

Oral History Interview
with
JOHN F. CADY

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Athens, Ohio

July 31, 1974 by Richard D. McKinzie, Harry S. Truman Library

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MCKINZIE: Perhaps, Professor Cady, you could start by talking about why you left an academic career to go into the Government in 1943.

CADY: I was teaching at Franklin College in Indiana when World War II started. As Dean of the college at the time with responsibilities as Armed Services Representative I discovered in time that the college had no plans whatever to do anything of consequence in connection with the developing war period. After seeing

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my way through the first two years of this frustrating situation, I was invited to come to Washington to be a part of the newly organized Office of Strategic Services to serve as Burma analyst. My selection was due primarily to the fact that I had lived in Burma and had taught at the University of Rangoon for three years, from 1935 to '38. I was also studying certain aspects

of colonial policy covering the prewar period, and I had published an article on the beginnings of French imperialism in Eastern Asia in the *Journal of Modern Studies*.

I accepted the Washington appointment with some hesitation, of course -- I didn't really know what kind of thing I was getting into. I actually found that the Research Analysis Branch of the OSS included a remarkably able group of men. Several of them had been former presidents

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of the American Historical Association and the American Political Science Association, and all of whom were dedicated scholars. I first worked under Norman Brown in the division that had to do with South and Eastern Asia, and then finally under Martin Wilbur, previously connected with Columbia University.

It was an extremely stimulating experience. Our job was to initiate studies relating to a part of the world that America knew very little about and in which we were becoming involved in both military activities and political responsibilities. My primary job was to examine all intelligence that came through about Burma, from Southeast Asia generally, and from adjacent India. We had to do a situation report about every week or two in attempts to interpret what incoming information

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implied and what its significance appeared to be.

In addition, we were invited to initiate our own research projects. We had full access to the Library of Congress, and, in fact, to many other research resources in the Washington area, which were very extensive.

MCKINZIE: Were these topics dictated, Professor Cady, or were they topics which you might suggest yourself?

CADY: Most of the topics were ones that we ourselves initiated. You would entertain, of course, whatever requests came in. Since Americans were involved in warfare that took us into India, into China, and into Southeast Asia generally, we asked ourselves what kind of situations we could anticipate and what kind

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of attitudes on the part of the area people we must expect to encounter. Our efforts were essential services for military intelligence, but G-2 became in time very jealous of the OSS R&A, and they gave us little cooperation or attention. As a matter of fact, the only way I could be sure of getting relevant information through to the Pentagon was to contact my lady friend who was in charge of Burma data and to carry over to her the particular documents I had in mind. She was very much interested because she had never been to Burma. We thus managed to cooperate on interpretive matters in spite of the prevailing bureaucratic barriers. I would say, incidentally, that the barriers developed not entirely from G-2, because the OSS generated its own boundaries as well.

Generally speaking, it was a very interesting

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situation. There were lots of Washington people concerned about the Burma situation, on which I was working, and I became acquainted with practically all of them. We failed to make any contact at all with Naval Intelligence, mainly because it developed very little interest in Burma. The commendatory plaque that I was accorded at the end of my service with the OSS acknowledged my effort to promote cooperation between the various intelligence agencies of Government as being particularly commendatory.

Several of my basic research projects on Burma particularly were later declassified. Several of them became the basic data for later publications of mine. They covered British policies for the future of Burma, also problems of law and order, plus an analysis of the whole administration of the Burman Government. I

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also examined Japanese wartime relations with the Burmese people. In certain portions of late 1944 and early '45, we had available for the OSS distribution copies of daily papers for every day of the month, often in English. These were contributions of a Special Intelligence operation of the OSS. I think the SI operation did a very good job; I think also that the SO (Special Operations) reports by comparison were pretty hopeless.

The Research Analysis Branch of OSS was asked at times to advise SO, and usually it was to discourage some of its more silly proposals. We also often found a lot of the SI material unusable, because the person who had collected it usually had no idea of the motivation of the people who gave it to him.

MCKINZIE: Professor Cady, at this time, 1944 and

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1945, was there any anticipation of what later was called the "revolution of rising expectations" on the parts of people in those areas?

CADY: As far as Burmans were concerned, their rising expectations were first to get rid of the resident Indian coolie population, and to do that you would have to get rid of the British economic role. They still respected the British politically; but the Indian moneylenders and the imported Indian laborers, the Burmans could never accommodate. They also developed in time, some expectations that they might be able to industrialize their country and thus get out from under the status of simply being the producer of raw materials and foods for world purposes; but I don't think this was politically important during wartime. They had the Japanese on their necks and their impact was often extremely brutal. There were relatively

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few Burmans who would go along with Dr. Ba Maw, whom the Japanese selected as leader of wartime Burma to assist the Japanese in winning the war. Eventually, most Burmans who cooperated initially against the British turned against the Japanese. I think their expectations were usually related to the immediate situation.

The special reports that we undertook to produce carried us frequently to the Library of Congress and also into many other areas of Washington. I can mention, in particular, what Swedish Olaf Janse did -- his desk was next to mine -- in connection with our tenuous connections with Ho Chi Minh which were developed in early '45. Janse's documentation came from somewhere in Washington, but his sources were never fully revealed. His data indicated, for example, that the United States had contingency plans at one time for

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making a landing on the Tonkin coast via the Philippines. The objective would be to move up the Red River Valley and make conjunction with the armies of Chiang Kai-shek in China. Chiang was personally interested in this project as was the Dong Minh Hoi, both of which helped to organize and promote the region.

Ho Chi Minh and his Vietnam group were actually recruited by the U.S. OSS and introduced into the area of Northern Tonkin because the French in Indo China refused to respond to American requests for information having to do with the numbers and location of Japanese troops in that area. This Paris refusal to cooperate angered Franklin Roosevelt very much. Our early connection with Ho Chi Minh was distinctly military and not political. When Ho finally arrived in Hanoi, immediately following the

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surrender of the Japanese, the first American to greet him was an OSS agent who shook his hand and thanked him for collaborating effectively and loyally.

The proposed American landing plans were never carried through despite the detailed preparation by Olaf Janse of profiles covering every potential landing beach in the Tonkin area. His detailed photographs came largely from submarine pictures, taken at daybreak, all along the Tonkin coast. In other words, full landing preparations were made, and the amount of futile effort that went into this project was most extraordinary. I saw the pictures myself, and someday I hope that scholars can get access to them.

We also, in the OSS, studied closely the developing situations in Malaysia and in Thailand.

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The emerging free Thai movement eventually collaborated with the OSS. We had such agents right in Bangkok, and they periodically broadcasted to Washington agencies via Ceylon. We also had information coming into Washington, to my desk in particular, on everything that had to do with Burma, as was the case for virtually all countries of Southeast Asia.

These projects were all highly classified, and only a few of them were declassified post-war. Theoretically, all of them should be, but very few of them have surfaced to date. Toward the end of the war, one of the most important things that developed was the formulation of specific Japanese policy proposals with respect to postwar Southeast Asia. It was obvious that the Japanese, when they saw that they probably couldn't win the war, were undertaking

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to try to turn colonial Southeast Asian peoples against the U.S. and against the Allies generally. This shift changed their propaganda complexion quite a bit. The Japanese realized very little success in this endeavor, except for a few individuals such as Dr. Ba Maw of Burma. For a time Sukarno in Indonesia was similarly suspected of being pro-Japanese and with some reason. Various Filipino leaders also collaborated with the Japanese more than they had any nationalist excuse for doing.

I was transferred over to the State Department in the spring of '45 (early April) after phasing out my final OSS study covering postwar British policy for Burma. I was enlisted into the new Southeast Asia Policy Division that the State Department was developing. Lauriston Sharp of Cornell was one of my colleagues;

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Abbot Low Moffat, was our chief, although he knew nothing about Southeast Asia. He was a capable administrator, and his brother was a Foreign Service officer, which helped prompt his appointment, I presume. We had the services of Siam expert, Kenneth Landon, who shifted later to a faculty post at American University. We also enjoyed the aid of Rupert Emerson of Harvard and of Raymond Kennedy of Yale, who was destined to be killed in Indonesia. It was, on the whole, a highly competent group, all of whom worked very hard.

MCKINZIE: Was Arthur Schlesinger a member of this group?

CADY: Arthur Schlesinger served mainly in the OSS as rewrite person for all of our project reports. I became not too well acquainted with him personally, but certainly I got

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intimately acquainted with his rewrites, which were sometimes pretty rigorous. What was included in our newly-formed State Department Policy Division for Southeast Asia was a group of non Foreign Service officers who were essentially academic. and who were interested in selected countries and peoples rather than in the totality of American policy. Our point of view differed frequently from that of our European counterparts. For example, anything that had to do with explaining the Indonesia situation had to be cleared with the Dutch desk in the Western European group. Anything that had to do with French Indo China we had to clear with the French desk officer; the same had to be done with the British desk in regard to Burma or Malaya. Except for Thailand (Siam) and for the Philippines, which is our own business, there

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was little possibility of our formulating any independent policy as far as the Southeast Asian Division was concerned. The net result was that for the better part of a full year after the ending of the war, State Department policy personnel operated in a continuing deadlock. The Southeast Asia Division recommended certain policies with the European Division people normally opposing them. H. Freeman Matthews, a formally polite and very competent person, was the one that I dealt with repeatedly on the Burma issue. He and Abbot Moffat at times came to the point of such sharp disagreement that they were scarcely on speaking terms, so that I was asked

repeatedly to deliver Moffat's controversial proposals to Matthews. We would make a proposal, take it to Matthews or to another European policy officer, who would often sit on it for some

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three weeks time. Then he would send it back to SEA and explain why our idea was unacceptable. The basic issue of disagreement was simple; Europe was important from their point of view and responsibility, while Southeast Asia was comparatively unimportant. They refused, as a rule, to say anything or do anything that might embarrass their relations with the local French, Dutch, or British Embassy. Therefore, except for Siam, SEA had virtually no active role in determining policy. Our Siam policy was predominantly independent. We helped veto British proposals to punish Siam for their declaration of war against Britain and the U.S. We urged the ignoring of this war declaration. In late 1945, Kenneth Landon was eventually sent out to Bangkok where I visited him there in December of '45. Landon's role at the time was to expedite our improved relations with Pridit Phomyong,

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who was active in the Free Thai movement.. We did exert some influence on American policy with respect to Siam, but very little elsewhere. We could influence little U.S. policy in other parts of Southeast Asia, where the European desk people were actively involved.

MCKINZIE: Professor Cady, how far could you go in suggesting the possible negative repercussions of ignoring the recommendations of your group?

CADY: Well, I recall several memoranda that I drew up, copies of which are still available, saying that as far as the war experience was concerned, the United States owed nothing to the French in Indo China, absolutely nothing. They had refused to collaborate with us in our contingent plans about possible coastal landings, and they were persistently telling us to

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mind our own business. There was no threat from Communism to the French at this early juncture; only when they got into trouble later did they develop this anti-Communist issue in order to get American help.

In other words, were we going to identify ourselves with the restoration of French colonialism in Southeast Asia? This, of course, is what we subsequently did do, to the very considerable aid to the French. We finally did help get the British and the Dutch colonialists out of Southeast Asia, the British voluntarily, the Dutch under pressure. As a rule, the only immediate opportunity that we were afforded was to point out the problems which alternative policies entailed. On one occasion in the autumn of 1945, we were authorized to provide evidence to some very prominent but unidentified

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person in Washington. I mistook a *Herald Tribune* reporter for the person in question, with the result that the gist of U.S. policy concerns with respect to Indonesia appeared the next morning, to our great embarrassment, on the front page of the *Herald Tribune*. When the policy in question happened to become very well accepted in Washington shortly thereafter, our chief Mr.

Moffat took all the credit. I was relieved that my mistake had not caused us any serious trouble. I had much to learn about the role of bureaucracy in policymaking.

MCKINZIE: In this experience you have just alluded to, you would have had to shoulder the blame had not the policy been well received?

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CADY: Yes, the identity mistake was my responsibility. I was not authorized to talk, although the information I provided to the reporter was correct. As desk officers we were forbidden as a rule to let anything out to the newspapers. Classification arrangements permitted only the top brass within the Department to make exceptions to such rules. In this case, I made the correct statement to the wrong person, but the outcome wasn't too bad.

Toward the end of 1945, it became obvious that Washington's Southeast Asian policy per se, except for Thailand, had pretty well run aground. European interests generally took preeminence, and unqualifiedly so. The Department finally decided to send most of us out to the field.

MCKINZIE: The State Department during the war, quite

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outside of whatever relations it might have had with OSS, had a postwar planning group run by Leo Pasvolsky. I was wondering if you were aware of the work of those committees in the State Department at this time when you took over the work?

CADY: Not directly. The Pasvolsky group and others were primarily working on European problems, and obviously, these were serious issues. After American troops were withdrawn, and except for the atom bomb, there was little else to prevent the Russians from marching right through to the Atlantic. If the West German Government had faltered economically, and if the Communist parties in France, the Netherlands, and Italy had gained entry into their governments through electoral means, the Russians could have developed a great stake in Western Europe. So,

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not only did the United States give European policy preference, but the Russians did the same. Acknowledging the fact that this was an understandable arrangement, nevertheless it was perfectly obvious to many of us that Departmental personnel on the European side of the story closed their minds to any real understanding of the situations developing in Southeast Asia. Partly because there was not much left for us to do in Washington, I was sent to Burma to serve under the Burma consul general. My associate, Kenneth Landon, was similarly sent to Thailand's Bangkok, and eventually up to Hanoi to keep abreast of developments there. The able Raymond Kennedy was similarly sent to Indonesia, fated to be killed tragically in Java, where the perpetrator of this deed was never found. Generally speaking, we were sent out to the field to examine the potentialities of particular

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situations and to explain what could happen.

I spent a brief four-and-one-half months working at the American consulate in Rangoon. The consul was Glenn Abbey, who was a regular Foreign Service officer (Class 2 or 3) and a person who lacked any previous experience with Burma. I was directed to find out what was going on, and especially to report what the economic situation was. I was also to explain what the Communists might be up to. My title was Chief Economic Reporter, although I was no economist at all, just a plain historian. I was afforded full cooperation by Mr. Abbey, and he was willing to support all of the reports that I sent home. I was also made responsible for liquidating Burma's OSS files, which I knew all about, much to the disgust of the major who had previously been in charge. We got him sent home after it

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became clear that he was doing nobody any good. He was usually drunk at 10 o'clock in the morning and he paid out unvouchered funds to informers who found out what he wanted to hear. His reports consequently predicted war breaking out almost any weekend. I also had to report on what the British presumably were going to do, on the prevailing attitudes entertained by leading non-political Burmese, and on what the Anti-Facist League and other politicians were up to. My reports also dealt with the dismal economic situation. They also dealt with political realities and with British policy development relating to them.

I became convinced during this four months stay that the British couldn't possibly survive the possible outbreak of a Burmese rebellion. Guns were everywhere: Japanese guns, British

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guns, American guns. Some observers reported that grenades were sold in the bazaar by the dozen, and that salesmen would fire off the 13th one to show purchasers how to do it. In other words, for colonial authorities to stir up any general rebellion in Burma would be madness. The British troops in Burma, furthermore, were mainly Indian and African, the latter having been drawn from both East and West Africa. The British colonialist cause could not possibly depend on such troops to put down a Burmese rebellion, nor would the British risk turning them loose on the Burmese people. For these and other reasons [Reginald] Dorman-Smith's regime was eventually repudiated by London's Premier Clement Attlee. Sir Hubert Rance and Lord [Louis] Mountbatten were sent out to institute a change of policy in the spring of 1946.

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Near the end of this reporting assignment, I was eventually told to find out what the local Communists themselves were up to. I accordingly arranged to have the leading youthful Rangoon Communist, Than Tun, meet me and another American at the home of a mutual Burmese friend, David Htin Hlon. We held an evening talk lasting about an hour and a half to two hours. I found Than Tun to be a very seriously-minded person, but also ill informed, and with a badly distorted view of the general world situation. I did what I could to straighten him out on the Soviet role in Europe and reported to Washington his general political attitude and prospective resistance operations. Essentially a nationalist, Than Tun thought the Russians would have to help out if Burma was ever to get its independence. I also made a trip up to Pyinmana, which was the actual center of the Burmese

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Communist movement. I had a long talk with the local Communist chief and his lawyer friend, and I had an informed American ex-SO operator with me during the session.

The realistic report that I prepared and sent back to Washington covering the Burmese Communist movement, its leadership, its purposes and tactics plus its apparent outside connections was very badly received back in the State Department. When I returned to Washington in mid-April of 1946 I found myself in serious difficulty because Loy Henderson, my new South Asian Division chief at the time, was very anti-Communist. Between my departure in December of '45 and my return in April of '46, a very sharp change had developed in the mood of the State Department. Anti-communism had become the dominant theme and the over-riding issue. What I had learned about the

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Burmese Communists didn't fit very well into the new pattern.

MCKINZIE: You had not established yourself as a sufficiently militant anti-Communist, is that true?

CADY: I had not established myself, period, among the regular Foreign Service officer personnel. I was an academician reporter, and what I reported often didn't fit their preconceived ideas. A Department friend told me: "John, you're in trouble; you have only three weeks to justify yourself." I lack the space here to reproduce the very extended justification of my point of view prepared during those three weeks. The items have concurrently been declassified but have not been included in the published files of the Department. At any rate, I tried in vain in May to justify my conclusions. I was eventually obliged to leave

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the Policy Division and was shifted back to the Department's Office of Intelligence Research. It was functioning in the same building and in the same rooms that the OSS R&A had occupied prior to the end of the war. It still had much the same staff with whom I myself had worked during the two years of 1943-1945. So from May of '46 through to my eventual departure from Washington in September of '49, I served as the chief of the Department's Office of Intelligence Research Division for South Asia.

MCKINZIE: Professor Cady, did you get a chance at all to speak with either Loy Henderson or anyone of his immediate subordinates? Was there any kind of dialogue in addition to the report which you submitted?

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CADY: No. I was introduced briefly to Mr. Murphy, who was actually the head of this anti-Communist group, but I was permitted no dialogue at all with Loy Henderson. He had married a white-Russian wife; he presumed to know all about Soviet tactics, and there allegedly was no basis for my disagreement. My justification was limited to the typed statement. Several Department officers at my level who also worked with Henderson read my rebuttal and talked with me approvingly about it. They were sympathetic and convinced, but I received no acknowledgement at all from Mr. Henderson or from anyone of the Murphy group which ruled

on the validity of what I was trying to say. It was for me a very disillusioning experience. I felt that anyone reporting on a classified basis should be free to tell the facts. About

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what he actually found, not necessarily something that would agree with previously fabricated policy views in Washington.

Within the Office of Intelligence Research, I operated with a good deal of freedom within the non-policy perimeter. I had about 15 to 20 people under my direction and the group was able to prepare, I think, some very useful reports during the ensuing two years.

The Office of Intelligence Research was called upon to answer occasional questions raised by the directing policy branches of the Department. We were also able to initiate research studies of our own devising. But in the deteriorating atmosphere of late '46, '47, and '48, you could expect to get few project proposals approved that didn't have something to do with the allegedly growing Communist menace. This

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overriding issue, of course, merited serious attention because of the deteriorating situation in Eastern Europe. But it had very limited relevance to development in Southeast Asia.

The policy concerns of Western Europe continued to dominate Washington's interpretation of Soviet policy worldwide. Europe was important, and the need to explain any prospective expansion of Soviet Communist influence into Western Europe was fairly obvious. In fact, the Soviets themselves went so far as virtually to refuse to do anything to help out Ho Chi Minh in Vietnam or the Communists in Indonesia, for fear that such action might possibly alienate the Communist Party of France. Moscow was far more concerned at the outset to get the Communist Party of France operating within the Paris government through electoral means, and thereby

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contributing to the desired overthrow of capitalism in Western Europe, than they were to help Ho Chi Minh and his group get control in Vietnam. Ho actually got very little support from the Soviets. When Landon visited Hanoi in early 1946, Ho asked for aid from the United States against the colonialist French, which Washington was, of course, unwilling to give at the time. So, as late as the end of 1947, this predominance of European concerns was for Washington an over-riding issue, and it had to be so recognized.

The Marshall plan, which was announced in June of '47, initiated a major turning point in the situation. It recognized, in the first place, that the hope which had been expressed by various people, including former President Roosevelt, that some accommodation might be reached with the Russian Communists was no

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longer feasible. Washington's Marshall plan was designed to bolster West Germany particularly, as well as the Dutch, the French, the Italians, and to a lesser degree the British, in order that their free economies could avoid possible collapse.

What happened was that, following the Marshall plan's implementation in the summer of '47, the Russians began to rethink their total policy. The change became apparent at meetings held in the Kremlin and in India, especially following arrival of a new Russian Ambassador in New Delhi in late 1947. Subsequent meetings included the Calcutta Youth Conference, which convened in January and February of '48. The Russians had decided to change their policy by turning on the spigot of colonial unrest. They would try to wreck capitalism generally by

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applying the Hobson-Leninist theory that the system depended on colonial investments and colonial income and that imperialism itself was a projection of capitalism. If you knocked the props out from under the imperialist system, European capitalism itself would presumably collapse. Thus, Russian policy changed very sharply in early 1948. I myself did a long classified study which I completed in early '48, indicating the new direction toward which Russian policy seemed to be headed.

MCKINZIE: Sir, have you a copy of this report?

CADY: I have not yet been able to procure a copy of it. It is presumably in the Office of Intelligence Research files. It was of sufficient moment when released to attract wide recognition. It came from high level Civil

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Service officers and from newly-appointed Ambassadors, several of whom came to my office to get personal copies.

In other words, what you have in early '48 is that the Russians decided that Western Europe really was not going Communist after all. One alternative was: "Let's stir up the animals all over the world to create whatever diversion is possible."

This change was reflected in the fact that, following the Russian visit to India, P.C. Joshi, the former Communist head and editor of *People's Age*, was forced out in favor of Renadive, a complete nonentity. This intervention wrecked the Communist Party of India for a considerable while and proved to be a very stupid move even from the Russian point of view.

The Communist representatives at the Calcutta

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Youth Conference, including Burma's Than Tun and Goshal, reported back to Rangoon. The new Russian policy was to emphasize that achievement of colonial independence and freedom was virtually impossible without active struggle by both Communist party and people. Therefore, Communist partisans must stir up trouble for the emerging independent government of Burma's Premier Thakin Nu. Some of the Ho Chi Minh Vietnamese representatives who were present at this Calcutta meeting said that they would be very happy to get from France what the British had already been willing to give to Nu, and they flatly refused to go along. Thus the Calcutta Conference and changing Soviet policy made little impact on Ho Chi Minh and his Vietnam

efforts against the French at this juncture. Later on it was destined to have a great deal of influence.

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In May and June of '48 the Communists started their rebellion in Burma. They were later joined by a disgruntled veteran group (PVO) by the Karens, and by other malcontents. Premier Nu's nationalist regime, during the next three years, came very near collapse, and it was attributable in part to this new Soviet policy promoted on a worldwide scale. The same thing happened in Malaya, where the so-called emergency developed. Chinese proponents of revolution later had to straighten out the utterly corrupt Communist Party in Malaya. The British found out about the situation and started the repression of the prospective Communist rebellion before the reforming elements had time to make needed repairs. Nevertheless, this trouble with an essentially Chinese Communist rebellion in Malaya persisted for almost a full

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decade. Both situations were Soviet instigated and doomed to failure.

In Indonesia the Musso rebellion vs. Hatta was a part of the same Soviet-instigated business. I think the Hukbalahap rebels in the Philippines were also encouraged somewhat psychologically, but they were not directly connected with a Russian instigation. It was this type of research that our research agency was engaged in doing.

MCKINZIE: Professor Cady, did you accept President Truman's idea which he avowed in his Truman Doctrine speech in March of 1947? I think his words were, "The seeds of totalitarianism grow in the climate of misery and want," totalitarianism being synonymous with communism in this case.

CADY: That allegation applied, I think, less accurately

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to Southeast Asia than it did to the industrial states of the West. Actually, the motivation of rebellion in Burma and somewhat less so in Malaya simply had to do with the determination of the local Communist Party to seize political control. In Malaya, the goal was to get rid of the British and their control over the tin mines and rubber plantations. Both Southeast Asian groups wanted to get rid of all alien Indians and, to a lesser degree, the Chinese.

In other words, it was hard to apply to Southeast Asia President Truman's assertions which were in an essentially different European setting. This, incidentally, was also the trouble with Mr. Walter Rostow's subsequent policy statements with respect to Lyndon Johnson. This American idea of bombing North Vietnam for example, made no sense whatever

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in terms of the local immediate situation. It was based on an essentially European point of view.

I perceived that one had to understand each local situation, and this was what I persistently tried to do in the much disputed reports covering Communism in Burma and Malaya. I was convinced

the same approach had to be applied to Viet Cong and to other troubles that we later encountered in Indo-China.

The shift of Soviet policy in 1948 was sharp, and I think quite dramatic; on the whole it was also very stupid and badly conceived. The Chinese rebellion in Malaya, for example, was irrelevant because it was not nationalist at all. The only people who were interested, were a group of young Chinese, as Lucian Pye very clearly pointed out. It did not involve the

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Malaya people at all. British policy with respect to continuing governmental principles and the ownership of tin mines and rubber plantations was a positive contribution.

In Burma anti-Nu rebellion was hopeless. Actually, the Burmese Communist party continued to survive, and it is still present along the Chinese border, but it never became a significant political factor. In other words, the Soviets knew much less about the Burma situation than we did. Their policies, I think, were very badly conceived, and I think that we sometimes got over concerned about them. I make no case for justifying their point of view, of course.

As of late '48 and early '49, the idea developed in Washington that if we were going to stop the Soviets from stirring up the third world, the test was itself going to have to do

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something to help the people involved. Thus, President Truman's Point IV aid plan was projected in January of 1949. What did that do to us?

I was put in charge of a group to prepare a Point IV program for India. The President had mentioned India in his famous speech. I assigned two able women on my staff to study the problem of what we could do in economic aid to really help India politically and economically. I quickly discovered that almost every other department in Washington was working on the same task: Commerce, the Treasury, Agriculture, and, of course, the military. These five or six departments had groups who far surpassed in number our State Department staff. I tried to say to the other groups: "For heavens sake, let's not duplicate our efforts. Suppose State talks

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about political problems, you talk about agricultural problems, you talk about India's finances, and you talk about their trade. Then we could hold a general meeting at which we could get together and pool our ideas. We can then come up with something that is really definitive."

I enlisted no cooperation whatever except from one person in the Commerce Department. Others kept their whole staff working because this would justify requested increases in next year's budget. They were interested in the problem purely from the bureaucratic point of view. Thus persisted the lack of cooperation which the OSS had faced during the war from the Pentagon and the Navy Department. The duplication was even more compounded when this Point IV question came under active consideration. This was a part of the disillusionment that

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one encountered in the administrative situation. Bureaucracies tend to grow within bureaucracies, trying to justify their own activities in order to get more money to spend on doing more justification for more money.

In this particular instance, a Point IV plan was eventually worked out for India, and the report which the two ladies in charge did for my Office of Intelligence Research became the basis of American policy, all of which was very gratifying.

MCKINZIE: You would argue that this effort in other agencies had been, in a large part, wasted effort?

CADY: It was, in a large part, both wasted and useless. They didn't have people who were really familiar with India. One of my ladies had been

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born in India and had lived there, and had earned a Ph.D. at Chicago. The other had been to India repeatedly and knew the country's needs. In any case, however, the wasteful nature of bureaucracy became persistently obvious.

The other problem that developed before I left the Department in August of '49 was that the developing climate of world politics, in which anti-communism became the overriding issue and nothing else mattered, became increasingly stultifying. For example, when the State Department decided to give full support to the French reinstallation of Vietnam's Emperor Bao Dai, the move was accomplished only after twenty months of negotiations. It was finally consummated in the spring of '49. U.S. policy was to recognize Bao Dai as the legitimate Vietnam Government, hiding behind that our basic

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determination to help the French put down what we now characterized as part of the world Communist menace. During the previous four or five years the nationalist struggle led by Ho Chi Minh had been attacking French rule. The French had refused to even consider Bao Dai as puppet until China turned toward Mao Tse-tung and Chou En-lai in 1949, and threatened French rule.

What actually happened was that all other relevant political considerations were put to one side. When Lennox Mills asked me in 1948 to write the Burma chapter for his *New World of Southeast Asia* (1949), it took months and months of effort on my part to get the study cleared for publication. It wasn't that I was using classified documents, I wasn't; every single item in my chapter could be authenticated from

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open sources. I was simply applying an understanding of Burma which was not exactly in line with the Department's anti-Communist policy. I was using my understanding of Burma to put forward a more realistic interpretation. In other words, if you were a member of the State Department staff, you not only had to go along with their policy and keep your mouth shut, but

you could not even state your mind in a book as objective as the Mills book was. It was this basic dilemma that drove me from the Department.

MCKINZIE: When you had this manuscript, even though it was based on sources which were publicly accessible, you were restricted on grounds that your account reflected an understanding based on closed material.

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Therefore, you were in a position of having to "not think," in a sense.

CADY: That's right. What I had to do was go to several Policy Division personnel, who were my friends, located across the street in the other building, and say, "Now, I want you to read this manuscript and ask yourself, 'Is it useful or not that the American public have an understanding of what's going on in Burma?'" And the spokesman said after reading it, "I think this is good."

I said, "Please then, tell your successive chiefs up your side of the bureaucratic ladder until your proposal reaches the point where the Office of Intelligence Research side meets it." The problem accordingly moved up the policy side to the district level, and eventually to the Assistant Secretary of State in charge of Eastern Asia. After they all agreed to recommend

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approval for publication, the idea came down to the Intelligence Research side. Eventually my own chief finally and with reluctance, agreed to let it be published. Well, there was just a limit to what you can endure in this sort of thing.

So, I became determined to get down back into academic life where one could have freedom to speak his own mind, to do some writing, and to maintain a measure of intellectual responsibility at the same time. The shift was not easy, of course, because it would be difficult to find a teaching post that would really be attractive, and would also give me a chance to teach Southeast Asian history and East Asian history. Technically my graduate study field had been in Western European history. Yet here I had spent a better part of a full decade focusing on Burma and Southeast Asia. I was eventually able to find

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attractive accommodation at Ohio University in the fall of 1949.

There are lots of other stories that I could include with respect to the White House and the State Department staff. The Foreign Service officers are a very able group of men, and yet their viewpoint and their motivation was clearly directed toward career building. When they are assigned a new responsibility, as a rule, their primary concern was not really to identify and become thoroughly acquainted with the novel situation. They looked forward instead to the next possible move up to some other area in which they can perhaps become even more important. Hopefully, they might be permitted to spend six months or a year at some university where they can really study. Some of the very best of them did exactly that. There was no

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question of the high intellectual quality of the men. Of course, the examinations are very vigorous, and yet there is very little real freedom to depart from any established norm. Glenn Abbey, consul-general at Rangoon in 1946, even though he knew nothing about the situation whatever, was very loyal and backed the things that I wrote; but he made little or no effort to justify them later.

So, what you had was a State Department bureaucratic system in which members were concerned primarily about how the wind is blowing topside and whether your view and your acts would be acceptable in upper level circles. You had able men like Paul Kattenberg, who finally escaped and was able to speak his mind about the Philippines, as he did in the *New York Times* just the other day. This situation I think

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must be kept in mind, and it does not reflect on the loyalty or the patriotism of anybody. Certainly, officers ought to have a larger degree of intellectual freedom within the Department than they now are accorded. Anybody who spoke his mind openly and emphatically in the 1940's was either completely put down, as was demonstrated following Kattenberg's role in the Pentagon papers, or he was simply driven out as were others like myself during the immediate postwar period. The other factor was the dominant position which certain vested official interests assumed in promoting their own concerns. These included the Joint Chiefs of Staff, plus personnel in the Pentagon and the Navy, frequently to the complete subordination of better informed State Department personnel. My colleagues frequently said: "We tried, we tried hard; but we weren't

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able to get through at all to particularly important persons." I think the President himself, of course, should depend policy-wise on State Department personnel who are fully aware of any particular situation. I don't think the latter get an adequate amount of attention paid to them. It depends also on whether an open-minded Secretary of State himself, is in a position to get a hearing for what his honest conclusions may be.

MCKINZIE: Did you have a feeling that any one of the Secretaries of State that you worked under understood the problems of your area especially better than the others?

CADY: I would say that Dean Acheson was easily the ablest of the four Secretaries. Stettinius was hopeless. Byrnes was beyond his depth, and

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had a superiority complex problem with respect to Truman, too. Dean Acheson was conservative and European oriented but very competent and accessible. General Marshall was impressive, too, but we were obliged to reduce every report to not more than two short paragraphs in order to get him to read it. You'd spend two or three days reducing your five-page report to two short paragraphs and thus squeeze all the juice out of it. What's the point of his reading it anyway? Marshall ran the State Department as a headquarters command. One had to recognize Marshall's integrity, and his personal experience in China was an enormous help, of course. I would say that

among the four, Dean Acheson was the only one in whom I developed any great deal of confidence. Not that we agreed on everything, but he was basically open to approach and to new

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ideas. Jimmy Byrnes was also open to a degree, but he was completely beyond his depth and didn't really understand complicated situations. Acheson knew the story pretty well.

MCKINZIE: You alluded, Professor Cady, to the problem inherent with the Foreign Service officer system. Was there a meeting of minds, either professionally or socially, between the academics in Government and the Foreign Service? Do I perceive a kind of cleavage between these two?

CADY: I would say that there was a fairly sharp cleavage. Actually, the Foreign Service officers that I came to know were at the medium level, and some of them you could really talk to. But the top level number one and number two status were usually very distant, at all levels of the Foreign Service. I lectured on invitation to the Foreign

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Service Institute of Georgetown on perhaps a score of occasions. I found that the young fellows coming into it were very promising. They are mentally vigorous and they asked the right question. To lecture to these groups, as I did repeatedly in both morning and afternoon sessions, was a very stimulating experience. But see them two or three years later and you would find that the bureaucracy had begun to get control over them. During my residence in 1967-68 at Bangkok I found that even among the resident Foreign Service officers whom I had known in Washington, and there were several such, I had virtually no communication at all. I served on a Rockefeller Foundation assignment for eighteen months in 1967-68 at Thamassat University, Bangkok. I knew several and we entertained them socially, but at the top level there was virtually no communication at all. In other words, the Foreign

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Service was a kind of closed group or fraternity, an element of an elite bureaucratic structure.

MCKINZIE: The one thing that you haven't alluded to is the Burmese independence in January of 1948. Were you at all involved in how that was to be handled by the U.S. Department of State? Independence anywhere has always presented a problem, and it has been handled well and poorly.

CADY: I think my answer for Burma would be that Clement Attlee, the British Prime Minister, Labor Party, deserves an enormous lot of credit. He knew what our point of view was and yet he made his own decisions. That was much the best way to do it, obviously. As far as Burma's independence was concerned, the mistake we made was to lift its importance out of all proportion,

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partly because the Communists did stage a revolution against Nu. We also presumed that we could use Burma as a lever to influence and support China's Kuomintang refugees assembled in

North Burma. During the three or four years after this rebellion started, we completely alienated ourselves from the Burma Government by actually becoming involved, through the CIA, in this border refugee problem. The situation stank to heaven, because the triangle refugees actually supported themselves primarily by opium production. We were still smuggling arms through to them via Thailand as late as 1968, when I was a resident in Bangkok.

In other words, what you got carried over from the wartime American OSS was this SO and SI operation. It was financed by unvouchered funds and was technically a secret arrangement,

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but it was kept continually operating on this dubious anti-Communist basis. Henry Kissinger, I think, eventually rescued us from this obsession to a very considerable degree; just how far it has disappeared, I'm not too sure. At any rate, our relations with independent Burma were fouled up from the outset by Americans getting over-concerned about the Kuomintang refugee question. Arms of recent American manufacture were long furnished from Taiwan via Thailand; and there can be no doubt about it. The Burmese just decided, "If Americans were going to try to use Burma for their own political purposes, just please get out."

MCKINZIE: Is this false intelligence, Professor Cady, or misinterpreted intelligence?

CADY: Well, this was primarily a misinterpretation

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based on the assumption that Burmese nationalists didn't like the Communists; Nu's government was fighting the Communists at the time. But Than Tun and his group were trying to maintain a situation in Central Burma that they could defend. We assumed that they shared our own official dislike of communism in general. Actually, the Burman Government's policy was to do nothing to offend Communist China, period. They are probably wise in this decision, because the two countries have more than a thousand mile border, and it was absolutely impossible to police it all. So, their policy was not to be subservient to China, but also not to do anything that would cause Chinese intervention. Supporting these opium-producing Kuomintang refugees could very well have done the latter. In other words, I had a great deal

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of sympathy for the Burmese Government in its policy of border neutralization and I still share it.

This pro-Kuomintang policy of 1953 forward was gratuitous, unnecessary, and uncalled for. Foreign Service officers whom I know personally can't talk about it, and I understand why they can't. It's just verboten -- ruled out. Several incidents that I uncovered when in Thailand, involved Burmese nationalists, who were actually taking care of shipping American arms through, presumably to this anti-Communist Kuomintang group. When such agents were caught by the Thai police the latter usually got well paid for permitting the arms delivery. One such incident to my definite knowledge cost some \$150,000 to get one Burman agent out of a Thai jail, and the same man showed up in New York a week later.

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In other words, the State Department says that it does not know a thing about this continuing effort of the SO operation of the OSS, through the CIA, involving the use of unvouchered funds. They don't know about it because they don't want to know about it, and we have had other illustrations of that situation in more recent days, I understand. What you have therefore is a senseless carryover of the wartime OSS and SO-SI sabotage and espionage operations, which are still unquestioned and uncontrolled by the State Department. Such activities have worked, in reality, to foul up our relations with several Southeast Asian countries.

MCKINZIE: One final question, Professor Cady. Despite the fact that this experience was frustrating, was it also beneficial in your own career?

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CADY: As a teacher, a scholar, a writer, a historian, I had a very stimulating experience, not only in the technique of writing for which I owe very much to the wartime research analysis of OSS. They were a wonderful group of people. The assignment gave me a perspective of a certain area of the world which has become far more important in recent decades than we ever assumed it might attain, at the time when I first got interested in it back in the late 1930's. I hope my forthcoming book on postwar Southeast Asia will be out soon, but I do not here want to make too much of a plug for it. It is a study that I simply had to try to do if I would develop a meaningful story of postwar Southeast Asia. Despite this fact one can easily get beyond his depth at times. Still, unless somebody tried to explain developments in their comparative

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aspects, as well as relating them to the immediate situation, we could go on blundering indefinitely in a policy over which we had floundered for too long.

MCKINZIE: Well, thank you very much, sir.

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