

Oral History Interview

With

JAMES W. RIDDLEBERGER

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Washington, D.C.

June 24, 1971

by Richard D. McKinzie and Theodore A. Wilson, Harry S. Truman Library.

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RIDDLEBERGER: Well, now you want to ask questions and then I answer? Is that the way we do it?

WILSON: Yes. If it's okay with you.

RIDDLEBERGER: My voice isn't so good. Does that matter?

WILSON: No, no.

RIDDLEBERGER: I've talked too damn much already, said a lot of things.

WILSON: Maybe we might begin by asking if there was anything that came up in the conference, or that has occurred to you when you read over the transcript,

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about the general issue of the occupation that you might want to comment on?

RIDDLEBERGER: I don't recall anything offhand. But don't forget it's been a long time since I read it. When did you get it out?

WILSON: It was early last fall, I suppose.

RIDDLEBERGER: Yes. It's been, you see it's been...I thought it had been six months or more. You know I read it as soon as I got it, but again though I thought it was very good, but I don't know that I have any particular comment on it.

WILSON: They received some excellent comments on it. The only objections were by that young man Gregory Henderson, who...

RIDDLEBERGER: Oh, really.

WILSON: ...who wanted certain of his statements

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changed. Well, I think we have some questions that may come up. Perhaps we might begin by talking briefly, or asking briefly about your service in London in '43 and '44, when you were Second Secretary of the Embassy. It was a crucial time in U.S.-British relations. Did you deal in any way with postwar issues at that time when you were serving in London?

RIDDLEBERGER: Only incidentally, because I was brought back here for that. But I better explain that I went to London in 1942 primarily to work on economic warfare. We had taken a decision jointly with the British to amalgamate in London the entire economic warfare operation. And in effect the British Ministry of Economic Warfare and the Economic Warfare Division of the American Embassy were put together. In other words, the committees were all joint committees. The decisions were all joint decisions. And the

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operation became a totally integrated affair.

Now this sounds simple but economic warfare was vast in its ramifications. It went not only into such things as issuance of navicents for cargoes which went to the neutral countries such as Switzerland and Sweden, but it entered into the whole question of financial control. So, it was a very big operation indeed.

WILSON: You were in on the ground preparations for the Safehaven program.

RIDDLEBERGER: Yes, in one sense. But what we had to do first was to organize the blockade section of the Embassy, and then put that together with the British Ministry of Economic Warfare, and I concentrated primarily on that. The reason for that being that Winfield Riefler, who had come from the Federal Reserve Bank, and who was in those days the Chief of Economic Warfare Division

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in London, had to concentrate on the war trade agreements, primarily with Switzerland and Sweden. His time was so taken up with negotiations, that in effect I took over the running of the whole blockade section.

WILSON: Yes. Economic Warfare is related to postwar assistance in some important ways.

RIDDLEBERGER: Oh yes. Then the other aspect of it was, of course, what we call the intelligence operation, which was also under Riefler, and on which I would help occasionally, because I was the one who had come out of Germany, just the year before. But the management of the blockade section was so heavy that I didn't have much time to work on other aspects of it. People like Walt Rostow were there, on that side of it in those days. Essentially, I ran the blockade part of it, and put it together with the Ministry of Economic

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Warfare.

Also, because of the connection of many of these problems I became a liaison officer from Economic Warfare Section of the Embassy to the Lend-Lease Section under Averell Harriman. He was running lend-lease in London.

MCKINZIE: What kind of awareness registered with you at the time of the British concern for their own economic future? Surely economic warfare had something to do with Britain's view of itself.

RIDDLEBERGER: Yes. I realize that.

MCKINZIE: Oh, I realize the winning of the war was the most important thing.

RIDDLEBERGER: Very much so. But don't forget that this is 1942. Two things were still happening. The night raids on Britain (the German night

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air raids) were still very heavy. The blitz was over, the day blitz, but the night raids were still going on and they were still very heavy. And on top of that, of course, the losses at sea from submarine warfare were still enormous. So this period was really concentrated on survival, I'll be perfectly frank about it. And while I'm sure that within some part of the British Government--no doubt--thinking was going on; but this was '42 and '43.

WILSON: You mentioned you had some involvement in intelligence work, coordinating intelligence work.

RIDDLEBERGER: I'd be called upon from time to time because I often had personal knowledge that some of these other experts didn't have. But I didn't really work very much in that field. I'd be asked a lot of questions. You must remember

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that I came out very late from Germany, not as late as those who got interned obviously, but I came out, I recall, it was the early summer of '41. And because of the fact I'd been in charge of the representation of foreign interests in Germany I had been able to travel.

WILSON: Yes. So you knew...

RIDDLEBERGER: Jeff Paterson and I were able to travel, because we had the right to inspect camps. And that meant that I went all the way from a civilian camp, let us say, in upper Silesia, for example (where Wodehouse was incarcerated) all through the rest of Germany to the Western frontier, because I had the right to do that. Therefore, I would often have a fairly recent knowledge of the situation in a particular city that somebody else might not have. Of course, I was living in Berlin so I was asked about the situation there. This was

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before the heavy bombing of Berlin. It was earlier in 1941.

WILSON: You were brought back to the United States in 1944...

RIDDLEBERGER: Yes, from London.

WILSON: ...to be Chief of the...

RIDDLEBERGER: Chief of the Central European Division. This brings me back exactly to what you asked me earlier--and that is that at the Moscow Conference in 1943.

WILSON: Right, '43.

RIDDLEBERGER: I did not attend the Foreign Ministers Conference in Moscow of the British, the U.S. and the Russians, of course. It was decided there to establish the European Advisory Commission in London for the purpose of commencing the negotiations

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on occupation, both of Germany and Austria. I was notified of this I would say probably late 1943.

I was told that I should probably be called back to Washington and a reorganization of the State Department was coming, whereby I would be made Chief of the Central European Division; and, therefore, I would be deeply involved in the whole question of occupation. That's exactly the way it worked out. The State Department was reorganized and the former Western European Division was broken down into Central, Southern, Western, and British Commonwealth divisions. I took over one of those divisions in which I was competent both for Germany, Austria and Czechoslovakia.

WILSON: And Czechoslovakia?

RIDDLEBERGER: And Czechoslovakia. That was my

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administrative responsibility within the State Department as Chief of the Central European Division; but in addition to that I was made Chairman of a State, War and Navy (there wasn't any separate Defense Department then), which was given a cover name of Working Security Party. And that was the Washington arrangement for backstopping the negotiations in London in the European Advisory Commission, on which our representative was [John G.] Winant, our Ambassador and Sir William Strang was the Britisher.

WILSON: We would be very interested in having your assessment of first the hopes for the EAC, and then what happened to it. Winant became very bitter about what happened, and the assumption was that he had some idea, some belief that it would work and others did. Some other information that we have there was cynicism from the beginning about

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it. Is that fair?

RIDDLEBERGER: Oh, yes. Primarily in the White House, yes. [President Franklin D.] Roosevelt didn't want to delegate these most important matters. But the question of it working I think can be summarized very quickly. It worked insofar as the negotiation of agreements on the structure of the occupations were concerned. On policy I must say it got, well, practically nowhere, in spite of monumental efforts by the British, and less monumental on our part, and sort of a negative attitude by the Russians. But the control machinery agreements came out of it, and the protocol on zones, and eventually the same thing for Austria.

WILSON: Yes. You put in an enormous amount of time working out specifications--stipulations for control of civilian population, the use of

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police. This sort of thing came out of the EAC. And yet while you were doing this you knew that people like Henry Morgenthau and others were submitting papers...

RIDDLEBERGER: This was one of the most difficult periods in Washington. Difficult for the State Department, I mean.

WILSON: Yes.

RIDDLEBERGER: In that, while technically Roosevelt had approved all this, and had endorsed the conclusions of the Moscow Foreign Ministers meeting, he never regarded the European Advisory Commission as an important instrument. He thought a lot of these important matters should be reserved for him and for [Sir Winston] Churchill and for [Joseph] Stalin. That was his idea. In fact, he described the European Advisory Commission once as not only not being on a primary level,

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but not even on a secondary level and he called it merely a tertiary level. That was the very phrase he used.

WILSON: What sense did you have of his views about the occupation? He was running fourteen horses in a way.

RIDDLEBERGER: His views were very simple in one sense as reflected back to us. That is while we were given the responsibility of trying to carry this out, you see, at this time Roosevelt would say, "Well we can't make these decisions here. Let's wait and see what we find when we get in Germany."

WILSON: There's a suggestion that he really didn't believe the United States would stay very long?

RIDDLEBERGER: Oh, yes. He made that very clear.

WILSON: He did?

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RIDDLEBERGER: Very clear on several occasions. This by the way, is coming out now as the *Foreign Relations* are being published.

WILSON: Yes. Right.

RIDDLEBERGER: I am supposedly writing a book, you know, on American policy in the occupation of Germany. That's the general subject; it's not a title yet. We don't know. I got started on it, but General [William H., Jr.] Draper got me to come here, and while I'm trying to cut down, I don't always succeed. And, consequently, while I've written a chapter and blocked out another one and done some drafting on it, I've had to drop it.

MCKINZIE: Well, we hope you can go ahead with that.

RIDDLEBERGER: I hope I can go back to it someday. And luckily I made no commitment on the timing,

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and I stipulated that at the very beginning. This was an offer that came to me. As soon as they heard I planned to retire (I was still in Vienna) I was asked to do this study. It must have been 1967, and the moment I got back here they (this institute in Washington) asked me if I'd undertake to write this. I said, "Well, I'll see. I will start on it. I will have to go and ascertain what documentation is available." The organization is called the American Enterprise Institute, and what it did was very clever in a way. It publishes primarily brochures that analyze legislation and that sort of thing, but it had one done by Bill Sebald, a colleague of mine. He was [General Douglas] MacArthur's political adviser in the occupation of Japan. They got him to write a short study, not very long, about 135 pages, something like that.

WILSON: Yes. We've seen it. It's very good.

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RIDDLEBERGER: Oh, you've seen it. Not bad.

MCKINZIE: No, no, quite blunt.

RIDDLEBERGER: Quite blunt, yes. As I pointed out to the director here, I said, "You know, Japan was in effect a one power occupation. And there are those who would characterize it as being a one man occupation." I think this has a certain merit too. But, of course, Germany is a very different story indeed. You had these long negotiations, and you had a four power occupation eventually, and a great--well, I can almost say disorder in the policies of the several states, certainly in ours, and how it would come about, and who had the authority to do what and so forth. Then you had, as you properly mentioned, the injection of Morgenthau's ideas. And they played a great role. But the difficulty about writing this sort of study is, that this is a very long and complicated period,

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extending from the time of the Moscow Conference in November '43 (it took until January to get the European Advisory Commission started, that is from the beginning of '44) until the end of the war. In fact, some parts of the Austrian agreement, as you know, weren't signed until the armistice was practically upon us, and that was done at the very last moment. Then we had to arrange for the participation of France, in the occupation.

WILSON: Right, right.

RIDDLEBERGER: This meant a certain rewording, and also meant a redrawing of the zones.

WILSON: Right. And it meant complications.

RIDDLEBERGER: And it meant complications, right. I must say that as the Soviets wouldn't give an inch as far as their zones were concerned,

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the French had to be given zones carved out of what we had thought would have been only Anglo or American zones of occupation.

WILSON: When you came back to Washington, what was the level of preparation? Was the preparation for planning for the occupation just beginning?

RIDDLEBERGER: No, it had not. Now, I can't speak with any authority about the situation within the Pentagon. I don't think it had advanced very far, although later it did. But in the State Department they had made enormous efforts. I was impressed by the enormous preparations that had been made. This was due primarily to Phil Mosely, Philip E. Mosely, who is not back in--is he back at Columbia?

WILSON: He has an office at Columbia.

RIDDLEBERGER: He was the one who set up this research

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division, as they called it then. I've forgotten. It was a longer name than that, but it was really the commencement of the preparations for the postwar period. They prepared a monumental documentation of extraordinary accuracy and care I thought. In fact, in the end I just corralled some of the people he'd gotten, because he then was sent to London to assist Winant on the negotiations. To be perfectly frank about it, I took over three or four of his people to try to get my division going.

WILSON: How solid was the information you were getting about the German economy and about the state of affairs that the Allies would find when they did occupy?

RIDDLEBERGER: I wasn't getting it, that is to say, not necessarily my division. We got it incidentally. But that went into more--that went both into the Pentagon and into the planning in the State

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Department. I mean, the general intelligence side of it. This was a vast flow of it.

WILSON: Yes. We are just going through UNRRA materials now...

RIDDLEBERGER: Yes.

WILSON: ...and we are going through, oh, a number of other categories in the National Archives. And the impression we get is that sometime in early, perhaps even mid-1945, just about the end of the European war there is a reassessment of the kinds of problems that would be found. There is a rather heightened concern for the problem that would be found in the liberated areas as well as in Eastern Europe.

RIDDLEBERGER: Oh my, yes. I should explain one thing to be specific. It comes back to me now in answer to your question. We set up another division in the State Department on what

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you might call the German economic side of it, and the Chief of that was [Charles P.] Kindleberger. They had great confusion on Capitol Hill, because I'd be accused of having said or written something I'd never heard of, and Charlie also. Charlie Kindleberger ran that part of it. And then, of course, I was really deep into the negotiating aspects of the--through the European Advisory Commission, and what you might call the whole political side. Of course, we were drawn into the whole argument over the Morgenthau plan. In fact, I was one of the few people who was present when it was first unveiled.

WILSON: You dealt incidentally I suppose with UNRRA. I'm sure you had something to say about the attitudes of the Department and of the Government toward UNRRA and its role, even though UNRRA was primarily in Eastern Europe.

RIDDLEBERGER: Yes. But UNRRA was not Germany, you see.

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WILSON: Right. But then UNRRA got into the DP question in Germany.

RIDDLEBERGER: That's right.

WILSON: There was a question of UNRRA coming into Austria, and taking the Austrian...

RIDDLEBERGER: That's right. But don't forget that in the end most of the relief then came through the GARIOA for Germany and Austria...

WILSON: Right, right.

RIDDLEBERGER: ...while UNRRA operated primarily in other countries. So, therefore, I didn't myself participate intimately with UNRRA, because I knew that Germany and Austria wouldn't be in it. Incidentally, for Czechoslovakia, I did. Yes. I still had that too. You can imagine in those days Czechoslovakia was something I couldn't devote much attention to.

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WILSON: Oh, yes.

RIDDLEBERGER: I had one fellow on it who knew the language and was very good and so forth. But, apart from begging Truman to let us get into Prague, well, I didn't have the time really.

WILSON: Did the transition from President Roosevelt to President Truman affect your work at all? Was there any change of approach, any new direction?

RIDDLEBERGER: Yes. In a sense that there was a new power conferred upon the State Department. Now, of course, this was all a very interesting period, you see. Roosevelt, even up until his death was still postponing decisions on Germany, because he still hadn't decided. He would decide on these matters later, he said. But he died in April, 1945. While [Edward, Jr.] Stettinius was an awfully decent fellow, and a very nice fellow and I liked him personally, he

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was about as much Secretary of State as I was King of Spain. I mean in the sense of exercising the real power on the important issues of the time. He was concentrating upon the United Nations negotiations, and he was devoting almost his entire time to the prospective conference

that took place in San Francisco. He was still Secretary of State, of course, at the end of the war, when Truman succeeded to the White House. But, actually, it was Harry Hopkins, who I would say was the most important official in matters respecting the Soviet Union, and, consequently, Germany and Austria, and to a lesser degree what you might call the secondary level in the State Department. But by that time a State, War, Navy Coordinating Committee had been established and so we were getting a lot more answers to problems.

To come back to your question, we knew, that is to say division chiefs within the State

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Department knew, very quickly that Jimmy [James F.] Byrnes was going to become Secretary of State. Mr. Stettinius was still Secretary of State, and the decision was that he would remain Secretary of State until the San Francisco Conference was concluded. After all, he had represented the U.S. at Dumbarton Oaks negotiations and all the preparatory work. And I don't think Truman wanted to throw him out, so to speak, until that part of his endeavors had been completed, and I think that was quite right. Therefore, the State Department had this difficult problem of the Potsdam Conference date having been fixed, with a Secretary of State whom we knew was not going to the Potsdam Conference. The prospective Secretary of State being in Washington with Stettinius in San Francisco, and quite frankly what happened was the division chiefs who were involved in preparations for Potsdam went to the Shoreham Hotel to brief Jimmy Byrnes after our day's work

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in the State Department. All that had to be kept very quiet. How much of this can be published later on, I don't know yet.

WILSON: We have to see.

RIDDLEBERGER: But that's the way it was done. And Jimmy Byrnes did not take his oath as Secretary until just before he went aboard the cruiser to cross the Atlantic with Truman en route for the Potsdam Conference.

WILSON: Who was running the department while Stettinius was still there?

RIDDLEBERGER: Will [William] Clayton on the economic side, and a couple of the Assistant Secretaries, Jimmy [James C.] Dunn. I'm talking about Europe now. Latin America was a different matter.

WILSON: Yes. I realize that.

RIDDLEBERGER: Was Sumner Welles still there?

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MCKINZIE: No.

RIDDLEBERG: I guess not.

WILSON: He left in '43.

RIDDLEBERGER: Well, whoever took his place.

WILSON: Well, we have the impression that Clayton attended Potsdam.

RIDDLEBERGER: Oh, Clayton was there. The fact is we went together to Berlin. We flew together.

WILSON: Yes. We have the impression that he was doing some things that were not strictly economic.

RIDDLEBERGER: Oh yes.

WILSON: He was a very strong figure in this period?

RIDDLEBERGER: In fact Clayton was technically the chairman of this committee, which was formed after the big row over the Morgenthau plan. Morgenthau used to always convene the committee

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in his office. He was a Cabinet member, and, of course, as Will Clayton was Assistant Secretary, Morgenthau would always be in the chair. He got around that one. But you know on this subject there is so much now published that I'm just sort of touching a few high points that really go along with that.

WILSON: Yes. That's right. But in the published material and the material that we get in doing our research there are gaps.

RIDDLEBERGER: Yes there are.

WILSON: One of the striking things we've learned from these interviews is that the personal relationships, in the Department for example, often are not reflected in the sort of memoranda that would go from place to place.

RIDDLEBERGER: No, no. They are not.

WILSON: As we were saying, or someone said at that

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conference last year, well, you may have a working paper, or a contingency plan to use a current phrase, that will spell our various...

RIDDLEBERGER: Yes.

WILSON: ...but then what may happen is that the next afternoon, you see, it's thrown out.

RIDDLEBERGER: It's one of the dangers of present publication of these documents, because, you know, you've got to know more or less what kind of approval that particular paper had.

WILSON: Yes. You dealt with this question to some degree during the conference, but we'd like to go over it again. What about the decision to have Army control of the occupation? The documentation would suggest that the Army was not very eager to maintain any long term control of Germany, and that the State Department was equally disinterested. And that for, maybe even

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into 1946, there was a debate about who really should be in control of the occupation, who should administer the occupation, I guess. Is that correct?

RIDDLEBERGER: Yes. But my recollection is that the question of the Army control was settled fairly early, because the State Department, you see in the first place the Army was going to be there and with the physical power. This is where I agreed with Roosevelt in ways. For nobody could foresee exactly what kind of a situation we would have in Germany. No one could be certain that there would be a general surrender. And there was a great deal of talk about the redoubts, you remember, in Bavaria and all that sort of thing, wolfpacks and so forth. So I think that there was early agreement that it could only be the military that would take over in the initial stages. But what is an initial stage? You see, obviously, the

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first couple of weeks or months even, but after that I think it was still open. But I think that certainly in the Cabinet level echelon, let us say of the Government, that it was recognized that it had to be a military affair for some time to come.

WILSON: Some time to come?

RIDDLEBERGER: Meaning more than just a couple of months.

WILSON: There was through 1945 at least recurrence of this phrase, six months, the six-month period.

RIDDLEBERGER: Don't forget, though, the Pentagon had made in the meantime, well, starting in 1944, commenced very detailed planning for occupation and military government, and we knew all that within the State Department...

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WILSON: Right.

RIDDLEBERGER: ...and therefore, it was assumed, at least it was assumed as far as I know more or less generally, that it would be a military government. Now the time on it I don't know. Of course, there again we didn't know what Roosevelt's ideas were, because Roosevelt, you're right about one thing, always had this idea that he was going to get the troops out quickly. That opinion was not shared by a lot of other people; but, however--they are still there in one way or another.

WILSON: Your relations between State and the Army were, I gather, fairly good.

RIDDLEBERGER: Fairly good, yes. Our relations were good. It was Morgenthau with whom our relations were strained.

WILSON: Yes. And I gather that there was some

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continuation of Treasury opposition afterwards.

RIDDLEBERGER: Oh, yes. It even went into the early stages of the occupation.

WILSON: Yes.

RIDDLEBERGER: Particularly on the reparations and that side of things. And [General Lucius] Clay was faced with a pretty delicate situation there for a long time. The Treasury officials being there, you see. And, of course, Truman took care of that after a while by getting rid of Morgenthau. That was his solution for that.

WILSON: And White, too.

RIDDLEBERGER: And Harry White. Of course, Harry White was the moving spirit. And, I think, Harry White really wrote the Morgenthau plan. At least, he was the one who explained it to us. You know where it was first unveiled, don't you?

WILSON: No, I don't.

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RIDDLEBERGER: In Harry Hopkins' office in the White House. Harry called a meeting, and I guess Dunn and [H. Freeman] Matthews and I went from State, Harry White and I don't remember anymore the others that were there from the Treasury, and Harry Hopkins and maybe somebody else from the White House. I don't recall. I think there is a memo on all this

somewhere. And Harry White was the one who did all the talking, I mean, as far as the explanation of their plan was concerned.

WILSON: The interpretation of the early stages of the occupation that has been brought out in the last few years, has been pushed forward in the last few years, and I think won the day at the conference last year, was that the Army attempted to follow to the letter instructions given it for the first year, year and a half. And that it was meeting increasing opposition from the Russians, but also from the French.

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The French were a basic obstacle for General Clay and for the State Department in carrying through the program spelled out under the Potsdam protocol. What happened then--what's the process at least from your perspective--of the change? The decision on the part of the United States Government and of Clay to...

RIDDLEBERGER: Well, I think you have to remember one thing, that Clay felt very strongly, and I think it's probably brought out in his book, although I can't give you chapter and verse on it, that any possibility of developing a common policy with the Soviets on the basis of the Potsdam agreement was made much more difficult, because of the French attitude.

WILSON: Yes, right.

RIDDLEBERGER: Now I'm not sure that it did, personally, but I think he felt that--I think he felt it very strongly, and I think he's never had any hesitation

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in saying so. On the other hand, whether or not it really made any difference in the end I'm not so sure.

WILSON: The French were just acting as substitutes for what the Russians would have done you are saying?

RIDDLEBERGER: Yes. Because I personally could never see, and to give you a very specific example, any intention on the part of the Soviet representatives to carry out the Potsdam agreement that Germany should be treated as an economic unit (even earlier than that--the London agreement) that Germany should be treated as an economic unit.

WILSON: That's certainly a basic.

RIDDLEBERGER: That's basic.

WILSON: Yes.

RIDDLEBERGER: What that meant was that they were taking out resources from the Eastern zone, while

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we were putting in food and raw materials from the West, you see.

WILSON: Was it necessary for a period of time to elapse to bring this fact to the mind of the American public, and to confirm it for people in the executive agencies of the Government, so that you could finally say, "Well, it isn't going to work, this principle isn't going to work and we've got to try something different." Was that necessary, or should it have been done earlier?

RTDDLEBERGER: My feeling is that in many high quarters in the Government, even at the time of Potsdam, there was complete conviction that the Soviets were not going to carry out either London promises or Potsdam promises. On the other hand, don't forget it was a very bitter war.

WILSON: Yes.

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RIDDLEBERGER: The political transition that Truman had to make--was a very complicated one. Don't forget the Morgenthau point of view was still very popular. A lot of people, you know, simply said, well, let the bastards starve and so forth, and Morgenthau is right, etc., etc. Why don't we just convert Germany into a goat pasture. And, therefore, within the United States, as within the United Kingdom, there was this political problem of appearing to change a policy which had been followed. [Henry] Wallace, for example, of course, always tended to side with the Soviet position. I'm talking now of the immediate postwar period. He was very much inclined to criticize us for any change in the policies he approved.

WILSON: General Clay...

RIDDLEBERGER: To illustrate what I mean, I was in Berlin at the time of the [Viacheslov M.] Molotov-

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[Joachim von] Ribbentrop pact, and I was still in Berlin when Molotov came in the winter of '41 to discuss with the Germans the carving up of Europe, not to speak of colonies.

WILSON: Yes.

RIDDLEBERGER: So, let us say that my reaction to the Russians was not exactly one of complete admiration. When in London during the war I would say anything, even in the most conservative circles in Great Britain about, Soviets have their own aspirations, and their own policies, and what they consider to be their vital interests, and they are going to pursue them, I'd

almost be told sometimes that this was--if not treason--at least heresy. One simply couldn't say anything against the Soviets. And, of course, don't forget we still had that situation here in many ways.

WILSON: Yes, yes.

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RIDDLEBERGER: And Roosevelt, of course, had never let out the full picture of our relationship with the Soviets, and this all had been very carefully kept away from the public. They talk about Vietnam today. Of course, I think with regard to Vietnam there's an awful lot given out in comparison with what I can recall about our relations with the Soviets during the war.

WILSON: In a sense then President Truman was a breath of fresh air?

RIDDLEBERGER: Yes. He had one thing, of course, that made the operation so much easier; that is, that had confidence in his Secretary of State. At least he did in the early phases. Now I gather there was a break on later on.

WILSON: With Byrnes, yes.

RIDDLEBERGER: With Byrnes. But certainly in the early phases Byrnes talked for the President...

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WILSON: Yes.

RIDDLEBERGER: ...there is just no doubt about it. And then even after that, when George Marshall came in, the same situation prevailed--the same situation of confidence.

MCKINZIE: Could you help us kind of document this erosion of hope that some U.S. people in Germany had for cooperation with Russians. It started out with difficulties between Germany's economic unit, and I gather repatriation of...

RIDDLEBERGER: Repatriation and so forth.

MCKINZIE: Had a great deal to do with--the Russian conduct in a way.

RIDDLEBERGER: Conduct and so forth.

MCKINZIE: They messed up.

RIDDLEBERGER: And you had great division of opinion in the Army about the Soviets, including such

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renowned figures as [General George] Patton, of course.

WILSON: Yes.

RTDDLEBERGER: No secret on what Patton's views were. But Clay was faced with the Potsdam decisions conveyed to him with full, sordid details. I remember that Matthews and I, I think, got on a plane at the end of the Potsdam Conference and went directly from Berlin to Frankfurt to meet with Clay, and give him not only the signed copies of the Potsdam Agreement, but background details in a long session that went on for I've forgotten how many hours. In addition, he had Bob Murphy right there, who had been through the whole thing. And then, of course, Clay saw the top Army people, as well. I say, didn't [Henry L.] Stimson come to the Potsdam Conference? I think he did.

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WILSON: Did he?

RIDDLEBERGER: McCloy did certainly

WILSON: I'm not sure that Stimson did.

RIDDLEBERGER: Stimson may not have come, or he may have come up for a day, I don't remember. You know your memory can deceive you on things like that.

WILSON: The effort to carry forward this goal of economic unity was--at least according to the published materials--a very long one on the part of the United States.

RIDDLEBERGER: Oh, I should say so. Clay was infinitely patient.

WILSON: Clay claimed, or the assertion was that even the attempts in 1947, the serious attempts to set up a bizonal arrangement, economic arrangement was a first step in bringing the French in and then

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assuming--demonstrating this would work, and bringing in the Russians-the Russian zone. Is that...

RIDDLEBERGER: No. I would doubt that, I mean, whatever hopes they had I think that they had been pretty well dashed. Don't forget that while bizonal negotiations had been initiated, at least in an informal way before the Moscow Conference in March and April of 1947. It was only after that these negotiations for Bizonia were completed. And don't forget at that time we had gotten some pretty strong words from Moscow.

WILSON: What is your view of the reason for the decision to give it up. Is it a matter of just, well, let's make a rational arrangement here? We can't work with the Russians. Let's make some better arrangement to bring Germany back? Was it on a political basis, or we've had suggestions that it was economic, that the pressure to continue to pour money into Germany just was no longer

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making sense?

RIDDLEBERGER: I think it was both. But then you have to remember the circumstances of late '45 and early '46. When Byrnes went to Moscow, and I think it was December '45.

WILSON: Right.

RIDDLEBERGER: He came back and was persuaded that some kind of great effort must be made to give the Soviets satisfaction on their security after this dreadful invasion, you see.

WILSON: Yes.

RIDDLEBERGER: And that's when he conceived the idea of what turned out to be the forty-year disarmament treaty for Germany.

Now, Jimmy Byrnes was determined that that was not going to leak; so he sent for me and told me what he had in mind.

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And he said, "You get busy and draft me a treaty."

I said, "Mr. Secretary, I'm not a military expert. I am certainly not a disarmament expert." But I said, "I assume I can get help. Of course I'll go ahead and I'll start drafting the treaty. I know pretty well what you have in mind, but I'll have to get some help on this."

"Oh, no. No, you don't either, you draft it." When I drafted it I came down to my office in the evening. My wife must have thought I had a girl friend in town somewhere, because I used to come back after dinner, and only my secretary and I knew about this for weeks--weeks and weeks. And of course, I had access to a lot of material that was pertinent to this kind of a draft. I'd go and discuss it with the Secretary. What he'd planned to do was to take it with him to Paris for the upcoming peace conference, you see, and to try it out there when they got to Germany

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on the agenda. In the end he finally relented and Ben Cohen, who was the Counselor to the Department, was allowed to work on it. I wasn't even allowed to tell my own chief. I was frankly embarrassed about it.

WILSON: He really was sold on the idea then?

RIDDLEBERGER: Sold on the idea, and he sold Truman on the idea too.

I said, "Mr. Secretary, here I am a division chief, I am not a soldier, and we're talking about disarmament. How do I know that I haven't forgotten or have left out something very important." In the end he finally agreed that it could be shown to the Pentagon. But his way of showing it to the Pentagon was to take it over himself to George Marshall. There wasn't going to be any lower echelon on this. He had made up his mind it wasn't going to leak, and, by God, it didn't either. Until he sprang

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it in Paris, you know, it never did. And so, we finished it. It wasn't quite finished as the Pentagon did come back with some comments on it, and therefore I didn't leave for Paris with the delegation. This is for the Italian peace treaty but it didn't matter because I knew Germany and Austria weren't coming up early. This was the Italian Peace Conference. So Jimmy Byrnes said, "Okay. You go to work on it, and then don't you send it. You bring it."

And so help me God, that is just what happened.

And he said, "I'll telegraph when I want you."

WILSON: That's very interesting. An incidental question occurs to me here. One of the chief arguments of the critics--historians who are critical of this period is that American-British actions in excluding the Soviet Union from Italy

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were a sufficient justification for Soviet actions in Eastern Europe.

RIDDLEBERGER: Well, I just think it's a lot of balderdash.

WILSON: The Russians used that.

RIDDLEBERGER: They used that, yes, and they never really let the Declaration of Liberated Areas be applied in any part where their forces, in any territories where their forces were in control. We saw that very clearly with Rumania, Hungary and other countries. No, I just can't take that very seriously. That was never considered to have been anyhow, a Soviet zone of operation (meaning Italy).

WILSON: Yes.

RIDDLEBERGER: In fact, there was no Soviet contribution there. I might even add this that there was Soviet--what do you call it--not interference—

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ou know since we couldn't fly over and land in Soviet territory, what would you call that--it was lack of cooperation anyhow on their part. Yes. I'll put it that way.

WILSON: Transit rights.

RIDDLEBERGER: Yes, transit rights. It was the same in Germany. Our planes always had to turn around and come back.

WILSON: On the economic side there was, at least according to Clay and others, a growing pressure in the United States that something had to be done to stop all this funneling money down a rat hole.

RIDDLEBERGER: Now we come back to that again. I really only digressed to tell you about this political background on it.

Then by '46, you see, in Paris when [Andrei Y.] Vishinsky practically threw the

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whole thing out the window, and Clay came to Paris. Clay and Murphy and I were all at the Paris Conference, and we commenced to draft what eventually became Byrnes' Stuttgart speech, which was the turning point of American policy.

MCKINZIE: Yes.

RIDDLEBERGER: That's the background of it. The forty-year disarmament treaty was still on the agenda. It was not really discussed in New York in December of '46; but it was prominently on the agenda for Moscow in 1947. But we knew by that time the chances of this being the key that would open the door to Soviet cooperation--the chances of that were nil.

Am I going too fast?

MCKINZIE: No, no, this is fine.

WILSON: No. It's fine. One of the things, one of the ironies of the period is the effort to

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bring Germany back to a reasonable standard of living. And yet at the same time, the negotiations of reparations and restitution, but, particularly, reparations continued, well, really into 1949, I suppose.

RIDDLEBERGER: Oh, yes.

WILSON: But there is an increasing irony in the continuation of the reparations question, while--and, indeed, in continuing dismantling--while there had been a determination that we must do something for Germany in a rational way.

RIDDLEBERGER: Yes.

WILSON: Were there efforts to say, well, let's just put a stop to the reparations business. It isn't going to go any further. Let's be sensible about this and go in on our own at an early stage.

RIDDLEBERGER: You know, your best person to talk to about that is right here, General [William H., Jr.]

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Draper, who was Under Secretary of the Army, you see, and went through all this. He was much deeper in it than I ever was--that part of it. He just had an operation on his knee and he's back in the office this morning for the first time. He's hobbling around.

To answer your question as well as I can, I think that by December of '46 there was a pretty good--there was realization here that something had to be done to stop this drain on us of putting in aid on one side and seeing resources going out the other end. In fact I regard the Byrnes' Stuttgart speech as marking the big change in U.S. policy.

WILSON: When did you then go to Germany?

RIDDLEBERGER: I went in 1947. I had been there a great deal but I went back to live in '47. I remained Chief of the Central European Division, attending the New York Council of Foreign Ministers

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in December of '46, and Moscow in March and April for seven weeks in 1947, and I was assigned to Berlin in the summer of 1947.

WILSON: Yes.

RIDDLEBERGER: I went straight from Moscow to the bizonal negotiations. So, I didn't come back when Marshall and the others did. I stayed in Germany for a couple more weeks. I had been appointed our deputy for the Austrian Treaty at the table in Moscow. We had Austria, of course, in the Central European Division--and Francis Williamson and I had been busily engaged in

drafting our proposals for the Austrian treaty. And, of course, General Mark Clark was at Moscow for the discussions on Austria.

WILSON: Do you recall...

RIDDLEBERGER: We didn't get anywhere on the Austrian treaty at all. So then it was decided as an interim

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measure to appoint these deputies, and I was actually appointed by Marshall at the table in Moscow. But I was delayed getting home. I didn't get back until a month later, I recall because of the bizonal negotiations. When I saw Marshall, he fished around in his basket and said, "I've got some bad news for you. I know you spent a great number of years in and on Germany, and I know that you told me you were happy about the appointment."

I said, "Yes, I'd like to work on Austria for awhile."

And he said, "Well, sorry, but back to Germany it is." He showed me a telegram from Clay. Donald Heath had just been made Minister to Bulgaria. They were all Ministers to Balkan States in those days. He was the head of the political section in OMGUS. So Clay and Murphy had prepared a telegram saying, "Can't you send him back?" So back I went. Sam Reber became the

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U.S. deputy for Austria.

WILSON: Yes.

RIDDLEBERGER: Then they went through that long series of hopeless meetings. Was it two hundred fifty, I never can remember, something like that.

WILSON: Yes. So you were out of the country at the time?

RIDDLEBERGER: So I wound up my work in Washington and went back to Germany in '47.

WILSON: You had probably no recollection of any role that your division might have played in the preparations for the Marshall speech, or the general idea.

RIDDLEBERGER: I don't think we played any particular role. I knew about it, and I'd seen some of the early drafts on it. I happened to know some people who were working on it, and used to

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hear about it in staff meetings a lot--I mean what was being planned. Because you see, we had the [Dean] Acheson speech, where was it, Mississippi?

WILSON: Cleveland, Mississippi.

RIDDLEBERGER: Mississippi, yes. And that was really the forerunner of it. And so I was conversant to what was going on in the Department.

WILSON: What place did the Policy Planning Staff have in this? We have [George] Kennan's testimony that it was an extremely important device for long range planning. Would you comment on it?

RIDDLEBERGER: I think it depended a great deal upon who was running it, and what his relationship with the Secretary was. It was just that simple in one sense.

WILSON: Was something like that needed at the time?

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RIDDLEBERGER: Yes. I think it was a good thing. At least you could sit down and take a longer look at things. I think a lot of good things came out of that. Because the division chief was overwhelmed in these days, I mean, there were stacks of cables day by day.

WILSON: Did you go back to Germany then?

RIDDLEBERGER: Yes.

WILSON: Before the visits of the various congressional and executive committees studying the European Recovery Program--the [Christian A.] Herter mission and the Harriman group?

RIDDLEBERGER: I can tell you exactly when I went back. I went back in the late summer of '47.

WILSON: Yes. That was after they had come back, wasn't it?

MCKINZIE: I think so, yes, there was Representative Case...

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RIDDLEBERGER: We had a host of them after that.

MCKINZIE: Congressman [Francis] Case from one of the Dakotas, I think, was the Chairman of the Subcommittee on Germany.

RIDDLEBERGER: Yes.

MCKINZIE: And Case kept talking. He was trying to sell the Marshall plan on the basis that by including Germany somehow in this it would take German problems and pressures, the financial drain off Germany, off the U.S. taxpayers back. To what extent--I don't know exactly how to phrase this--was there any advice from the people in Germany that this kind of integration with the rest of Europe would be a good way of solving the problem, which was a monetary problem for the Congress?

RIDDLEBERGER: Right. For the Congress, yes indeed. I think this was more the feeling that something

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had to be done to make West Germany self-supporting again, and that the United States simply couldn't keep on dishing out these enormous amounts of money to keep Germany afloat, while the policy towards Germany was so largely dictated by the Soviet attitude. And I think that sentence passed. In other words, the time had come when we had been more than patient in an attempt to reach a reasonable agreement with the Soviets on their security. We had pursued that aim starting after Potsdam and right on through 1946, really. We tried again, we tried to commit the power of the United States to German disarmament, thinking that might be the key. In fact, I think that Byrnes thought it was the key and maybe Truman did for a while. When they failed completely, as it did...

WILSON: I talked to General Bryan Robertson when I was in Europe. He said that it was his impression that what you said is correct, and, indeed, that the

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fact that the United States Government was having increasingly to pay in effect the occupation costs of the British.

RIDDLEBERGER: That's right. The British and the French too in a way, because of these big loans, you see.

WILSON: Yes, yes. And, again, it was a contradiction in terms. This had an important effect.

RIDDLEBERGER: There were the immediate postwar loans, and I think the British was a billion, wasn't it? I'm not talking of Marshall plan, this is pre-Marshall plan aid. Was it a billion, I forget?

WILSON: Yes, '46 was.

RIDDLEBERGER: Was it seven hundred, I forget.

MCKINZIE: French originally got a line of credit...

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MCKINZIE: More than that.

RIDDLEBERGER: Was it a billion? I forget.

WILSON: The British got about three billion.

RIDDLEBERGER: The British got about three. And that was going down the river, so to speak.

MCKINZIE: It sure was.

RIDDLEBERGER: Now, when did the Soviet troops transit Czechoslovakia, just before the election? Was that late 146?

WILSON: Yes, I believe so.

RIDDLEBERGER: Again a very important indication of what they meant. [Eduard] Benes was still in power.

WILSON: Right.

RIDDLEBERGER: The Czechs were theoretically independent,

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although they had lost Ruthenia. It was before the Marshall plan, before they withdrew the Czechs from the Marshall plan. Wasn't that in November of '46 that the decision to send the two divisions across Czechoslovakia, and let everybody know where the real power was. One must consider all the events that were happening at a given time. To me, as it turned out I'd say the Stuttgart speech was the turning point. Although we still continued to make an effort, as you know, in Moscow in '47 to see what might be done.

WILSON: Germany comes increasingly close to the center of affairs in the next year, really after you arrived, the next year, year and a half. In part it seems to 'us from our information, because the Army--General Clay--took a very strong position with regard to Germany's needs in any larger European recovery program. This was of great benefit to Germany. It caused some problems with

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U.S. representatives in the ECA in particular. Do you have any recollection or comments about that general problem? It's another irony in a way?

RIDDLEBERGER: Yes, yes. Because we were still--you see, of course, the Marshall plan as a separate organization did not really commence to operate in Germany until towards the end of the military government. Of course, the speech was 147, but it was really in '48 before...

WILSON: June of '48.

RIDDLEBERGER: June of '48, before it really got underway. I remember this fairly well, because I took the small economics staff I had in the political advisers office in Berlin, and passed them all over to the new Marshall plan organization. In order to give them some staff people who knew something. Moved them out and moved them down to Frankfurt. Collison came over for,

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what was it called, the ECA then or the ERP?

WILSON: ECA, yes.

RIDDLEBERGER: ECA. That must have been '48. But Germany was existing on the GARIOA appropriations I remember until it was rung in on the Marshall plan appropriations. I think, probably about late '48 or was it early '49?

WILSON: It was brought into the first appropriation. The arrangement, as you know, was that the participating governments in the Marshall plan would get together and spell out their own needs. And the U.S. Military Government, I think [Laurence] Wilkinson was the representative in these negotiations for the Germans.

RIDDLEBERGER: For Germany.

WILSON: And he made a very strong claim for larger appropriations than ECA or the other governments felt was necessary. It's our impression that

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it was not much of a contest.

RIDDLEBERGER: No, because you see at first they didn't even want to let the Germans in the OEEC it was then.

WILSON: Yes.

RIDDLEBERGER: The OEEC was set up for the purpose of allocating the Marshall plan aid together with us. We were the giver and they were the receivers, but the plan was to get both a fair allocation of the aid and the corresponding measures from the European governments to make the Marshall plan aid effective. That had been the fundamental postulate, as I recall, from the beginning. Then we hit this roadblock that they didn't want to let the Germans in. I remember going over to Paris and I think von Mangoldt was the first German representative wasn't he?

WILSON: Yes, I believe so.

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RIDDLEBERGER: He had a very good and easy manner. I think maybe we suggested he be the German representative, but it was still terribly difficult, and the French were raising hell about letting them in. Finally, we had to say that after all, this is part of the whole aid picture now, and there we are. But this took a couple of months to overcome this opposition.

WILSON: Yes. It's obvious that the ECA people, even Averell Harriman, were not entirely sympathetic to your position.

RIDDLEBERGER: No, no.

WILSON: Was it a matter of personal what we might call bureaucratic action?

RIDDLEBERGER: Actually, no. I think it was an honest difference in opinion in many ways. This had developed incidentally long before the end of the war, and was then brought out in this

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most pronounced form during the arguments over the Morgenthau plan. The State Department position was roughly very simple, just like the Morgenthau position was very simple.

Morgenthau said, "Cut Germany up and make all the industrial parts, make them into agricultural land, and flood the mines and stop the coal production and fix it so Germany could never become a power capable of making wars."

The State Department position was that's all very fine and beautiful; but we probably know a lot more about the Germans than you do since most of our people served there under Hitler. This is nothing in the world but rank nonsense.

In fact I said in one meeting, "If the United States wants to export coal from Newport News and land it in Cherbourg at twenty-five dollars a ton, of course, that's one way of doing it. Otherwise, I can assure you in my opinion

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that transport in Europe for some years to come would be by ox cart." I said, "That's another way to do it. This has nothing to do with what I think about the Germans or Hitler or the German crimes or this, that and the other. I'm talking about what to us are the fundamentals of the West European economy."

MCKINZIE: At the time did you...

RIDDLEBERGER: Stimson, by the way, finally spoke up in that. And he said, "Well, I disagree completely with Harry. I think Riddleberger's right."

This was in Stettinius' office when he said it.

MCKINZIE: The Morgenthau approach though had a great popular kind of appeal, you know, for the man on the street. Did you feel any difficulties in explaining this? Just what you said that transport would be by ox cart if...

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RIDDLEBERGER: Yes. But you see, this was during the war, and there was no chance or way to prove any kind of public statement on that. There would be sort of guarded statements about European recovery and that sort of thing. But you're right, the Morgenthau plan did have a lot of popular appeal. And even in Congress where later on, you know, and so forth people said, "What foolishness." Nonetheless, at the time, my recollection is that not many politicians got up and made speeches against it. But these battles were fought out within the Government.

WILSON: One of the crucial elements in changing this attitude was the program of denazification, demilitarization, and so forth. And that, in fact, was used as an argument, well, now we can bring Germany into a larger European community.

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Has that in fact worked in your view by 1948?

RIDDLEBERGER: In a way it worked. It got rid of the top ones.

WILSON: Yes.

RIDDLEBERGER: And, of course, again the State Department was very skeptical about these far-reaching directives on denazification, because most of the State Department people knew how deep party roots went, and how necessary it was to join something if you wanted to live in Germany.

WILSON: We talked to a man named Stanley Andrews.

RIDDLEBERGER: Yes. I saw him a couple months ago at the University Club.

WILSON: Yes, I know. He had some very interesting things to say about his involvement providing German food...

RIDDLEBERGER: Food production.

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WILSON: And he said he just couldn't do these things. He was under orders to kick out the boss of a Bavarian...

RIDDLEBERGER: Sugar refinery.

WILSON: ...sugar refinery.

And he said, "Well, there wasn't anybody." And so what he finally did was to make the janitor the ostensible president, and the existing manager the janitor, and let the janitor run the factory. You know that's the only way in order to get this refinery going again.

RIDDLEBERGER: It's just difficult now to conceive how far some of these Treasury ideas went. For example; in one of the early directives on denazification or demilitarization, or perhaps both of them, there was a paragraph to the effect that all or any monuments to German militarism must be destroyed. I said this inside the committee.

I said, "Now what does that mean? I can

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understand you want to throw a rope around Germania's neck up there at Binger and pull her down. I can follow that one all right, and maybe you ought to tear down the statues in the Tiergarten. I don't know, maybe that's what you mean." But I said, "You see Germany, like any other country, has bridges and all kinds of things that are named after their heroes of the past. Now are we sitting here seriously and proposing that, let us say, bridges be torn down, because they carry the name of some German military hero? I'll take that as a good case. There are probably others."

And the fellow said, "Yes." He said, "Any monument whatsoever, utilitarian and otherwise, must be destroyed."

I said, "We're going to be in Berlin after the war. And it so happens I know about what the sectors are likely to be. I know about where others are going to be. Now, suppose

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you want to come in from where you are probably going to live in Dahlem, or the Grunewald and you take the Hohenzollern bridge down. There's one bridge I know that will have to be destroyed. Well, of course, when you get in town there will be a lot more over the canal and over the Stadtbahn and so forth. They carry names and often they are named after military men. Consider the ones on the Hohenzollern dam, for example, you've heard about that."

They said, "Yes we know that, and that's the thing that has to be eradicated."

WILSON: The core of Vienna would have been...

RIDDLEBERGER: After a while we just couldn't take this seriously. So, of course, we got a lot of modifications in the famous JCS-1067 over here, but there was an awful lot of nonsense still left in it too that in my opinion was completely impossible to apply.

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MCKINZIE: Some of the problems that the military government seemed to face in denazification maybe are close to some of the problems that some of the aid people faced later on when they began their work not only in Germany but in other places.

RIDDLEBERGER: I agree with you.

MCKINZIE: The man who had that job of Point IV administrator before Stanley Andrews, after Stanley left the military government, was Henry Bennett. Bennett made an agricultural survey for General Clay in 1949. Bennett came back and said something about the problem with Germany was that they were a technological society that didn't have American ethical precepts. By virtue of not having the application of Christian democracy, and he was a very religious man in a fundamentalist way, that the problem was that it meant the German agrarians were slavish and politically

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impotent and accepted that role, reduced their women to...

WILSON: Brood mares and draft horses.

MCKINZIE: Anyhow, he was arguing in a sense that the reconstruction of Germany would require more than the kind of assistance that was being given technically, and he wanted to bring in an idea along with it. Was this a problem for the military government in the denazification plan, where does denazification stop and Americanization begin?

RIDDLEBERGER: Americanization begins with occupation. Of course, it was a problem and imagine some captain, down in some Kreis trying to apply all this. He was told on the one hand to do everything possible to get, let us say the wheat or the rye production up, and on the other hand, throw half these people out. Furthermore, people

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forget that German agricultural policy was the result of a Bismarck deal with the industrialists in the 1870 and '80s, of a highly protected market. The junkers were bought off in the East. Of course, that didn't bother us so much in West Germany. Nonetheless, the basis for the way German agriculture was run had been settled, well, I'd say roughly by the 1880s.

WILSON: One obvious explanation was the decision to just stop that sort of thing despite the Bennetts and the Congressmen who would come over and make sort of comments was that-- Germany became essential--it was a frontier--a military frontier. How are we to interpret from

the German perspective the drive in the European Recovery Program and other U.S. Government pronouncements, the drive for integration in this period of '48 to '52, the general attitude of integration? Was it seriously carried forward by the United States Government in your per-

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spective in Germany?

RIDDLEBERGER: Yes. It was carried forward on two fronts. It was carried forward, of course, on the political front after the failure of the forty year disarmament treaty--was carried forward in the attempt to create the European Army. And it was carried forward on the economic front by the first effort to establish the coal and steel communities, that later evolved into the European common market. These are more or less simultaneous. One reason I went to Paris in 1950, I was called over to work for Harriman in the ECA organization (what did they call it that year--it doesn't matter).

WILSON: ECA. Then it became Mutual Security.

RIDDLEBERGER: Mutual Security, yes. And that was my job really. I was political adviser. Meantime Harriman had left--had been brought back to

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become head of the operation here. And I, guess Milt [Milton] Katz took it over, so I was working with him and Paul Porter for another--I guess I was there two years. But I also became, simultaneously, one of David Bruce's alternates in his observer status to the European army. So I got really in on that. Now I got in on that basically for a very simple reason. Not that I had much time on it, but he wanted somebody who knew both Germany and France and who knew both French and German. I think that was wise. So he persuaded the State Department to appoint me in addition to my duties at this headquarters staff of Harriman to be one of the--of his alternates on the European army. He was observer to it; of course, we weren't going to be a member of it. But that meant that I worked on that, but I worked on it mostly in the sense of sort of go-between with the Germans. It so happened that I knew them all very well, and one of them was a very old personal friend of mine,

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and then I knew the language. And, of course, the Germans in those days were far from popular in Paris. I could ease their way socially a bit, and they also had someone to whom they could turn, whom they thought had an understanding of a lot of their problems, you see. Of course, I'd come fresh from Germany, so to speak.

WILSON: American support for the idea of EDC was very great.

RIDDLEBERGER: Oh, you are right in the middle of it.

WILSON: Cyrus Sulzberger in his recent memoirs has one...

RIDDLEBERGER: Yes. I haven't seen those memoirs,

WILSON: Very interesting. He had one diary entry, in which he claimed that some American colonel, George Lincoln or someone was the man who wrote the French draft...

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RIDDLEBERGER: I wouldn't be surprised.

WILSON: ...for the EDC. And Sulzberger's implication was that this was one reason why it failed. The United States ignored history. Would you agree with that?

RIDDLEBERGER: I don't know about that particular part of it. Bruce had [John D.] Tomlinson--he was a Treasury official I think, a very able fellow--who finally more or less took on the whole thing. I had to give it up after a while. I did some of the earlier work. I couldn't continue as I had too much work to do, and so David let me off that one. But it's true that we were deeply engaged in it.

I thought Bruce's touch was so good I would never think that he would ever make that kind of mistake, unless he were asked to provide something. Then he would. What was your assessment on coming into this rather difficult

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environment in 1950, ECA? We've had some suggestion that by 1950 the organization had lost its fine edge. And it was somewhat because of NATO, and because of confusion about what was to be the future of the OEEC, that it was stumbling.

RIDDLEBERGER: I didn't have much time to think about it for a very simple reason. I had no sooner hung up my hat in Paris than the whole problem of the German deficit in the EPU was thrown at me.

WILSON: Yes, yes.

RIDDLEBERGER: That was right. I had come from Germany, been deep in these matters. When I first saw the solution they had worked out Katz asked me my opinion. I had been away on home leave, had returned to Berlin and then I had gone straight to Paris, where he showed it to me.

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And he said, "Well, here we are it looks like we've solved it."

The German deficit in EPU had become a very serious matter. There wasn't going to be any EPU with a couple more months of that drain. And that meant, of course, all the repercussions on the whole Marshall plan activities. The EPU was a sort of central fund, you remember, the European Payments Union.

WILSON: Right.

RIDDLEBERGER: I took one look at it. I hadn't followed the details of it, but I knew the summary position very well.

And I said, "If you're lucky I'd give it 90 days, if you are unlucky I'd give it 60 days."

That's exactly what happened. They had given in too much for the Italian demand to sell fruit, and the Dutch, vegetables, and the

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French, this or that and the other and so forth. Everybody wanted to keep the German market and I could understand that. But the Korean war had started, and if there is one thing the Germans understand they understand what you better do quick if war is breaking out, and they were stockpiling furiously.

MCKINZIE: Yes. You think that had as much to do with it as anything else?

RIDDLEBERGER: And so, the damn thing collapsed. And Katz said the next thing he said, "Okay, you do it, you do it." You've got to keep your big mouth shut. So Ethel Dietrich and I got it the second time.

WILSON: There was vast irritation about the economic policy that Germany--the Erhard business...

RIDDLEBERGER: Yes.

WILSON: ...this really planned or uncontrolled

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expansion.

RIDDLEBERGER: That's right. But six months later the German exports commenced to flow. Germany went in the black, and far as I can remember has been there ever since.

WILSON: Yes. Was there any indication of--I talked to Ludwig Erhard last summer. He made a very strong defense of it.

He said, "Clay told me it would never work, this program. Clay told me it would never work. The United States Government told me it would never work. It was a tremendous risk. He was really--maybe fairly, I don't know--patting himself on the back." But he said, "This was the only way out for Germany, and indeed for Europe. We were following the precepts that the United States had."

RIDDLEBERGER: I doubt if Clay told him it would never work, because Clay was the one who has

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defended it. Robertson was the one, who under instruction, of course, had to say it would never work. We knew perfectly well when the decision came to cut the Germans loose, you see, how much was in the kitty and where it was going to come from. There was a token British support, but the British didn't have any real sort of financial clout, and therefore it was a risk. I remember very well Clay pacing the floor in Frankfurt with Larry Wilkinson and I, I guess (Bob Murphy had gone), trying to decide whether or not we dared to take this kind of a risk, and he did. Now, it's true he was going home. This is right at the end of the military government.

WILSON: Right.

RIDDLEBERGER: And, of course, it's equally true that the time the High Commissioner got started in September '49, the first thing that happened

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was that devaluation crisis. I remember going down to talk to [Dr. Konrad] Adenauer at 2 o'clock in the morning. Francois Poincet was on the telephone to Paris back and forth all the time. The French didn't want too great a German devaluation.

WILSON: What was the relationship of Adenauer to the successive High Commissioners, particularly McCloy?

RIDDLEBERGER: McCloy, fine. Francois Poincet pretty good too.

WILSON: I have been told that Adenauer said that he knew that if he cried with the Americans he would get his way and that he did break into tears on occasion.

RIDDLEBERGER: He was a foxy old fellow. I never saw him shed any tears. Did he say that? It sounds like him.

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WILSON: That's what I heard.

RIDDLEBERGER: He was sick several times, and I remember once at the Petersburg, I arranged for him--I went and got a room, because his Chief de Cabinet who later became Ambassador in London--Blankenhorn told me that the Chancellor was coming to see me.

He said, "He's not well at all, he's had a terrible cold."

(We first had a meeting of the High Commission and then a meeting with the Chancellor.) I said, "Francois Poincet is certainly going to have a good long lunch and so why don't you come on," (this was over the phone to Blankenhorn). "Come on up here and when you're here, and I'll get a room and get" (the Chancellor didn't drink very much) "a bottle of whiskey if he wanted it and give him some. I've got some aspirin, maybe he'll feel better.' The meeting took so long before that we didn't meet with him until about

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4 o'clock. He had a couple of hours to relax. Adenauer was an extremely intelligent fellow, and he understood all the interplay very well indeed. I wouldn't agree with Erhard on Clay telling him it wouldn't work. I think he may have heard that from other sides, but Clay was the one who finally decided to take the plunge and recommend it. And, you know, while it looks all right today, this wasn't so evident in '49.

WILSON: Yes.

RIDDLEBERGER: Because this meant really abolition of controls in Germany. And abolition of controls in a country that has a normal food deficit, whose exports were in no sense restored, and whose industry was just beginning to start up again, I mean in a big way, of course, there was some production.

WILSON: One more general question I'd like to ask

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relates to the question of Germany's future. You know George Kennan has argued that he thought that American policy went wrong. I think this is a retrospective view on his part. He thought that we became too rigid in 1950, about the time of the Korean war, and that we should have kept open our options about the future of Germany. Was that at all a possibility then?

RIDDLEBERGER: I don't agree with George. Now in saying that let me say first that we are great friends. George and I, were both second secretaries in Berlin. In fact, when our families were shipped out we threw together and lived in the same apartment. He has an extraordinary knowledge of Germany. You know his German is practically perfect.

WILSON: Yes. That's what we heard.

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RIDDLEBERGER: Yes, practically perfect. When he talks German I am ashamed of mine and God knows I've lived in Germany long enough. But, you see, he had studied Russian in Berlin as a young Vice Consul. George is extremely musical and has a very good ear. His German is just about as close to perfect as any Anglo-Saxon I've heard who didn't learn it as a first language when he was young. But on Germany I disagree with him but I say all this with a great respect for his opinion, because I have it. I don't agree with George on that part at all. I agree with him about a lot of other things, but I don't agree with him on that. Because I think we were faced with a situation that had to be dealt with globally, and Germany was just one part of it. Now he is talking particularly about 1950 isn't he?

WILSON: Yes, he is.

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RIDDLEBERGER: And he thinks that we should have, as I recall, we should have been a little more flexible with the Soviets. Is that right?

WILSON: Yes, and we should indeed, because the whole question of involving Germany in the Western defense...

RIDDLEBERGER: In the Western defense, yes.

WILSON: ...that should have been explored further. Now what effect this would have on confirming--making permanent--the political division between East and West Germany, and also...

RIDDLEBERGER: The Soviets were still trying to get the Germans. I mean the European army hadn't been finally vetoed by the French Government until several years later, 195...

WILSON: Three.

RIDDLEBERGER: '53, yes.

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WILSON: Or actually early '54.

RIDDLEBERGER: Early '54. I was already in Yugoslavia, I remember it very well now that you mention this...

WILSON: [Pierre] Mendes-Prance was...

RIDDLEBERGER: Yes.

WILSON: His view is, I think, that the massive American military aid, and the political arrangements that went along with the military aid beginning with NATO and going all through

the rest of the Truman administration. And I think his view, and the view of some others was that this was not an appropriate response to the problems facing Western Europe, and Germany in particular. That the response was already going to be one of an American nuclear deterrent, and that this incredible hassling that we got into with the French in giving

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in to the French on Algeria--well, first on Indo-China, and then on Algeria, because of their claims of what they needed for their own...

RIDDLEBERGER: But again we had all this big argument here about Germany picking up its share of the other defense.

WILSON: Yes.

RIDDLEBERGER: And will we have to keep underwriting all these countries evermore, and also say paying all the military expenses to boot, you see.

WILSON: That's very good.

RIDDLEBERGER: Now the French don't come out and talk about this very much, but, of course, the truth is that we were underwriting the Indo-Chinese war too.

MCKINZIE: We know that.

RIDDLEBERGER: Everybody knows that. I don't mean that

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we allocated X million, and said you ship that out to Indo-China. It wasn't done that way; but, nonetheless, that was the effect of it. The aid kept on going.

MCKINZIE: Let me ask--you don't have to answer this question. It's maybe too broad to answer; but what effect did all of this have upon the German people? How were the German people--you were in a position to see them before the Second World War, and you know something about the devastation and the physiological impact of the war, and then the effect of the military government. How were they different by the time you went to Yugoslavia than when you left there in 1941?

RIDDLEBERGER: I left in 1950, and I've never been back in Germany to live. I have been back on German affairs, because I came back here in '52 and took over the German Bureau, and wound up in the big German external debt settlement

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--got that through the Senate.

First I got the contractual arrangements approved by the Senate, which had just been negotiated. This was '52, and then I concluded the debt negotiations, and got that through the Senate before I went to Yugoslavia in '53. So, I've never lived in Germany since 1950; but in effect I've been there, I would say every year probably, since I left. I might have missed one year, but for the most part for one reason or another I have been back in Germany. I don't know that I can answer your question, because I think the Germans have a great capacity for self-deception. Somehow all this went on with other people. Now, the younger generation, you can understand, does not feel guilty anymore than a Southerner feels guilty for slave-owning. He didn't own any slaves.

WILSON: We've looked at a book that came out last year I guess, by a man named John Ney, called the

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European Surrender. Very interesting book but we don't know quite what to make of it. He argued that all this was inevitable, that Germans are now the most American of Europeans.

RIDDLEBERGER: Most American of Europeans.

WILSON: And that, indeed, the war and the occupation really didn't have that much effect but it's because the United States has devised a particular kind of economic and social system that is appropriate for a technological society. The Germans recognized this.

RIDDLEBERGER: They recognized this. I think there is something to that. I haven't read this book.

WILSON: Yes, it's very interesting.

RIDDLEBERGER: I think the Germans now are immersed in prosperity and that has some good sides to it. The revival of cultural life in Germany,

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including the musical and operatic fields and I would say literature. I'm not talking about the counterparts of *Time* and *Life* magazines, although they are quite spicy too and interesting in many ways. I mean, *Der Spiegel*, and all of these publications that they developed such as *Der Welt*. *Der Welt*'s a good paper, by the way. That side of it is all very good, but I agree the way Germany has become the most Americanized country in Europe.

Therefore, many of the older values that the Germans cherished, good or bad, are gone. Whether or not there is something in their character that will cause them to rise again, I don't know.

MCKINZIE: But you wouldn't attribute this erosion of the character and the old values to the occupation particularly. You would attribute it to what--prosperity?

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RIDDLEBERGER: That, but the occupation made the prosperity possible. In other words the penalties for having lost the war were mitigated in Germany after about five years.

WILSON: That's very good.

RIDDLEBERGER: I would put it that way. And there we see a people who in effect have none of the racial problems that we have, who had a great industrial plant, who are educated, illiteracy was just unknown in Germany. I suppose that maybe you had a few retarded cases, but apart from that you didn't have any illiteracy. Highly skilled labor force, no real religious divisions that really matter much any more. And a government composed from the outside that took the major decisions to get them started again. The only one that we didn't take under military government was the *Lastenausgleich* which we had planned to do. Clay had three major policies: The

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restoration of German sovereignty (even though it was limited to start with), the currency reform, and the *Lastenausgleich*, the equalization of burdens. But in effect the Germans were committed to that, even though it was not put through under military government. The plan had been put into effect under military government, we didn't get it. A fourth major problem was the German external debts, which required solution so that there wouldn't be liens issued against German exports. That was undertaken by the State Department and finally accomplished in 1952, and the important ratification was the U.S., because we reduced our postwar claims from three billion to one billion and simultaneously got a settlement on all the private--I shouldn't say claims, I should say all the prewar financial claims. That was also covered in the London Conference, and therefore Germany started out with a clean financial slate. By '52, you

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know, it was launched and the Marshall plan was in operation.

WILSON: This has been very helpful.

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