAGs, for developing the end item programs, and for the procurement and allocation of materiel for the program. At the DoD level, certainly throughout the Nash regime and during the period when Marshall, Lovett, and Foster were in charge, I felt generally that people were supporting the program and pretty cooperative. After that, there was, for a number of reasons, some degeneration in relations.

CONDIT: Frank Nash was a very intelligent person, I gather, and a very supportive person.

OHLY: He was an extraordinary person. He had been close to Forrestal and, when I was still in the DoD, he was handling, partly for my office and partly for another office, the problem of disarmament in the United Nations. Forrestal asked him to work on the early stages of that problem. He was well known to Marx Leva and well known to all of the Naval people (he'd been involved, I gathered, in the Naval establishment somehow during the war). He was a very fine, wonderful guy, very good friend of Al Gruenther's, very acceptable within the military establishment, and very acceptable in all the other agencies of the government. He had a wonderful personality, great negotiating skill, and superior intelligence; he was a strong friend to have in the military establishment. He wasn't working on military assistance as such, but military assistance and NATO matters fell under his general jurisdiction. He was the Assistant to the Secretary for

International Security Affairs and then later Assistant Secretary (ISA). He also brought Halaby back into the military establishment for a while. Halaby had worked for me during the time I was with Forrestal and I knew him personally.

CONDIT: He was head of Foreign Military Affairs during that time, wasn't he?

OHLY: He was in Foreign Military Affairs.

CONDIT: And Lemnitzer was head of Military Assistance under you.

OHLY: Lemnitzer was Military Assistance. This was a very good group to work with. These people were part of that second level group of people who worked together cooperatively during this period -- people who could disagree strenuously with one another but nevertheless almost always still work out the problems that faced them cooperatively.

CONDIT: I'm beginning to feel it was the "Golden Age" in government.

OHLY: Well, it wasn't quite a "Golden Age," but it was a very pleasant arrangement under which to work. You were working very hard, but you enjoyed the people with whom you were working.

CONDIT: This question is a more generalized one concerning the overall results of military aid and whether it may have created greater problems than it was worth.

OHLY: Your question is one about which it is difficult to generalize. It is a question that I kept asking myself and that my staff kept repeatedly

asking during the specific period that we are now discussing -- and that we asked increasingly in the years that followed when more and more of the less developed countries were drawn into the program as aid recipients. During the earlier period the regular grant military assistance program involved relatively few less developed countries and the programs for these were in most instances extremely small. However, Section 408(e) of the Mutual Defense Assistance Act of 1949 authorized the transfer of military assistance on a reimbursable basis to countries that were not eligible to receive grant assistance as well as to those who were eligible to do so. There must have been 25 or 30 countries with which we were doing business on a reimbursable basis, and many of these were countries that were not also receiving grant aid and a considerable number were countries that one could properly describe as less developed. So the question of whether it was advisable to provide military aid to countries in the latter category did come up quite early and quite frequently. However, in deciding whether to reply favorably or unfavorably to reimbursable aid requests, the criteria that we applied were much less strict than those that we applied in reviewing requests for grant assistance. If a country wanted to buy military equipment from the United States and was willing to pay for it in dollars, we spent much less time in reviewing the request than we did in reviewing requests for grant assistance. This was at least partly due to the fact that the manpower we had available to review all programs just didn't have the time to go into the kinds of issues that proposals to ship military equipment to underdeveloped countries raised. In these cases, my office had more problems with the Department of State than with the Department of Defense. Personnel of the Department of State, usually under pressure

from a local government, were usually the ones who were supporting these requests, which often involved proposals for advanced equipment to a backward country.

CONDIT: The State Department?

OHLY: Yes, the State Department. This is where the principal support for aid to a less developed country or for the inclusion of prestige equipment in such aid frequently came from, and this has been true over the years. Defense has been much more aware of the technical problems that are involved in furnishing any aid to such countries, and particularly of any kind of complicated military equipment -- of the inability of these countries to adequately maintain or even effectively use such equipment, of the possibility that such equipment will break down due to improper maintenance, be difficult and costly to repair, and hence fall into disuse, of the consequent necessity for, and yet the difficulty of, training indigenous personnel to properly use and satisfactorily maintain such equipment, and of the need to send U.S. personnel along with the equipment to provide the requisite training. The State Department was continually being pressed by the ambassadors from some of these countries (and by our ambassadors to those countries) to furnish "show" equipment that these countries or their rulers wanted. The Shah of Iran was a very good example in the early days of the program, and still is, of the ruler of a developing country who is eager to get very modern equipment. Saudi Arabia was, and is, another similar example, although Saudi Arabia, unlike Iran, which for a long period received aid on a grant basis, was from the beginning on a reimbursable basis. The issue was not usually presented by a

direct proposal from a political desk to our office to include advanced equipment in a program for a developing country. On the contrary, it was most likely to come up because of the inclusion of an advanced equipment item in an end-item program that was submitted to our office for approval by Defense. However, its inclusion in such a program submission was frequently not the product of any military judgment but rather the result of either an ambassador's pressure on his MAAG or a political desk officer's suggestions to lower level programmers in the Pentagon, and in such cases, when our office raised questions about the wisdom of retaining the item in the program, the State desk officer and his superiors usually became the principal advocates for its retention. In the case of a few less developed countries, the military themselves were interested in modernizing the local military forces. This was true in the case of Turkey, which even then was viewed as a place of great strategic importance. I've sat in on meetings of the Joint Chiefs of Staff at which there were long arguments over the question of whether it would be better for the United States to place its chips in the Middle East on Iran or on Turkey, and I think the predominant view was that they should be placed on Turkey. Even though Turkey was not then a member of NATO, there was already a lot of thinking among the Chiefs and in the Department of State about the possibility of bringing Turkey and Greece into NATO a few years later.

CONDIT: Iran was a weak country at that time.

OHLY: Yes, Iran was then a very weak country, but there were nonetheless responsible people in the Defense Department who were arguing in favor of trying to build real military strength there. To understand this point of

view, you have to remember that almost the first crisis with the Soviet Union after the war was the continued occupation of Azerbaijan by Russian soldiers and to recall the difficulty that we encountered in securing their withdrawal; and you must also keep in mind the general topography of Iran and Turkey and know something about the traditional long-term aims of both Imperial and Communist Russia in the Middle East -- the traditional objective of having direct access to the Indian Ocean. But most of the U.S. military did seem to think that Turkey was the country where the prospects were best for the development of reasonably modern forces, and they believed that from a strategic standpoint it was important to attempt to develop them. Even though such an effort might involve furnishing equipment that was a little in advance of the Turk's then capabilities, supporting them extensively with economic aid, running their airfields with U.S. personnel, and locating a lot of U.S. personnel in the country, they felt that it was an effort that was worth undertaking. I believe that my own personal feeling at the time was to this effect.

A good example of the problems raised by the desire of developing countries for advanced equipment is that which was presented by the desire of the Shah of Iran to obtain tanks for his forces. I have here a memorandum that I took from my files that you might be interested in my summarizing. Among other things, it lists all the arguments that we might be able to use to persuade the Iranians that they shouldn't persist in their request but then indicates how, if these arguments were not successful, we might best retreat. I'll try to pick out the most salient parts rather than ask you to read all of it.

CONDIT: Did this go to the Defense Department or did it go to . . . .

OHLY: This particular memorandum was one that I wrote after a number of conversations with the members of my own staff, with personnel in the Near Eastern Division of the Department of State, and with people in the Department of Defense. It concerns the whole proposed Iranian end-item program for Fiscal Year 1950. The one serious problem that this proposed program raised was whether the U.S. should (a) furnish 50 medium tanks with 75-mm. guns to Iran, (b) furnish no tanks to Iran, or, possibly, (c) furnish 50 medium tanks with 76-mm. guns. The agreement that was finally reached by the U.S. agencies involved was to present the Iranians with a proposed program that was just about the same as the program that had been prepared by the preliminary survey team but without mentioning the tanks that had been included. If the Iranians didn't raise the matter, you would just drop it and go ahead with the program. Because of the strong feeling of the Shah on the matter, this decision took into account the political arguments raised by the Near Eastern people in State Department on the matter.

These political arguments ran somewhat like this: The tank was a political element of considerable importance in dealing with Iran. From the standpoint of U.S. relations with Iran, the furnishing of these tanks would look impressive. A gesture of this type toward the Shah at this particular moment would be most helpful. In spite of Defense's conclusion that these tanks would be of little use from a military standpoint, they should nevertheless be supplied because from a political standpoint we ought to include things that the Iranians thought they wanted, even if they in fact didn't require them. The necessity in this case was heightened because of the Shah's belief that the Joint Chiefs of Staff did not disagree with him. The Shah

had told the JCS what he intended to use the tanks for. The JCS did not comment on the Shah's statement, and he had therefore assumed they did not object to his line of reasoning. The noncommittal attitude of the JCS was presumed to indicate acquiescence. The great desire for these tanks was that of the Shah personally rather than of the military in Iran. However, the Shah was the key to the political situation in the country; his importance in Iran was very great and increasing. He set the psychological attitude of the cabinet. While in his own mind he had specific military uses for these tanks, he probably would use them principally as something with which to impress his people as something whose possession by Iran would have a good effect on their morale. The added cost was justified because Iran was the most difficult and dangerous spot in the entire Middle East, and therefore more emphasis should be placed on Iran than previously. The equivalent money could not be better spent for other military purposes in Iran since Iran did not have any serious additional needs for military equipment for internal security purposes except for trucks. In addition, there appeared to be no other items that might be substituted for tanks that would have nearly the same political effect. Moreover, 50 tanks represented the minimum number of tanks that could be supplied without adverse repercussions. In the first place the Shah had asked for 150 and a reduction to 50 represented a 67 percent cut. In the second place, with 50 one can create a battalion which would look a lot better. And so on. This example of the manner in which political considerations could sometimes significantly affect the military composition of a military aid program is illustrative of the kind of situation that repeatedly came up in connection with military assistance programs for many countries.

CONDIT: What you're really saying is that one is creating political strength with these military items rather than purely military strength.

OHLY: I'm not saying, because I do not claim to have any competence in this area, that the furnishing of such military items in fact had the effect of creating additional political strength of the kind that was desired in Iran at that time, but rather that this was the objective and that those who were responsible for, and supposedly expert in, political affairs believed that this step would have such an effect. In many similar cases I had serious personal doubts, which I voiced, that the arguments made by the political experts to this effect had much merit. In the particular case, however, I believe that I was not prepared to conclude that these political arguments were not valid ones; if I recall properly, I didn't feel that the transaction would backfire -- that, for example, the tanks would fall into disrepair and the Iranians would be unable to afford the cost of their proper maintenance -- or that, in spite of any political advantages of supplying the tanks to Iran, these tanks were more needed for other programs. But, generally speaking, I'm a person who is quite skeptical of the desirability and utility of programming military end-items because of the alleged beneficial political effects that will result from providing such items and especially in the case of less developed countries. In fact, I have at times been a severe critic of the composition of programs, or of any program for, many of these countries. I never could get personnel in the State Department -- and I tried time and time again -- to clearly explain in terms that made sense to me the real political rationale for certain of the military assistance programs

that they said were essential for political purposes; they tended simply to make broad statements to the effect that the program would please Mr. X, a key person on the local scene, improve the morale of the population, strengthen the will of their leaders to resist subversion, create a sense of security among the population, etc., and they seldom provided a solid analysis to support such statements. In many instances I felt that their arguments were the product of rather superficial reasoning. I had great difficulty accepting the Department's arguments in support of its proposals for a program in Latin America, which I initially actively opposed, and for programs in Pakistan and India. But I had equal difficulty with the so-called military rationale advanced for the same programs by the Department of Defense. I could see absolutely no military justification for military aid to India and Pakistan or, perhaps more accurately, I didn't feel that the military justification that was offered made much sense. How would the equipping of three battalions or three divisions of Pakistani troops serve any useful military purpose that would in any way be of significance to the United States? The kind of arguments that State and Defense advanced for some of these less developed country programs were not persuasive for me. There are less developed countries that one could strongly argue should receive military aid and in which I believe the programs that were mounted could be fully justified, but there were many instances in which I thought that neither the stated military or political justification for a military aid program or for a military aid program of the kind that was carried out could stand up under careful scrutiny.

CONDIT: I wonder if you'd be willing to look back upon the military assistance and foreign economic aid programs for the years 1948 and later tell

me whether you think that on the whole they were worthwhile. Let's do it for Europe first. What do you see as the great advantages?

OHLY: By way of a general answer, I would say that the foreign aid program of the United States when taken as a whole has constituted one of the most extraordinarily successful activities in which this country has ever engaged.

CONDIT: Is this for Europe or for everywhere?

OHLY: I'm talking about the foreign aid program in the aggregate; I'll get into the details in a moment. First, however, I should emphasize that it is very hard to judge the effectiveness of many of these programs because, even with the benefit of hindsight, you often do not know whether events or developments that you feared might occur (or that you wanted to occur) and that a foreign aid program was designed to forestall (or to bring about) would in fact have occurred (or not have occurred) if no such aid program had been carried out. In other words, even though the objective toward which a given aid program is directed is in fact achieved, the contribution, if any, of the program to its achievement may be something that is not subject to proof or even to educated speculation; it may be impossible to demonstrate that the objective would not have been achieved if there had been no such program, and this is quite likely to be the case when the objective is the prevention of something that in fact did not come about. In any such instance the most that one can say is that, assuming that the program actually did make a critical contribution toward the achievement of the desired objective, it was an effective

program. However, at this point, I should make another important observation: one's judgments about the effectiveness of both the program as a whole and its individual components will depend to a very large extent on the criteria that one applies in making such judgments and one of the great difficulties that one encounters in getting any sort of a consensus on the merits of the program and its parts is the great variety of criteria that different people employ in making their individual judgments. This is much too complicated a matter to go into here.

The problem of judging the ultimate effectiveness of the programs in Western Europe is illustrative of the first of the foregoing observations. You can only speculate -- you can't demonstrate -- whether, if NATO had not been established and the military assistance program in support thereof had not been carried out, Western Europe would have made it through politically and economically in the following years. My own view is that the program had tremendous psychological impact that was ultimately reflected in greater political stability and continually growing economies. In retrospect I feel that the activity was well worth undertaking and, at the time it was undertaken, it appeared to offer a better means of achieving what we wanted to achieve in Europe than any other course or at least any other course that might have been undertaken at a comparable cost. I do feel that we achieved increasing stability in Europe. I do not mean that there have not been ups and downs both politically and economically or that there haven't been recessions and political upheavals; but Europe did recover from its wartime destruction, did become strong and confident, did develop relatively stable governments, and has maintained its freedom and independence for over 30 years. I realize that France, Italy, and

other countries have had problems, but these problems are reflections of historical economic and social processes and not just the direct consequences of the war and immediate postwar periods. The aid programs in the period about which we are talking were intended to deal with certain problems, not to ensure a Europe free of all political and economic ills for all time. In short I believe the programs for Western Europe were extremely successful.

I will turn now to some of the other European programs that you have mentioned. In the case of the military assistance program for Austria, one can only speculate whether there would have been a serious security problem if the equipping and training of the gendarmerie had not gone forward as it did. My guess is that such a problem would not have arisen, but I still think that the risks were such as to justify the decision to create a small security force there quickly. The purpose of a police force is first and foremost to discourage the development of trouble and trouble in fact did not develop.

CONDIT: At least you didn't have a little fifth column takeover.

OHLY: No, you didn't. I think you probably wouldn't have anyway, but this is something that you couldn't tell in advance. I think that the Yugoslav program was probably the most demonstrably successful of all of our programs in achieving the objectives that it was intended to serve and that the achievement of these objectives had extremely important consequences in terms of the subsequent history of Eastern Europe and the worldwide course of communism. I feel that the encouragement of the schism in the Communist world that occurred when Tito embraced an independent

course had a profound effect in Eastern Europe from then on. Even though the military equipment we shipped Tito has not been needed for the actual defense of Yugoslavia against an invasion and even though the Soviets or one of its satellites might not have invaded Yugoslavia if there had been no such program, still the aid enabled Tito to take a very strong independent line and to maintain that line successfully. I'm not sure that he would have been able to take as strong positions if he had not known that he was going to have this military support and economic aid.

CONDIT: Apparently at that time, he really wasn't so afraid of a Russian invasion as of a satellite invasion, a Bulgarian invasion.

OHLY: This was a primary concern I believe; but, as I said earlier, the JCS felt that there were three possible alternative forms of threat: guerilla support, satellite invasion, or Russian invasion. I think our own military felt that the size and calibre of Tito's army was such that, given the character of the terrain, it could handle any one of the satellite forces -- that it was stronger than any one of them. However, externally supported guerillas, a combination of such guerillas and the satellites, or a combination of such guerillas and the Soviet army would present much more of a problem. But in any event, our assistance enabled Tito to stand firm and, in addition, it made it highly unlikely that one would have a recurrence of the problem that was caused by the guerrillas who operated out of a safe sanctuary in Yugoslavia into Greece.

Spain presented a very different sort of problem. There were two extremely important reasons for the program in Spain. One, which I probably mentioned last week, was the feeling of the Joint Chiefs of Staff, at least

in late 1949 and early 1950, that if they had to fight in Europe with the forces that were then in existence, they would have to defend at the Pyrenees rather than somewhere in the north, at least at the outset. Consequently it was important to develop and maintain the kind of relations with Spain that would make it easier for us to fight from there in the event that the Soviet Army did, as was thought highly unlikely of course, attack in Western Europe. The second and much more important reason resulted from a circumstance that most people have by now forgotten, namely, that in the period before the United States had intercontinental missiles, strategic bombers capable of operating at distances of 5,000 or 6,000 miles, modern refueling planes and techniques, nuclear-powered submarines armed with missiles, etc. (roughly the period from the end of the war until 1958 or maybe 1960), your deterrent and retaliatory capabilities against the Soviet Union depended upon the availability of airfields located somewhere intermediate between the Soviet Union and the United States. Airfields in such locations and naval bases too were also necessary in terms of the ability of the United States to extend its military power into the general area of the Middle East. Spain was looked upon as a location for airfields and naval bases that would serve these purposes and the location of U.S. military facilities there was considered to be essential in terms of our general strategy. Hence the military and economic aid programs for Spain during the early years (and to a large extent subsequently) were really simply a means of making certain that we could have the airfields and naval bases that the JCS felt that we needed and on the terms that we wanted to have them and that we would in general have the cooperation of the Spanish Government. I suppose, without

discussing it specifically with the Spanish government, we sought to create an atmosphere that would enable us to use that country as a staging area if we did get into war. I think the Spanish program was highly successful. Eventually the program did, of course, do a lot toward restoring the Spanish economy too. Looked at over 20 years rather than over 10 years, what was done there has had the effect of opening up the country to a certain extent and making possible the gradual return of Spain into the community of Europe, a process which is now accelerating.

CONDIT: Do you think it modernized things somewhat?

OHLY: Somewhat, yes. I think it did a lot for agriculture.

CONDIT: Brought in new ideas maybe?

OHLY: Brought in new ideas, yes certainly.

CONDIT: Do you think that these programs had the effect of precluding Soviet moves? The question is one I raised earlier about precluding Soviet moves in Europe.

OHLY: I don't think that this program made the difference between a Soviet attack on Western Europe and no Soviet attack on Western Europe. However, this is just a sort of gut reaction on my part regarding the nature of Soviet intentions during this period -- an intuitive judgment with respect to how far the Soviets wished to extend their sphere of influence beyond Eastern Europe and the extent to which they would have been willing to resort to outright military aggression to do so if there had been a continuing military vacuum in western Europe. This judgment also takes into

account our enormous superiority during the 1950's in strategic bombing capabilities -- and the deterrent effects of this superiority -- as well as the death of Stalin and the course of political events following his death in Russia. But, and this is the point I want to emphasize, what might have happened is something that we just don't know and probably can never know. I certainly feel that the deterrent or preventative aspects of having a force like this justified the steps that were taken. You never can be sure of these things when the event is one that might have happened if you hadn't done something that you in fact did do. In any event, Western Europe has recovered and prospered, remains independent, free, and democratic, and is relatively stable politically, and more than a third of a century has now gone by since the end of World War II when the conditions that gave rise to this program first developed. How much of what has happened during this period can be attributed to (or could not have been accomplished in the absence of) this military aid program is impossible to ascertain; but this program, because of its psychological and political (and indirectly its economic) impact, may very well have played an extremely important part in determining the character of European history since World War II even if one should conclude, as one might do, that there was never in fact any likelihood of a Soviet military attack against the area and hence no military necessity for the program at the time it was operating. However, and this is an important circumstance to note, the military assistance program was only one of many programs and other activities, even in the field of military affairs, that were part of the large, multifaceted package of things that the United States has been doing that directly or indirectly have affected the course of events on the European continent. For example, the return of very large American combat forces to Europe and the deployment

of many of them along the borders of Eastern Europe may, at least when these actions took place, have had more of a psychological effect in Western Europe than this program and likewise have had more to do with any military restraint on the part of the Soviet Union. In other words, the effects of the military assistance program cannot be assessed without reference to a large variety of other things that the United States was doing.

CONDIT: Well, possibly the Soviets didn't think they would ever really have to use military force in order to get Western Europe.

OHLY: It could have been, of course, that the mere presence of large Soviet forces in Eastern Europe and the continuing existence of a military vacuum in Western Europe would have produced a political situation and attitudes in Western Europe that would have resulted in political developments that would have been very different from those that actually occurred. This might have been particularly the case in Western Germany, which was right on the border of Soviet-controlled Europe and being subjected continually to reminders of Soviet presence on its doorstep. Another circumstance that must be considered is the following: If Stalin had lived, would the course of Soviet action have been significantly different? So many things happened within the Soviet Union that may have radically affected the actions that the Soviets might have taken if these things had not happened. But you better get George Kennan or some other Russian expert like him to discuss this angle, because I am wholly unqualified to speak on this subject.

CONDIT: Did you feel this way at the time about it or is this in retrospect?

OHLY: At the time, I felt that there was a strong possibility that the Soviets had decided that they would use military force, or support a satellite's use of military force (as they had certainly done in Korea), to increase their sphere of influence if and when they thought they could get away with it, at least on the fringes of their empire. The German situation was a particularly troublesome one, with a divided country and an isolated Berlin; we had gone through the trauma of the Berlin airlift and we had come terribly close to engaging in military operations at various times during the blockade of that city; it was a very serious situation. In any event, I felt that the situation was one that certainly justified our going ahead and trying to create forces that would be capable of defending Western Europe or at least of making any invasion so difficult and costly that it was unlikely to be attempted. I say this even though I had earlier reached a general conclusion that the balance of military power would generally not be determined by masses of men but by missiles, strategic air power, atomic weaponry, and other advanced weapons. In summary I can say that I feel the foreign aid program was thoroughly justified and that, while you can't demonstrate that it prevented the Soviet Union from taking over or trying to take over Europe, it was a justifiable effort to eliminate that possibility or at least to make it unlikely.

CONDIT: Let's go to the Asia field. Would you say the same things about Asia?

OHLY: When you turn to Asia, you have to take some additional considerations into account in evaluating the effectiveness of U.S. military aid

programs. You have to make a judgment in each instance about whether the objectives that we were trying to achieve were worthwhile, as well as a judgment on whether the Mutual Security Program was successful in accomplishing those objectives. Your conclusions will be affected by the values that you apply in reaching your judgments. I happened to seriously question -- and I guess I was among the very first to question -- the wisdom of greatly increasing our programs for Indochina in 1951. My own assessment of the situation in Indochina was different from that of most people in the State Department at that time and of most of the people in the Defense Department.

CONDIT: I got the impression that Mr. Acheson was more for aid to Indochina than General Marshall.

OHLY: I don't know whether this was or was not the case. I do know that Dean Rusk was strongly in favor of greatly increasing the programs in the area, but I'm less sure about the intensity of Acheson's views. We had a lot of lively but friendly arguments on this subject, and I sent a very strong memorandum to Acheson through Dean Rusk urging a further review and reconsideration of the decision that had been reached (or was imminent -- I forget which) to go forward with a greatly increased program of both military and economic assistance for Indochina. You might find it interesting to read this memorandum; Acheson quotes from it in his book, Present at the Creation. I thought that the whole approach of the French in Indochina, including their treatment of the Associated States, was bound to fail. I also considered that the Communist movement there was very independent and was perhaps more of a national independence (anti-colonial)

movement than of a Communist movement, although it was clearly the latter too. I didn't think that the French, with the approach that they were taking then (or with the approach that they took later), were likely to be successful. I also knew that provision of the support that was proposed for the French and Associated States military forces would result in the diversion of huge quantities of equipment that were scheduled for delivery to the European theater and therefore cause a serious delay in the buildup of NATO forces. I felt that we would get ourselves so deeply committed that, when, as I thought was inevitable, the French faced defeat, we might commit our own forces and become deeply involved in the struggle ourselves.

CONDIT: And we did.

OHLY: And we did, a long while afterwards. But at that time I was not in favor of a large program there. I can't remember whether I objected very strongly, if I objected at all -- I probably did not object -- to limited military assistance in the early stages; but more and more I began to feel that the situation was one in which a military assistance program wouldn't be very useful. In the long run, the French could not stabilize the situation, and the Associated States under Bao Dai were just sort of a paper government that had little chance of creating a cohesive, stable society. However later on, I should add, after the establishment of North Vietnam and South Vietnam, after the situation was somewhat stabilized, and after the refugees had been brought down from the North to the South, I thought there was a fighting chance of creating a stable government in the South. I was prepared to support the programs we had there then. At one stage,

these programs seemed to be working fairly well, although I always kept wondering whether the situation could remain stable for very long. However, at this time I did support the conduct of economic and military assistance programs of the kind that we were carrying on. In this connection I might mention, purely as a local color sidelight, that, much to my surprise, I found myself in attendance at Diem's inauguration (a member of a group headed by Under Secretary of State Hoover), with Madame Nhu as my dinner partner at a post-inaugural dinner.

CONDIT: How was she then?

OHLY: How was she? She was an extraordinary, fascinating woman and I was fascinated by her. At that time I really had no idea who she was or what she was.

CONDIT: I always thought she got a very bad press from the Americans. I rather sympathized with some of her ideas, the ones about no dancing, and so forth, which were portrayed in our press as being so hilarious. As I understood it, her position was that one should not carouse and make money in Saigon when others are fighting and dying in the field.

OHLY: Her position was very good, but she wasn't following her own advice.

CONDIT: How about the Philippines?

OHLY: I think that the Philippines program, at least in the early years, was a reasonably successful program. It was a program that was designed to arm and train the constabulary and a small military force so that they could deal effectively with the Huk insurrection. During Magsaysay's

regime, the Huk problem was brought under fairly good control. If Magsaysay had lived and been able to run the country for a long period, the agrarian reform that was badly needed and other essential social changes might have been effected. Unfortunately, although the military operations that were made possible by our military aid were fairly successful in bringing the Huk guerrillas under control, at least for a long period, nothing was achieved on the political and social fronts at the same time. Nothing was done to bring about the kind of basic reforms that were needed in the essentially feudal system that then existed in much of the country.

CONDIT: Now you're bringing up the latent, the hidden question. In Europe, I get the feeling that on the whole and in the broadest terms the programs aided and abetted the forces of democracy. Even in Spain eventually there was a loosening of control and something was set in motion so that when Franco died other things could happen. In Asia, I have a feeling that military aid was absorbed in such a way that it didn't have these peripheral, these secondary advantages. I was wondering if you had any feeling of this sort?

OHLY: Certainly military aid as such didn't have that effect in the Philippines. Of course, there had previously been some 40 years of American occupation of the islands and this had resulted in at least the superficial establishment of a variety of democratic institutions. However, during those 40 years, not much of a dent had been made in the basic social system of the country. In Europe, you had a democratic tradition and you had very advanced social institutions, in many cases more advanced than our own. In the Philippines you didn't have that kind of foundation.

When you left Manila for the countryside you found yourself in villages that had probably not changed very much for centuries. Certain things, like sanitation, had improved but the social structure was feudal in character.

CONDIT: In the Vietnamese case, I had the feeling that, by keeping the battlefield in South Vietnam, military aid in a way destroyed the very people it was supposed to help.

OHLY: The answer is that you can't solve any of these problems in any of these countries simply through military assistance unless the only problem is a problem of building military forces. In most of these Asian countries, you had the additional problem of bringing their societies into the modern world and of developing institutions that were not then in existence but that were required in order to perform the political and economic jobs that had to be performed.

In the Philippines, as I said earlier, there would have been a real possibility of substantial political, social, and economic progress if Magsaysay had lived, or so it seemed to me at that time. In every one of these developing countries the problem of dealing with their problems is seriously complicated by the tremendous increase in population that is continuously taking place and this has been true in the Philippines where the birth rate has continued to be exceedingly high at the same time that the death rate was rapidly dropping and life expectancy consequently dramatically increasing. Even when economic growth is large, its fruits must be continually distributed among a constantly growing number of people, and thus there is often little, if any, possibility of significant growth in the benefits that can be enjoyed by the average individual. Population

increase at an annual rate of 3 percent makes almost impossible the already exceedingly difficult tasks of dealing with many of the most serious problems that developing countries ordinarily face -- serious unemployment and underemployment, massive migrations of rural people into bursting cities, widespread illiteracy, substandard housing, extensive malnutrition, etc. However, in spite of annual population growth in the 3 percent range, a great many good things have been accomplished in the Philippines. The standard of living is a lot higher today than it was when we began our programs, and the economic progress that has been achieved would not have been possible if the Huk rebellion had not been brought under control in the early 1950's with military measures that were made possible through our military aid program or in the absence of other foreign aid programs that have been operated there. So my judgment would be that the military aid program was at least successful in its limited objective of controlling the Huk insurgency but that it did not, and it could not, remove the causes of that insurgency which have been the source of many of the political, social, and economic problems of the country in the last two decades. And I am under the impression that the Huk movement has surfaced to a limited extent again. The military aid program for the Philippines, together with other aid programs and other measures, has also been effective in achieving another major objective of the United States in the Philippines, the maintenance for the last quarter of a century in the islands of the largest and most important military bases in the U.S. forward base system in the Pacific. Moreover, our ability to retain these bases in the future, if we still wish to do so, appears

(from what I read in the newspapers) to depend upon our willingness to continue to provide very substantial assistance to the country for a long time in the future -- a situation in which a principal role of aid is to furnish the quid pro quo for something that we want. It is my belief that if our economic and technical assistance programs had been substantially larger in the 1950's and probably the 1960's, it might have been possible to deal much more effectively with some of the political, social, and economic problems that have plagued the country. However, Warren Wiggins, who later became Deputy Director of the Peace Corps and who was program officer in the aid mission during the mid-1950's would disagree with me. He felt that the situation was pretty hopeless and that more aid under the conditions that prevailed would not be justified.

Taiwan presents still another kind of situation. In Taiwan the military assistance program resulted in the creation of a very effective military force, but I personally never saw any direct military reason for creating such a force. I repeatedly raised this question with the Department of Defense and the Department of State. If the rationale was to have forces capable of defending Taiwan, it was a silly rationale because, with the powerful Seventh Fleet in the Far East, Taiwan wasn't going to be invaded by any country that had absolutely no sea power, and the Chinese Communists had no naval strength and no long-range aircraft of any consequence. On the other hand, if the rationale was to create a military force that the Chinese Nationalists could employ against the mainland, which of course was their dream, it made no sense since we were not going to attack the Chinese mainland and the Nationalists could not develop the capability to do so. Moreover, the strengthening of their forces encouraged

the Nationalists to make futile harrassing forays on the mainland; we made a mistake in supporting the Nationalists' raids -- and doing so proved to be an embarrassment in the long run. I saw these forces put on quite a demonstration on Double Ten in 1955; it was very impressive and our military men felt these forces would be effective in action. They were well equipped and, at least with our help, were maintaining the equipment that we supplied in pretty good shape. But they had no real purpose in terms of military missions that I thought were justified. But here again, as in Spain, the Philippines, and several other places, one of our main objectives was to obtain and retain bases that were also important parts of our forward defense system, and the possession of these bases for a quarter of a century certainly justified the military aid program even though I never found any valid military reason for maintaining those particular military forces. And of course there were strong domestic political considerations that favored a large military aid program for Taiwan.

CONDIT: Did that take place mostly after Eisenhower came in?

OHLY: Yes, almost entirely. As I said earlier this afternoon, the program for Taiwan in 1950 and 1951 was made up almost entirely of surplus military equipment that had been abandoned by our forces at the end of World War II. I had kept track of this program but had no control over any part of it except a very small amount that was financed out of MDAP. I think it was in late 1952 or shortly thereafter that we started a large MDAP program there. I can't remember exactly. In 1953 we had quite a program going, and by 1954 or 1955 when I visited there it was a very large program. We put in all sorts of modern equipment.

CONDIT: That leads me back to that question that we've been skipping and you wanted to say something about, the effect of the new Eisenhower administration on the organization for Mutual Security.

OHLY: Yes, but let me first say a word about the effectiveness of military assistance in one other country, namely Korea. Before the invasion, and on the assumption that the North Koreans would not engage in external military aggression, only a small, almost nominal, program had been planned and, when the invasion did occur, almost no MDAP equipment had been delivered -- only several hundred dollars worth. Since the end of that war the theory, as I understand it, has been to maintain large forces that, in combination with the forces that we had stationed there, would be capable of repelling any North Korean attack. From what I have heard, mostly second-hand, the program has been fairly successful in building up a first-rate Army in South Korea. Whether it would be capable of handling the situation if our forces were withdrawn, leaving Air Force problems aside, I don't know; but in any event, as I understand it, this is one instance in which really efficient forces do now exist in a less-developed country.

Turning to the effects of the Eisenhower administration, on the organization for mutual security, several things should be mentioned. In the first place, a completely new team came in. The Secretary of State had never met the Secretary of Defense, and, for the most part, the rest of the cabinet members did not know one another. It was not a team that had been assembled out of veterans of government who knew all of the tricks and who had worked together through the war and postwar years. It was a new group. I saw this at the outset very clearly. Stassen had asked me

if I would act as his Deputy and I had told him that I would not -- that I thought his Deputy should be someone from the Republican Party -- but that I would be very glad to stay on in any other capacity for as long as I could be useful. He then asked me to serve as his Deputy until he could find a permanent one and I agreed to do so. And so it was that I found myself a few days after the inauguration attending the cabinet as a regular member, because he and Dulles had gone off to Europe and the Near East. I attended the first two cabinet sessions of the Eisenhower cabinet as a cabinet member sitting at the cabinet table. It was quite an experience.

CONDIT: Are you a Republican?

OHLY: No, I am not. But that was not the point I meant to make; my point was simply that I suddenly ended up as an ad hoc cabinet member in the cabinet room during the first deliberations of this new group -- its almost first get-acquainted sessions. (I think there had been some sort of a cabinet meeting immediately after the President's swearing in; but these were the first substantive meetings.) Actually I had known Eisenhower himself quite well as a result of my associations with him in the Department of Defense and, earlier, in the War Department -- he had been chief of staff when I was with Secretary Patterson. I bring up my attendance at these meetings simply because of what the conversation and discussions at these meetings revealed about the relations among those in attendance and their general ignorance of the federal government. Most of these people had never previously been more than introduced to one another. They were people who still had to adjust to one another and to develop relationships among themselves. Dulles was an old hand in Washington and Nixon,

though new as Vice President, had been around a long time in Congress and knew what was going on, but most of these cabinet members had been far removed from Washington and knew nothing about it or of the kinds of problems that they would face. I don't mean that they were bad or stupid people, but they were inexperienced people and, as a group, they lacked cohesion. Consequently, the takeover constituted a great transition (apart from the fact that this represented the first time in 20 years that the Republicans had been in power), and throughout the first year these people had to build some sort of a team relationship almost from scratch. So, at the outset, there was no team relationship such as had existed in the prior administration only a few days earlier just before the inauguration.

One of the problems was Stassen. He is one of the most brilliant people I have ever met, but highly political, terribly ambitious, and terribly stubborn. Whenever he got the bit in his teeth on something, he would just ride with it to the exclusion of everything else and to great extremes, and it was impossible to shake him. He was not on very good terms with Foster Dulles, who was very suspicious of him. I think Dulles was determined from the outset to get Stassen out of a position in which he was in effect the Special Assistant to the President covering all mutual security affairs. Dulles intended to be and was Eisenhower's Secretary of State. So the Stassen-Dulles relationship was the seed of a problem. Another one of Stassen's characteristics was his feeling that he could dominate things and catch the ear of the President, and by doing so further his political ambitions. I think he hoped that the next time around he'd get to be Vice President or something like that. Very quickly there was friction between Dulles and Stassen and between Stassen and the Department

of Defense and these frictions colored everything that happened in the mutual security field from then on until Stassen was put in another job.

Immediately after the new Administration came into office, as always or nearly always happens, a study was made of how the government should be reorganized. This was certainly true of the aid program, and Dulles was very insistent on reorganization in this area. I think he felt that the Office of the Director for Mutual Security was an anachronism, that it was illogical to have the Technical Cooperation Administration as a subordinate operating unit in the Department of State, and that everything ought to be brought together in a new agency. As a result of studies by a group headed by Nelson Rockefeller and of some other organizational studies that the Hoover Commission had engaged in, the Foreign Operations Administration was established by an Executive Order under a Reorganization Act. Stassen became head of that organization, but he no longer had the position of Director for Mutual Security with the special White House-level role that that position had involved, at least in the case of Harriman.

Actually, after this reorganization, Stassen's statutory powers in relation to Defense and to the aid program in general were very much the same as they had been before, but the people in Defense were different and they were not prepared to have Stassen come over and tell them what they should do. He immediately had problems with Struve Hensel, who, I believe, first became the General Counsel and whom I knew very well myself from the days when he had been in the Navy Department. Hensel had been a very close friend of Forrestal and of John Kenney. For this reason, and because there were still many people in the Defense mutual security setup with whom I had been working closely for a long time, I personally got along reasonably

well with the new people (not meaning, of course, that we always agreed), but Stassen had terrible fights with some of them. Stassen had great difficulty with Roger Kyes, the first Deputy that Wilson had. Kyes and Stassen hardly spoke to one another, and this created an atmosphere in which it was much more difficult to do business with the Department of Defense than it had been earlier. And so during the first year-and-one-half of the Eisenhower Administration there was considerable reluctance on the part of the Department of Defense to accept Stassen's decisions on things which by statute he really had a right to decide. Stassen had a great deal more difficulty than Harriman had had in getting the cooperation of Defense on such matters as the allocation of equipment to MDAP, off-shore procurement, and other things of that kind. However, I think they recognized in Defense that Stassen had a great many fine qualities and a good mind. Stassen beefed up the whole process of Congressional presentation in a way that had never been done before, employing all sorts of graphics and other very effective presentation techniques. He also proposed an advanced weapons fund.

CONDIT: He didn't get more money though?

OHLY: He may not have gotten more money through proposing such a fund or through his other improvements in the presentation, but you must remember that the tide against foreign aid was beginning to swell. In any event, the proposal for such a fund seemed rather to intrigue the Defense people originally, although, in the end, I believe that they were sorry it had been proposed since the fund took money away from other things that they thought were more important. Actually Stassen's ideas about such a fund were vague and fuzzy; he looked on it almost solely as a good selling

point in the Congressional process. He had absolutely no idea what sort of weapons such a fund might be used to develop; when he proposed it, the proposal was without supporting substantive content. I dreaded the day when we would have to go up to the Hill and testify what sort of advanced weapons development the funds sought might be put into because the fund really wasn't meant for use in the development of weapons in this country but rather primarily for weapons research abroad.

In the Eisenhower period, relations were not nearly so good as they had been earlier. I forget now who all of Nash's successors were in ISA; there were several of them and they're all people whom I know and kept up with after they left. None of them stayed in this job very long.* This was one of the great problems. The ISA job is one that a person can't really handle satisfactorily until he has been in it for at least a year or a year-and-a-half, but most of the successive incumbents didn't stay in the position that long or much longer than that; by the time that they were broken in or almost broken in they left or shifted to some other position. It's a very, very complex, difficult job, involves a tremendous number of relationships, and requires an extensive knowledge of both military and political matters. You just don't acquire this background if you haven't been in the job for a year or a year-and-a-half. The people that held this job during the Eisenhower Administration were all good people but they were not there long enough.

CONDIT: I've taken the end of 1952, the first NATO annual review period and the end of the Truman Administration, as a place to end my book. I am

*After Frank Nash left in February 1954, Struve Hensel took over, March 1954 to June 1955; Gordon Gray, July 1955 to February 1957; Mansfield Sprague, February 1957 to September 1958; and John Irwin II, September 1958 to January 1961.

carrying through to the end of the Korean war; I think it's too much to expect a reader to indulge me in not telling him how the war ended! But in other areas, I will stop with the Administration change and leave it to the Eisenhower man to pick up on those things. I think the turnover in the Administration, the annual review in Europe and several NSC's that came along at the very end, the review of where we were in December 1952 that the Truman people did, present a very good ending for this book. I always get a little excited about the Eisenhower administration, but I have drawn a line as to where I should stop on this. I hope you agree.

OHLY: It certainly represented a point in time. The problems that you were dealing with weren't any different thereafter, but the advent of the new Administration represented a point in time when the organizational approach and the top people did change. The people who were working for me and with me changed. Many of the people who had come down during the war left. Tannenwald left, Gordon went to Europe, and many people who had been in MSA, like Bissell, Harlan Cleveland and others whom I had worked with left government or moved to new positions outside the mutual security field.

CONDIT: It must have been very hard; all your working arrangements were gone. How long did you stay with FOA?

OHLY: There were a succession of foreign aid agencies -- FOA, ICA, and finally AID -- and I was associated with one or another of these agencies continuously until just a few years ago. However, I continued in the position of a Deputy Director only until 1959. After that, and a year's unpaid leave to study, I undertook a series of research jobs and other special tasks. I was tired of trying to keep so many balls in the air.

CONDIT: Let me ask you one last question. What should I have asked you that I haven't asked you?

OHLY: I don't know. I thought your questions were very good questions insofar as they concerned my relations to and my knowledge of the Defense Department during the period in which you are especially interested because, during this period, my relations to, and knowledge of, the Department were concerned almost entirely with the kinds of matters that your questions dealt with. Your questions are appropriately of a kind that are very different from the kind that one might properly ask me about the preceding two years when I was employed in the Defense Department and working on a variety of other problems. Looking at your questions from the standpoint of what I knew about the Department of Defense in this period, I can't offhand think of any other things that you might have asked. Of course, if I went over the list of all the things I was working on at the time and went more deeply into my files, I might think of something else.

CONDIT: You have really been a tremendous help.

OHLY: If you think of questions as time goes on -- you'll be working on this project for a little before you actually finish it, I think -- just call me. Or if I think of anything else that might be useful on the preceding period, I'll note it. I could talk for weeks about these matters, but in this area, I think we've touched on most of the important points.

I should perhaps mention one problem that was handled very successfully on an interagency basis during this period -- a problem on which there was extensive cooperation -- the annual Congressional presentation.

This was a very difficult problem. We always had to go through four committees and, if one or both of the Armed Services committees wanted to get in on the program review (as they usually did not after the first two years), through five or six committees; and after 1950 this involved presentations, not only of the military assistance programs as an entity, but also of all of the economic and military aid programs together. This was a very difficult operation and I think the agencies worked beautifully together in handling it.

CONDIT: Did the Congress receive these presentations happily, or was there a change after 1952?

OHLY: Congress became more disenchanted with the aid programs each successive year. Foreign aid came under greater and greater attack for a number of reasons. One of these reasons was the disclosure as the program went on of more and more mistakes. That such mistakes would be made was obvious from the start of the program; most of them were unavoidable because you could only know that they were mistakes in retrospect. The Mutual Security Program is the sort of program in which many mistakes are always inevitably going to be made even though the people who make them may not be stupid, inefficient, or negligent. Another reason was the mounting pressure on Congressmen (often generated by the Congressmen themselves) from constituents who didn't like to pay taxes to deal with problems abroad, especially when so many problems were demanding attention at home. Even some of our best friends in Congress, who were receiving complaints about the program, had their own honest questions about the program. A lot of people were simply enemies of the program. For example, we had (Rep. Otto E.) Passman to

contend with in the House and many of the members of the Appropriations Committee in the Senate. We weren't too well received a lot of the time. The annual Congressional ordeal was the worst part of being involved responsibly in the foreign aid program; it just about got me.

CONDIT: And that went on for months!

OHLY: I know. It was almost every day. Sometimes there were three committees going at once, and I was supposed to be present at all three of them. And I was also supposed to be running the program back in the office.

CONDIT: I hope you had a good deputy.

OHLY: I had different people. I had one extraordinarily good deputy at the outset by the name of Jack Bell, who had been with the State Department for ten years and who later became a foreign service officer and eventually our Ambassador to Guatemala. He is one of the most able people that I've ever known. He would be a very useful person to talk to about the first two years of the military assistance program. He sometimes gets to town. He lives in Florida and teaches at some Florida University. He had dinner with me here the other night. I'm sure he would be glad to talk to you some time when he comes up to Washington as he usually does two or three times a year. He knew the people in the State Department much better than I did, and I counted on him very heavily in dealing with the political desks. He had been a principal representative of the State Department in working with the Department of Defense in developing the organizational structure for the conduct of the program and in preparing for, and participating in, the Congressional presentation that resulted in the Mutual Defense

Assistance Act of 1949. He was directly involved in the program before I went over to State from Defense; he had been working for about a year as part of the State Department team that was working with Lemnitzer (who was then under me in my Defense capacity) and he was head of the group that was in charge of the development of the illustrative first program.

CONDIT: Was Halaby a good man?

OHLY: I think he was a good man, but he was a controversial person and some people disliked him intensely. He's a most difficult personality, but he is one of my closest friends, is the godfather of my youngest child, and used to be a frequent visitor at our house in Vermont. He's a bit arbitrary, a bit arrogant, very ambitious, and often has difficulty getting along with people, but he possesses a very good mind.

CONDIT: He's been in and out of the Defense Department several times.

OHLY: Yes, well the first time that he was there, but after I had left, he had a clash with Johnson; and Burns, with whom he had been working, did not support him. I had a long talk with Burns about it, and Burns sort of weaseled when I pressed him. He alleged that Johnson just didn't trust Halaby and mentioned some incident, which I never did get to the bottom of, involving, I think, a ride across Russia on the trans-Siberian railroad that Halaby was supposed to have taken at some time while he was in college, or something like that.

CONDIT: That was bad?

OHLY: That was somehow bad. I don't remember the story now. In any event, Johnson threw him out, and he went over to ECA. He came back to Defense when Johnson left, working with Frank Nash, and then left government for private employment some time after the change in administration. I've generally kept in close touch with him since although I haven't seen him in the last couple of years. You have to have some ability to be head of FAA or to become chairman of Pan American, even if you do get kicked out as he did (due to circumstances over which he had little control). I guess he was also the first person to fly a jet non-stop across the United States; this was when he was a naval test pilot during the war. You would find him interesting to talk to, and I'm sure he'd be glad to talk to you. You can get in touch with him in New York, although he's out of the country a great deal. He has three businesses going in different places.

CONDIT: That's very good to know. I want to thank you for all the help and time you have given us; I am very grateful.

OHLY: If you think of anything else, just call.

I must excuse the sloppy appearance of this letter — unreliable typewriter, new typewriter ribbon, and typing inexperience. Theo

August 27, 1977

Dr. Alfred Goldberg
Historian, OSD
Office of the Assistant Secretary of Defense (Administration)
Department of Defense
Washington, D.C. 20301

Dear Dr. Goldberg:

I enclose herewith my revision of the transcript of my interview with Mrs. Condit on April 28, 1977, which you forwarded to me by letter dated June 28, 1977.

I am sorry that there has been so much delay, but my revisions, as in the case of the earlier interview of April 19, 1977, have been very extensive. Again, these revisions were not prompted by any noticed inaccuracies in the transcript but rather by the factors that I mentioned in my letter to you of August 1, 1977 that returned the revised transcript of the first interview. Please feel free to make any corrections in punctuation, spelling, or grammar that you or your colleagues note.

While the changes are many, I do not think, except in a very few instances in which my memory has been further jogged, that they constitute fundamental changes in the substance of what I said orally. However, I think that you will find that they result in a document that will be far more useful to you and others who make use of it than the original transcript and, after all, this seems to be the ~~purpose of~~ the whole purpose of the exercise. In many instances, I have not only revised sentences, but added new explanatory or illustrative material.

You will note that I added a footnote on page 21 in an effort to find some way to explain a circumstance that repeatedly may trouble a reader as he goes through the interview. I repeatedly refer to myself as directing the program and to "my" office and I was, as the footnote explains, the <u>de facto</u> director during 1949 and 1950 and essentially that in 1951 as well. I hesitated to bring out the material that this footnote contains but I think it is more important from a historical standpoint for the record to indicate who was and who was not responsible for an activity with which the record deals.

There is one other point somewhat related to the point covered in the preceding paragraph that I have not dealt with in the revised text or in any footnote thereto. It is one about which you or Mrs. Condit might be curious in view of my several statements in this interview and possibly in the preceding one that, unbeknownst to myself, part of the original plan in

making me Deputy Director for MDAP was to have me succeed Bruce, who was only nominally the Director, when Bruce became the Ambassador to Great Britain and the fact that, when he resigned, I did not become Director but served as Acting Director. I think you should have some explanation of this apparent inconsistency.

Acheson and Webb, and the White House as well, apparently assumed that I would take over from Bruce and as I understand it, although I have never verified this point, the actual nomination papers had been prepared. At this point, Acheson made a speech in which he summarized the people who held the key positions in the Department of State and, among other things said, apparently believing this to be the case, that Jim Bruce had been Director of the military assistance program and now John Ohly had taken his place as the Director (I don't recall the precise wording). I received a call from the New York Times reporter who was present about 2 A.M. asking me to comment and I indicated, somewhat sleepy and surprised, that there was nothing to the story. He concluded, in the light of what Acheson had said, that I must have been still asleep or have felt that it wasn't something on which it was inappropriate for me to comment, that he should publish the story, and I awoke to find it a first-page headlined story in the Times. Of course the story was picked up all over the country and, what was, worse, I found myself the subject of the lead editorial in the Times a day or two later.

That morning I told Mr. Webb that in view of the difficulties that I anticipated we would have in selling a huge military assistance to the Congress and the American people I felt that the Director of the program should be some who had considerable prestige and was well-known to the public and Congress. It took me a number of weeks to convince Webb that I wouldn't accept the appointment even though I was in a rather embarrassing position as a result of the nationwide publicity and the personal fan-mail that this had produced. Basically, my reasoning was sound, but, in retrospect, personal considerations aside, it proved to have been erroneous. It was six or eight months before a new man was located and during that period I had had to handle the Congressional presentation of not only the regular FY 1951 program but of the $4 billion supplemental as well. The new man- Tom Cabot, a charming Bostonian and very public-spirited individual who had been head of United Fruit and ran the carbon black industry- took over as Director of the Office of International Security Affairs, a newly established set-up that is described in my interview and that encompassed the military assistance responsibilities. An able businessman, he knew nothing about government and had the usual misconceptions of how government operated and what government employees were like; he soon learned that the myths that he had accepted were not all true and ran into problems on the Hill. (He later wrote a splendid article for either Harpers or Atlantic Monthly describing his experience and saying what a refreshing experience it had been to see what foreign service officers and bureau[illegible] were really like.) Able as he was, and he is able and has

become one of my closer elderly friends, he couldn't get on top of either the Congressional or public relations aspects of the job, and, ironically, he so flubbed the Congressional presentation on the first day of his appearance in the first committee that Webb reached the conclusion that I should step in and handle the bulk of the presentation for the FY 1952 program. I did.

I have no regrets over the fact that Cabot came to Washington. He did perform a useful task although he lasted only a few months and he brought (or at least was accompanied by) a number of other individuals who contributed very extensively to the government in one capacity or another over the years that followed— Jonathon Bingham who became Deputy Director of the Technical Cooperation Administration, and Charles Coolidge, a very distinguished Boston lawyer and general public servant, who became General Counsel of the Department of Defense and from time to time filled a number of other important positions in both Democratic and Republican administrations. However, I did think that you and Mrs. Condit were entitled to this informal explanation of a number of statements in my interviews about the direction of the program.

If you have any questions about the changes that I have made, please let me know.

One other question arises. I do not know how the transcripts of these interviews are treated and who has access to them. Obviously there is nothing of a security nature in any of them, but I have been fairly blunt in my statements about a number of people who are still very much alive and who, for the most part, are not merely acquaintances but good friends. I believe historical records should reflect a person's views accurately but, on the other hand, I don't want offend people who are my friends and who, in spite of weaknesses, etc., that they may have, are in balance splendid people. Apart from such statements there is nothing in any of these interviews that I believe needs to be handled with any sensitivity.

I shall try to get at the history now that the revision of this interview is completed.

Sincerely,

John Hallowell Ohly

John Hallowell Ohly