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European Recovery Project Interview

with

ANTHONY BERNARIS

The draft transcript of my interviews with Mr. Bernaris was sent to him in September 1964, with the request that he review it, annotate it as he thought best, and return it to me along with the draft legal agreement, which I also sent him.

Mr. Bernaris did not reply to the letter of September 1964, nor to follow-up letters of March 1964, March 1966, and December 1966.

In view of the facts that we have had no reply, and that there was nothing controversial in the interview, it seems best to simply make it available to researchers as is. It may be freely used, and quotations may be published up to the limit that is known as normal "fair use" from books, about 300 words. We cannot assume that we have literary property rights, since Mr. Bernaris has not signed an agreement. Therefore, we should not permit the copying of the whole transcript.

Philip C. Brooks
Director
September 1, 1971

EUROPEAN RECOVERY PROGRAM INTERVIEW TRANSCRIPTS

NOTICE

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European Recovery Program Interview
with
ANTHONY BERNARIS

Athens, Greece
April 30, 1964

by Dr. Philip C. Brooks, Director, Harry S. Truman Library

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DR. BROOKS: I wonder if you would begin by telling me, so I will have it accurately in the record, exactly what was your position in 1947, which is the period I am most interested in.

MR. BERNARIS: Yes. At that period, I was holding the position of the Secretary-General to the Ministry of National Economy. This position was a key one, because of the Greek problem of importation of goods. Greece had suffered very much during the war. The economic and financial condition

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of Greece was extremely weak owing to the war destruction, and as a result of the civil war which was started by the Communists' guerilla warfare. Our financial position after the declaration of the British that they would withdraw their aid to Greece and after the ending of the UNRRA help to us, was very critical. We can say with frankness that the economy of Greece and the political situation were extremely unstable and precarious. Therefore, the announcement of a new ally, who took the decision to help in a most energetic way, was very welcome for us.

I am sure that the Greek people will always be very grateful to the President Truman for his initiative. Not only the Greeks are grateful, but I am sure all the free world must be grateful. If Greece had been defeated in that period by the assault of the foreign powers -- if Greece had

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succumbed to the Communist threat -- I am sure that the present structure of Europe would not be the same as it is now.

I recall the position very clearly. The quality of fear changed after the declaration of President Truman. The initiative of President Truman was very courageous and it was in the great tradition of President Roosevelt, in the tradition of the lend-lease that had helped the Allies win the war. The Truman Doctrine and the continuation of the Truman Doctrine, the Marshall Plan, helped to win the peace.

Now we have faced the first problem. Now, I should like to develop the second, the political problem. What would you like me to mention now?

BROOKS: I wanted to ask you if you and the people of Greece expected this strong action on the part of Mr. Truman, when he made his speech of March 12?

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BERNARIS: The Greek people were very skeptical and very pessimistic at that period, and it was a great relief to hear in the doctrine of President Truman that the Allies did not intend to abandon Greece. They felt bitter because they felt they had made great sacrifices toward winning

the war. But the decision of the great American President, President Truman, to announce in the most energetic way that the American people and the American Government had decided to help us was something which filled our hearts with joy.

BROOKS: Did you expect it? Were you surprised?

BERNARIS: They expected that something was to be done because they believed in the United States, and they believed in the spirit of freedom which is the main belief of the people of the United States. They felt that it was quite impossible for a democracy to be abandoned

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in the midst of its difficulties. They believed that the great people of the United States would do something very strong and very decisive in order to face the political and economic problems of Greece.

BROOKS: Did you look on this program primarily as a matter of defensive economic warfare against the Communists or as a matter of constructive internal recovery? I know it was both, but which was more important?

BERNARIS: At that period, the survival of the Greek people was the main anxiety, and at the same time, there was the fear that after the main struggle for survival, our liberty would be lost if help were refused to Greece. Therefore, we were expecting both the strengthening of the military resistance of Greece and to have the means for the recovery of our economy.

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BROOKS: Well, in our country, there were some people who were more willing to support an economic recovery program than they were a defensive measure against the Communists.

BERNARIS: Well, in Greece, you could not divide them. It was impossible to find a demarcation line. Economic recovery was connected very much with the strengthening of the military resistance of Greece. There was a need for direct military aid and at the same time you could not have any possibility and expectation of economic improvement unless the military position could be improved. Because the entrepreneurs were hesitating to take the initiative and do business in unstable conditions.

BROOKS: I gather that in some countries, some groups felt that this large aid program from the United States was going to mean government

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control of industrial recovery and thereby discourage individual initiative. Was this a problem in Greece?

BERNARIS: At that period, American aid meant very much. The Greeks were in a very grave situation. The businessmen had no capital owing to the inflation. Therefore, you see, they could not make plans for recovery, unless there was a new source of aid from abroad. Therefore, such a problem did not present itself at that period.

BROOKS: I see. What did you think was the greatest need of Greece at that time? There was a need for food, right?

BERNARIS: A need for food, yes.

BROOKS: A need for rebuilding of industry?

BERNARIS: Yes, all of them. All of them, you see,

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you can't divide -- you can't fix priorities. All of them were in great need, you see. The importation of goods was a very grave need. The importation of military material was equally important. So really the Truman aid at that period was extremely important to face the problem of Greece. An economically sound Greece is a Greece living under a democratic regime.

BROOKS: Did you feel that Greece was being encouraged to develop its own program or that it was being told what it should do?

BERNARIS: I was very happy to collaborate with Professor Dawson, who was the head of the Foreign Trade Administration, which had its seat in the Ministry of National Economy. Professor Dawson, who is now professor at Harvard, became a very close friend of mine. With him and his assistant,

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we worked for a long while together in the close and good collaboration. I remember Professor Dawson quite vividly. He and the other gentlemen of the mission were very distinguished persons. They were picked by the administration of President Truman and they were very knowledgeable. Some of them were really distinguished experts in their fields. We worked very closely, and of course, we started to make the program of importation and the development of national economy as our mission. I shall always remember the good personal relation which I had with him. I learned from them a great deal, and I believe that they learned as well from me many things necessary to face the specific problem of Greek economy.

BROOKS: In General Marshall's speech at Harvard

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on June 5, 1947, one of the key points was that the European countries should determine their own needs and develop their own program. Did you have the idea that there was the same emphasis in the Greek aid program?

BERNARIS: Of course, having the experience of the Truman plan, to face the problem which was put before us by the Marshall Plan was an easy task. Because, really all the preliminary work was done by the Greeks and by the American mission as well. Therefore, the phase of passing from the Truman Plan to the Marshall Plan for Greece was an easy step and a natural development.

BROOKS: What about UNRRA aid? Had UNRRA done its job well?

BERNARIS: UNRRA had done a job which was very necessary for recovery and for facing the first needs of the European countries after the liberation.

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It was emergency aid. But the Truman plan was something different, you see. The Truman plan faced the problem of recovery, and the Marshall Plan was a development of the basic principle of the Truman Plan.

BROOKS: Some people thought that the whole aid program should be put under the United Nations. Would that have been welcome in Greece?

BERNARIS: In Greece, no. In Greece under the political conditions of that period direct aid represented a kind of political guarantee of the freedom of Greece. And it wasn't possible for this to be given by the United Nations Organization. Therefore, you see, we felt grateful because the aid was given directly by the United States.

BROOKS: The program as it was announced in Mr. Truman's speech in March, was the Greek-Turkish aid program. Did this present any problems?

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BERNARIS: No, no.

BROOKS: The fact that Greece and Turkey were both...

BERNARIS: No, this did not present any problem, because, really the Greeks had their own problems. Then Turkey is in the same geographical region and the threats of Greece, which were very grave, were in a way parallel for Turkey. Therefore, on the contrary, the plan provided a good start to face the problems of two countries. But, of course, as you remember in that period, Greece had the most vivid problem, because we were living in a regime of civil warfare, guerilla warfare, we had infiltration and the attack from Bulgaria, from Yugoslavia and from Albania. The battlefield at that period was Greece, not Turkey.

BROOKS: And Greece had suffered more during the war, right?

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BERNARIS: We suffered more, because we were living under three occupation powers, you see, under the German, the Italian, and the Bulgarian. Therefore, the problem and the catastrophes were unexpected and very grave.

BROOKS: Mr. Truman asked Congress for \$350 million for emergency relief before the Greek-Turkish aid program. Then in the speech of March 12, 1947, he asked \$400 million for Greece and Turkey. I believe it later developed that Greece was to get \$300 million. Were those figures based on estimates made here in Greece?

BERNARIS: I don't know the details, but really that confirms that the Greek problem was the acute one. The percentage which you mentioned proves that the Greek case was the critical one.

BROOKS: In the beginnings of the Marshall Plan

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there was a committee in Paris in 1947, under the leadership of Sir Oliver Franks. Greece was represented, I believe. Did the small countries feel that they had a fair hearing, or was there a feeling that some powers took too large a share?

BERNARIS: The commissions which had worked for the establishment of a central organization in Europe did excellent work, but more or less, the effect started after the institution of the Marshall Plan when it was necessary to create a central organization for the distribution of aid to the European states. As I mentioned previously, the Truman Plan was in its essence, a political scheme and was meant to face the political economic difficulty of the two countries which were threatened directly by the communistic attack.

BROOKS: Well, it's been suggested to me that the

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British took a big share in determining the needs of other countries in Paris, on the one hand; and on the other that the British deserved a great deal of credit for taking the leadership and getting things going under the Marshall Plan.

BERNARIS: Definitely, you see, because the contribution of Bevin, who was the Minister of Foreign Affairs, was very important for the establishment of the Marshall Plan. But I believe that psychologically the initiative of President Truman was the basic thing, which facilitated the expansion of a more general scheme like the Marshall Plan.

BROOKS: Now, Russia was invited to join in the Marshall Plan, and declined. Was this a significant thing here?

BERNARIS: Well, it was natural that Russia didn't participate in such a scheme because we would

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want the kind of aid she wasn't in a position to give. Therefore, it was natural, her refusal.

BROOKS: Would Greece have welcomed Russian participation or not?

BERNARIS: It's no use to comment on things which didn't happen.

BROOKS: Were there special political points of view on the part of different groups in this country -- labor, industrial enterprise, agriculture, and so on?

BERNARIS: All of them welcomed the Truman Doctrine and the Marshall Plan. All of them except, of course, the Communists.

BROOKS: There was no conflict among them.

BERNARIS: No, no, the need for survival was

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very intense, you see.

BROOKS: What was the attitude of Greece toward Germany at that time?

BERNARIS: Germany at that time was under the occupation of the Allied Forces, therefore, it did not count.

BROOKS: Well, many of the European leaders thought that the recovery of Germany was one of the most important things to accomplish under the Marshall Plan.

BERNARIS: I remember very well a discussion which I had with some American and British friends, and I expressed the need of German recovery which, fortunately came with surprising speed afterwards. Because Greece's economy counts very much on the German-Greek commercial relations, everybody was expecting the day of

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the recovery of German economy.

Everybody was expecting the day when Germany again would be a good client for the Greek tobacco, for instance.

BROOKS: There were other products that were normally exported to Germany?

BERNARIS: Mainly Greek tobacco, and other goods as well. Germany is an industrial country, Greece is mainly an agriculture country; therefore, you see there is a complementary relationship of the two economies.

BROOKS: I think Italy had this same problem...

BERNARIS: More or less.

BROOKS: One of the big controversies of the time was the matter of the level of industry, as they called it, in Germany.

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BERNARIS: Yes. But, you know, history takes its own course, and any expectation that Germany would be an agricultural country has been proved out of the realm of possibility.

Because Germany is an industrial country, was an industrial country, and will be an industrial country.

BROOKS: Did you think or hope that the Marshall Plan would lead to economic union of Europe, or common market or political union?

BERNARIS: Definitely, yes, because everybody recognized that in the recovery of Europe there was the precondition of forming the framework of the Common Market. Without the Marshall Plan, we can't imagine that the European economies would have recovered so quickly. Therefore, the present situation of a common market with a big perspective, had its roots, you see, in the working of the Marshall Plan.

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BROOKS: So Greece would welcome the lowering of trade barriers...

BERNARIS: Yes. The Common Market is something which I believe will be for the good of all the world -- to have a strong Europe.

BROOKS: What would the Greek attitude be towards political union?

BERNARIS: If the economic union is a strong union, political union is much easier. A political union for Europe is something, perhaps, beyond our generation. About that, in the future, we don't know. Anyhow, the economic ties I am sure will be strengthened as well as the political ties of the European nations.

BROOKS: Do you have any special recollections, Mr. Bernaris, of the principal figures that were involved in the United States and in Europe,

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such as President Truman or General Marshall, or Bevin?

BERNARIS: Yes, I met some of them, and I remember that they were full of enthusiasm and belief that the Truman Doctrine was something which must remain in history as of important stature, political and economical. I believe and I repeat what I said in the beginning, that I can compare the decision of President Truman to the decision of President Roosevelt, when he announced the establishment of lend-lease. It was a pregnant idea, a pregnant decision.

BROOKS: Well, you can see this in Athens today, it looks prosperous.

BERNARIS: Everywhere in Europe, you see it. And, I believe that we must be very grateful that the great Presidents, I mean President Roosevelt and President Truman, have done such big

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things; because behind them were the American people with the great virtues. They were big and great leaders because they were leading a great people like the American people.

BROOKS: I believe that the Paul A. Porter mission was here in Greece at the time of President Truman's speech.

BERNARIS: Yes, I remember.

BROOKS: Did you work with that mission?

BERNARIS: Not directly, but we helped. I would say it was a technical commission; the Truman Doctrine was something political, a broader thing.

BROOKS: Then afterwards, Governor Griswold was here, after Marshall Plan was set up.

BERNARIS: Yes, I remember Governor Griswold and

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all his collaborators very well. They were excellent people and full of ideas, and ready to work hard for the fulfillment of the doctrine of President Truman.

BROOKS: Thank you very much, sir.

BERNARIS: Thank you very much. You see, I am really very glad to be reminded of that critical period for Greece. Now Greece is trying to do the best to develop her economy, but, as I am sure that nothing could have been done and her situation would be quite different if President Truman has not taken the initiative to propose his doctrine to the world, and furthermore to make broader declaration and establishment of the Marshall Plan.

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