

Oral History Interview
with
PHILIP TREZISE

With State Department since 1946. Adviser, U.S. delegation to U.N. Commission on Indonesian question, 1948; consultant, report to President on Foreign Economic policy, 1950; deputy director, Office Intelligence Research, intelligence activities, 1943-56.

Washington, D.C.
May 27, 1975
by Richard D. McKinzie, Harry S. Truman Library

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MCKINZIE: Ambassador Trezise, I think one of the things that historians will be interested in in the future is how people came to Government service. Had you intended, in your college training, to enter Government service?

TREZISE: No, it had never occurred to me, in fact, that I would come to Government. I guess I had mind to be a businessman, specializing in labor relations and government; certainly foreign

affairs were far from my mind. But I wound up in foreign affairs by happenstance and that's where I stayed.

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MCKINZIE: Could you explain the happenstance?

TREZISE: Well, I was in the service during the war, and I was co-opted from the Navy to OSS [Office of Strategic Services]. From OSS I was sent to China, where I became, briefly, a China expert. So, at the end of the war, my element of OSS was placed in the Department of State. There I was, still in uniform and subject to Navy orders, though I was in the Department of State. Well, in due course I got out of the Navy, and the Department offered me a job. As against the alternatives, it was about as good as the others in sight and so inertia kept me there. That, really, was quite literally the case.

I must say the reason I was sent to China, interestingly enough, was that I had been offered a job in China before the war at St. John's University in Shanghai. Had I taken the job, I would have been there in time for

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Pearl Harbor. I didn't take it, but the notion that I was interested in China was really quite exaggerated by somebody in OSS. I suppose most things in life are happenstance.

MCKINZIE: As you said, against the other alternatives, this was an appealing kind of offer. Do you recall how you came to be attracted to the State? Was there a particular individual who asked you to come in?

TREZISE: Oh, well, my immediate superior in those days was a man I'd served with in China, a fellow of really uncommon ability and attractiveness. (He's now dead.) He was an historian and a very wise man, and I suppose it was primarily the fact that he was there and was kind enough to suggest that I should stay, that I would have a good career in the Department, that kept me on.

MCKINZIE: Were you, from the very first, concerned

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with foreign economic policy and colonial questions, questions, which, at least during the Truman years, were two of the things that were emphasized?

TREZISE: Well, my first assignment was in the research element of the Department and as a China specialist. I was concerned with foreign economic affairs, but primarily in relation to China. In those days, you know, some people at least had the notion that China would be a great economic power. And there were a number of major questions up right away; reparations from Japan for China, loans to the Chinese -- development questions. In those days, we had rather hazy ideas about development, but we were working on it very early in the game. In fact, we were developing models of Chinese development before the Chinese Communists won the war, and I think, in retrospect, the models would still have some merit.

MCKINZIE: In the subject of development in the

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Truman years there seems to be two rather conflicting philosophies: One was to simply appropriate a lot of money and depend upon the massive infusion of capital, and the other was to build what someone called service infrastructures in areas like China, which ultimately would be able to accommodate capital investments. Did you find the people with whom you worked of one mind, or was there considerable discussion about the approach that ought to be taken?

TREZISE: Well, if I may say, our judgment about China was that infusions of foreign capital and foreign aid, generally, were not going to be a sufficient answer. They could obviously have a role, but we were more of the view that, in this massive continental country, the basic problem was one of mobilizing the savings of the Chinese themselves. This presented a very difficult question, because China, of course, was

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and is an agricultural country, and the savings would have to be obtained from the farm sector. We were, I think, quite prescient in saying what the requirements were, and the Chinese Communists, in fact, followed that pattern.

MCKINZIE: Were you concerned that early about the failure of Chiang Kai-shek to institute any reform in his system? Later, of course, this became a critical problem.

TREZISE: Oh, yes. I think all of us who had served in China or who knew anything about the country were troubled, distressed, at the inability of the regime to pull itself together and to take the measures that we, in our wisdom, saw as necessary. No doubt, they were necessary, but whether they were feasible in a situation like China is another story, I suppose. In any case, this was a general view which, of course, then was overtaken by military developments

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which soon made the prospects for reform pretty academic.

MCKINZIE: Were people who were doing the kind of work that you did concerned at all or aware of the division in the China service, or was that an after-the-fact revelation to those of you who were involved?

TREZISE: Oh, no, it was well-known that the majority of the China officers, so-called, the language officers, were to put it one way, skeptical of the durability of the Chiang Kai-shek regime. But a few were quite of the opposite opinion and were devoted to the notion that we should at all costs, or at nearly any cost, anyway, bail out the Generalissimo. So, this was a well-known division, I should say. The majority view was strongly that Chiang Kai-shek was a doubtful prospect and, in any event, that we should use our influence to try to strengthen

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and improve the character of his regime. The other view was that we should provide all necessary assistance to keep him in power.

MCKINZIE: Was this discouraging work for you then, to be involved in economic planning with such an uncertain client?

TREZISE: Oh, no, it was an exciting period in many ways and a period when obviously historic events were taking place. It was discouraging in the sense that the prospect for an outcome along the lines we had originally envisioned was diminishing rapidly. But, on the other hand, there were these large events taking place. In any event, I stayed on with the China thing only until 1947 or '48, when I went to Indonesia and became enmeshed for the time being in another kind of revolution.

MCKINZIE: May I ask one other question about your work with the China affair? Secretary Will

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Clayton was extremely interested in the reconstruction of China. To what extent did he have any input into the kind of planning that you were doing? Was it by virtue of the knowledge of his position on the matter, or did he have any direct input?

TREZISE: Well, I did not work under Mr. Clayton in those days, and what he thought about China is not something I'm very clear about. But we did have a chronic, persistent question in economic policy toward China; the idea of a massive -- in those days massive -- Export-Import Bank loan, which was to be 500 million dollars. The Export-Import Bank was very unenthusiastic about lending 500 million dollars to the Chinese, considering that it would be a lost cause. And, I think in the main, most people concerned with China came to that conclusion along in '47-'48, as things began to go down hill.

Now, there is a point which is commonly

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forgotten, that we did finally undertake a program of aid to China on about that scale and as a part of the Marshall plan. This is generally forgotten in the history books, but Nationalist China was given a substantial amount of aid under the Marshall plan. The first year, I think, it was about 450 million dollars. And that amount was lower than what the administration had asked of the Congress, which Mr. Acheson, I remember, once pointed out to a congressional committee which was conducting a postmortem on why China fell.

MCKINZIE: How did you get involved in the Indonesian question?

TREZISE: Oh, I was co-opted by Walton [William Walton, Jr.] Butterworth (who died recently), who was then what we would call now Assistant Secretary, I guess, for Far Eastern Affairs -- it wasn't quite that title in those days, I

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believe. We'd come to know one another through some of the work on the Marshall plan for China. He called me one day and asked me would I go to Indonesia where, as he put it, we were

going to get a settlement between the Dutch and the Indonesians; they needed somebody to advise on the economic aspect of the settlement. So, I dropped what I was doing, whatever it was -- I guess I was still working on China -- and I went to Indonesia.

Well, we didn't get a settlement in Indonesia during my tenure there, nor for a long time thereafter. I suppose that it was during that period that maybe a more or less decisive shift in U.S. policy began.

MCKINZIE: Can I read you a couple of sentences written by a very well-known historian about U.S.-Indonesian policy and ask for your reaction?

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During World War II, formulation of U.S. policy toward an occupied territory reflected the U.S. intelligence estimate of the nature of the resistance movement likely to come to power with the defeat of Germany and Japan. If conservative nationalists, likely to shift economic assets of a new state from the old colonial power toward the U.S., dominated the resistance, as in the case of the Dutch East Indies, Washington was anti-colonial and pro-independent. Where, on the other hand, the left controlled the resistance and had a mass base, the U.S. recommended trusteeship or a prolonged but liberalized continuation of colonialism, as in Indo-china and Korea.

That's a sweeping kind of indictment. It's an ideological kind of thing, and I think that one thing that isn't clear on the records is the extent to which it was a consideration of the consequences.

TREZISE: Well, it's sweeping, although rather wrong. In Indonesia, if I could interpret what went on in the minds of policymakers, we were torn between two rather obvious considerations. One, the Dutch, who had been our allies in the war (which had just ended, after all) had suffered

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quite badly and were an integral part of the Western European structure that we were trying to rebuild and bring back to a full part in world affairs. It wasn't easy. On the other hand, here were the Indonesians, struggling as American colonies had once struggled against the foreign master. And I think when Secretary [George C.] Marshall sent Frank Graham to Indonesia as the first American U.N. member of the Good Offices Commission, it was in response to the second of these considerations. I think General Marshall probably -- although he didn't ever tell me this -- had in mind that the Dutch case was not a winning one and that we'd better try to make an accommodation between the Dutch and the Indonesians; certainly, that is what Graham tried to do. And, indeed, over the whole of the Indonesian affair, that's what the United States tried to do, but with much backing and filling, because the European Bureau

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of the Department was very reluctant to make matters worse with the Dutch. There wasn't any really strong view anywhere in the policymaking element in the Department that said that an independent settlement was a desirable thing -- in fact, quite the contrary.

So, as for your source, who sees a disposition to resist the Dutch on economic grounds, nothing could be further from the truth. The dominant view was, "By all means, let's help the Dutch stay there, in some fashion, as best we can." And indeed, I think we would have been happy at any time for a settlement that would have preserved the Dutch economic position in Indonesia. And why not? We were in those days, in effect, supporting the Dutch balance of payments with the Marshall plan, and it would have been a relief of a burden from us, had it been feasible, of course.

MCKINZIE: To what extent do you recall concern.

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over the whole economy of the Far East, with, obviously, China not taking the postwar role that people had anticipated it would take and with Japan still fairly prostrate?

TREZISE: Well, there really wasn't any look at the Far East as a whole -- maybe rightly, because it isn't exactly an integrated, unified place. But the concern was first with Japan, where we had an occupation role and an expensive one, because we had large requirements for aid or for supplies to keep the Japanese, it was believed, from starving and being in a desperate case. There was China, which was rapidly going down the drain so far as American influence was concerned. Then there was Southeast Asia, which was a potpourri of separate issues: Indochina, with a colonial war going on; Indonesia with another revolution; Burma, which had already had an upheaval which led finally to Burma sort of opting out of the whole

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human race; and the Philippines, which was our special ward, having its own difficulties. So, there wasn't any coherent view.

I remember that somewhat later I was briefly in the Bureau of Economic Affairs -- along in '49, I suppose. I wrote a paper saying that we could have something like a Marshall plan for the Far East if we would focus this properly, but the focus would have to be on agriculture. Restoring agricultural output in the Far East would do more to get Japan back to normal and bring a semblance of economic recovery than anything else, and a program built around agricultural recovery would make sense. Well, that didn't get anywhere, basically because most of the skills and competence of the U.S. Government were focused on the Marshall plan and Western Europe. I don't think we could have pulled it off, even if we could have mounted a substantial aid program. We probably did not have the technical skills that would have been necessary

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to make it go.

MCKINZIE: Was it anticipatory, in some sense, of what later happened in Point IV, only that your vision was somewhat larger?

TREZISE: Well, I suppose in a matter of speaking it was. Actually, I guess I was doing my writing to these people who would always say, in a wise fashion, that you can't have a Marshall

plan in the Far East because there's no integrating concept. Of course, there was an integrating concept; it's an agricultural area. Restore agriculture and you'll go a long way. I was much impressed at the time with Japan's requirements for food imports. Subsequently, of course, Japan became self-sufficient in rice, and its food imports now come from the United States, not from Southeast Asia. But in those days it looked as though the recovery of rice production and sugar output would make a great deal of difference

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in bringing Japan into a better relationship with the rest of the area.

MCKINZIE: One of the things that people on missions have to do, particularly on missions like the one you undertook in Indonesia, is determine whether or not the people, if they've received independence, have technical skills and leadership abilities to run the country. What was your assessment of that when you went there in 1948? There are stories about trains that didn't run and that all sorts of things sort of fall apart for a while.

TREZISE: Well, it was pretty clear that independence would mean a very substantial adjustment and that the Indonesians were not equipped, in terms of either the bureaucracy or the private sector, to manage a substantial economy; the assets simply were not there, and the requirements for assistance would be pretty big. We

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offered a plan for settlement along somewhere in '48, and one of the points in it was that the Dutch, as against all other foreigners, would enjoy national treatment in the Indonesian economy. That is, they would be treated exactly as Indonesians in terms of taxes, investment security, and all that, precisely because of two things; first, the Indonesians needed the Dutch, and, second, a voluntary agreement such as we proposed would obviously have to have something in it for the Dutch. National treatment seemed to us the way out. Well, that proposal didn't get anywhere. It was dropped, and it took some more years before independence was achieved, but it was clear then that Indonesia couldn't be a very successful place operating only with Indonesian capabilities, as they were at that time.

MCKINZIE: Was there any feeling, though, that Indonesia might become a burden in the sense

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of Greece, Turkey, Germany, or some of the other occupied areas -- that it might end up as one more load that the United States would have to carry?

TREZISE: No, I don't think so. I think generally the view was -- and rightly, I think -- that this was a fairly self-sustaining place once they stopped having a war. It's not, contrary to what most people say, a country terribly rich in resources; it's got a lot of people. Still, it's not a difficult place to live in. And I didn't foresee any need for massive aid or anything of the sort to Indonesia. I did see a good deal of disorganization in prospect, and it was disorganized then; they weren't fighting very much, but they were fighting enough to prevent any kind of recovery of industrial or agricultural activity. The thing that impressed me most was when we went to Sumatra one day for a visit. I went to a

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plantation which had been reopened, a palm oil plantation, and we went through all the works there. Well, the impressive thing about the plantation was not that it was operating; it was operating a little bit. But it was operating with a platoon of Dutch soldiers in place to keep the place going. Well, you know, you can't run an economy having 50 soldiers on every plantation. And that was the, it seems to me, critical problem that the Dutch were facing, and, which, in a sense, we were facing.

MCKINZIE: Was there any particular reason why you weren't able to follow the Dutch situation on through when you came back from Indonesia?

TREZISE: I turned to other things. I guess I wasn't terribly popular with the people immediately in charge of Indonesian matters, because we had all become, I think, in the mind of some people in the Department, a little bit overly

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tinged with sympathy for a republic for the Indonesians. Anyway, I think I went next to the Bureau of Economic Affairs and then to the War College.

MCKINZIE: Well, at some point you must have developed a great familiarity with what was going on in the Marshall plan and with foreign economic policy in general. That was an absolutely essential background for work you had to do in 1950 on the so-called Gray Committee. There is a criticism in what historians have said of the Gray report. The criticism essentially is that this was an attempt to sell something to the public which the administration had already decided to do -- that in March of 1950, when the Committee was appointed, there was already in process a move toward military expenditures in Western Europe which was necessary because of the dollar gap problem, to keep pouring money

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into Europe because the Marshall plan was going to end. They say that this military assistance program was already on the way and that the Gray Committee was simply to justify it and sell it to the public. I'd like to get you to respond to that.

TREZISE: Well, I think that the Gray Commission, if that's what it was called (I've forgotten now), was set up, presumably, to endorse a decision which the administration wished to make, and that was to continue the Marshall plan for a longer period. I think the conclusion had been arrived at that Europe was not going to be sufficiently recovered by the end of the Marshall plan to justify ending it, and, therefore, the essential task of the Gray Commission was looked upon as setting forth a full-scale justification for a view which was already well along toward being accepted.

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The military side to it, I don't know anything about, but I'm very doubtful. I think it must be remembered -- I know this because I was over at the War College as a student and I was co-opted before I graduated to come over to work on the Gray Commission -- that this would have

been in May of 1950. We were already hard at work when the Korean war began, and the Korean war is what made the military arrangement with Western Europe easily feasible. I don't suppose that without the Korean war we would have had quite the feeling of alarm in this country and elsewhere. Again, people tend to forget; that was a U.N. war. We had troops from everywhere; we had Turks, Colombians, British, an Australian group, a French group. It was a U.N. war, and the world, not only the United States, was genuinely alarmed at what was going on. I think it changed everything. In fact, I know how much it changed what we were

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thinking. We had just begun an exercise which would have focused primarily on the Marshall plan, I suppose, but as we surveyed what the implications of this conflict were, we saw very different things coming forward.

MCKINZIE: This same critic that I've been asking you to respond to had said that the Gray report, which finally came out in November of 1950, advised a policy shift toward the Third World. With that policy shift, there would be a movement away from the development of service infrastructures and away from integration and a move toward military systems which would hold the areas of the Third World to established political pre-conditions for later economic integration. Was that a conscious thing on the part of you and your colleagues?

TREZISE: I haven't looked at the Gray report for a long time, at least that part of it, but I wrote

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most of the part on the developing countries. I don't remember anything about military objectives. We said a good many things about subjects like land reform, which, in those days, I had come to the conclusion was being over-advertised. We said things about the need for technical and economic assistance, but I can't recall, for the life of me, a word about military position in the developing countries. I can't imagine why we would have.

MCKINZIE: I think this man is referring to assistance to Iran and to some South American countries. Can you remember those?

TREZISE: Well, there may be passages, but I don't think anybody in that group would have been so deluded as to believe that military power in Latin America, for example, would have much to do with anything. I'd have to refresh my memory as to what's in the report, but, for

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the life of me, I don't remember any discussions of that.

MCKINZIE: Along the same line, the Gray Committee completely changed its outlook once the Korean war began. Did that give the subject of accessibility to raw materials higher priority in your thinking? There are many people who talk about a kind of underlying theme of protecting the sources of raw materials, and while people in the State Department rarely talked about it -- I mean, in public -- it was a very important consideration in policymaking. I wonder if I can get you to comment on the extent to which you people were concerned about that in writing the Gray report?

TREZISE: Well, I certainly wasn't. I don't recall the details very well, but I don't remember our being concerned with this. There was subsequent to the Gray report the Paley Commission, which

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was set up to do precisely that. It took a couple of years at it. I don't remember being alarmed about raw materials at the time at all. I don't know why we should have been really. Well, you know, this is a recurring thing in foreign affairs, every now and then, we go through a spasm of worrying about security of supply of raw materials. We're going through one now, with perhaps a little more reason because petroleum is now a significant issue. I don't think all the rest of them amount to a damn. Oil and the accident of its location is a matter of consequence, of course.

But anyway, I don't remember that we were particularly concerned. I'd have to look back at the report, but as I say, what remains in my mind is what I think was probably a pretty sensible suggestion about the developing countries, area by area, and what might be done. It wasn't, by any means, a revolutionary document.

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I was certainly not persuaded that immense things could be done or that we could re-do the world.

MCKINZIE: While you were finishing writing that report there were some things going on which changed even the Marshall plan. I'm thinking in terms of the U.S. stockpiling program and the arms program, which created European as well as U.S. inflation. I have a quote from Malone that says that "10 months of raw materials cost France the same amount as all the aid she received under the Marshall plan." I wondered if that sort of problem with controlling that inflation was a normal thing.

TREZISE: Well, yes, in varying ways. Actually, a recovery of raw materials prices preceded the outbreak of the war. There had been a decline, which then was reversed, I think, by about January of 1950. Then there was a sharp

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inflation which lasted only until about the early part of '51, at which time it subsided. And as a matter of fact, raw materials prices then declined and kept declining until the 1960's. So, if the French were unduly burdened with commodity inflation in 1950, they got it back and in good measure in the next ten years.

I've forgotten now what the European section of it said on this, but, obviously, this is one of the facets of the world situation which had changed radically, that the countries producing raw materials were enjoying very heady receipts. Latin Americans, I remember, had come out of World War II with substantial reserves, and they were going to get some more.

One of the questions we raised was what use they could make of these foreign exchange earnings. The other side of it, of course, was that the Korean war also set off an

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industrial boom. The Japanese, for example, came out of the Korean war in shape to begin their miracle. And we did say in the report that we could now begin to dismantle the aid program for Japan, that it was no longer going to be necessary. I might say the command in Tokyo, General [Douglas] MacArthur's command, took this with great indignation and sent an emissary flying to Washington -- in those days it wasn't so simple, either, to fly to Washington on short notice -- to protest this "disastrous" recommendation. But it stuck. And of course, commonsense, in the end, made it necessary to stop giving aid to Japan.

MCKINZIE: There is, of course, always somebody 25 or 30 years later who comes up with some other kind of idea about that. One of them is now that by the U.S. encouraging, insisting upon, European rearmament in 1949 and certainly after 1950, the British, by being so cooperative,

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diverted many industries upon which they had formerly depended for export products into defense production. As a result of that diversion, they weakened themselves, and the Japanese and Germans began at the time of the British rearmament and British contribution to NATO to move into formerly strong British markets. Therefore, the U.S. in encouraging Britain to make strong contributions to NATO, contributed to Great Britain's decline.

TREZISE: That sounds like a lot of moonshine to me. First of all, British defense budgets were not all that large at any point, and Britain's capacity to supply goods for export, I don't suppose, was ever the principal issue. It was, rather, Britain's inability to deal with its domestic productivity problem; but I don't see how that could have had much to do with military production. I'd have to go back over the numbers, but I don't believe it's in any

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sense true that Britain's defense budget was significantly greater than Germany's. The Germans, after all, have a much larger army; it's simply not true.

One can argue that Japan did get some benefits out of its free ride in the military side, although, that is, I think, not a clear-cut proposition. The Japanese had very large unemployment throughout the fifties, and they could have handled a good deal more in the way of industrial production if there had been a market for it. They didn't have a military market, so they didn't produce military goods, but they could have -- not without limit, but certainly on a larger scale than they did.

MCKINZIE: Well, how did you then end up feeling about the Gray report? You spent a good deal of time on that thing. Would you consider that one of the significant documents you worked on in your career?

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TREZISE: Yes. But of course I went on to something else. I have looked at it a few times recently, not in the last year or so, but in recent times. I did look back at that Japan section not

long ago, because I was doing some work on Japan. And I think it was a pretty respectable piece of work for a disparate group of people, drawn from the agencies with a college professor as our principal guide. I think it all would hold together quite well now. It was certainly an interesting summer we spent at the White House.

MCKINZIE: What did you go to from the Gray report?

TREZISE: Well, I became briefly a Near East expert. I was put in charge of Intelligence and Research on the Near East. I stayed with that for a couple of years, back when the Near East was very different than it is now. Mainly, we had a king in Egypt and a dictator in Iraq who were believed to be permanent. The man in

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Iraq, got tied behind a car and dragged through the streets of Baghdad one day for his pains. And then we had an upheaval in Iran. It was an interesting period in the Near East. I became briefly fascinated with it.

MCKINZIE: You had, in those years after the war, a contact with two of the touchy, delicate divisions in the State Department, the Chinese Affairs and then in the Near Eastern Division, where I would assume you found people somewhat demoralized after 1948. Did that present any problems in your work?

TREZISE: Well, on the China thing, of course, there were some good people involved. They all had very difficult times, and I don't think those who were the Chiang Kai-shek people really did much better. One of the great troubles with this kind of thing is that when you become so enamored of something, you start running to

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the press and fighting your battle. That's a sure way to lose position in the end, because if you are known to be somebody who is going to be conducting his struggles outside the establishment as well as in it, you're not really very reliable for other things. And I think that all those who got so deeply involved on one side or the other were hurt. Of course, those on the non-Chiang Kai-shek side got hurt in many, many ways. But those who were the most outspoken would have been in trouble, anyway, I think.

MCKINZIE: Well, in the Near Eastern Division, you had people who had made policy recommendations a couple of years earlier and had those policy recommendations rejected. Some of them were transferred to the fringes of the Division and others simply lingered on.

TREZISE: Well, that was Loy Henderson, I suppose,

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in particular. Loy went off to be Ambassador to India, as I remember, and he landed on his feet all right, more or less. I think George McGhee took over, and then George wasn't affected by anything like that. He was a brilliant fellow who took over. Frankly, I didn't think the Near East people were all that understanding of the Near East. I say this with not much humility because I

was made an instant expert at the time. But, you know, they were clinging to Farouk and Nuri Said, saying that these are the people we've got to work with, that they're going to be there, and so on. And you could see that this wasn't true, that the area was in the process of a pretty substantial upheaval. But it's, I think, an occupational disease in a way; you tend to believe that what is, is and will be so permanently, and you discount all the forces that are likely to change things. And I didn't have, I'm afraid,

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a high opinion of my Near Eastern colleagues. By and large, they were not keeping up. And then when the Egyptians had their revolution, they seized like mad on the next man, who was [Gamal Abdel] Nasser. He was going to be our man. Well, nobody was going to be our man in that situation, especially after our part in bringing the Israeli state into being.

MCKINZIE: Do you remember a man named Edwin Locke, who undertook a mission in 1952, I believe, and came back arguing in strongest terms that if something weren't done very soon in the way of development, there would be social revolution in the Near East? That was rejected for reasons that are not very clear.

TREZISE: Yes, I remember Ed; he had a brush with China at one time. He's now head of the paper industry trade association. I used to see a lot of him when I was Assistant Secretary.

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Yes, I remember that, and it was typical, I thought, of the views in the Near East Section of the Foreign Service. There wasn't much to be done, and this was a pretty stable and orderly place. Of course, you had [Mohammed] Mossadegh in Iran, who turned things upside down for a while, then Farouk was deposed, and then Nuri Said was killed. It was pretty evident that things like that were going to happen, but few of the policy people were ready for it.

MCKINZIE: But the area was beginning, was it not, to receive a bit more attention because of the European requirements for oil which accompanied economic recovery?

TREZISE: Yes, but we were pretty complacent about the oil. After all, Saudi Arabia was coming on strongly as a big oil producer. The Iranian thing did shake people for a while. In fact,

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there again, once Mossadegh took over, everybody conjured up total disaster. The British balance of payments were going to crash because BP was losing out -- or, in those days it wasn't British Petroleum but something else; Imperial Oil, I guess. Britain was going down the drain because of losing the revenue from Abadan and all that.

Well, none of those things happened, either. It was part of a social upheaval that was going on in that area and is still going on, I believe, in many ways -- bringing into power people whose basic antagonism was toward the relatively old-fashioned types who'd been running the place, but who carried along with that an antagonism toward the United States, partly because of our role in Israel but partly because we were associated with the old-fashioned people who were being overthrown. I think we've been carrying that kind of burden all along. It's

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inherent in the world that we wouldn't be a popular power in places that are undergoing that kind of change. How could we be? We were affiliated with a lot of things these revolutionaries didn't like.

MCKINZIE: Did you have some sort of sense of the impending upheaval then that you reported?

TREZISE: Oh, I did a paper once that had a brief notoriety. Well, it was more than brief; it stayed in circulation for a long time. It said that we should expect a series of social revolutions, social upheavals, political upheavals in all of the principal Near Eastern countries. There had been a form of analysis, which was really quite stupid, which said that the problem was that they had lots of poor people and that the poor people were miserable and they might rebel someday. Well, I said that wasn't it. Poor people, by and large, don't rebel; they can't

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afford to. What was really happening was that you had more or less a middle group of civil servants, newspapermen, lawyers, and Army officers who were, partly because of Israel but for many other reasons, disaffected. These were the people who were going to take over. And if we wanted to have influence in the area, we should, begin focusing our attention on this group and gearing our aid and other policies to making accommodations to it.

Well, this got quite a lot of attention in the Department and elsewhere. It was probably as close to being the right analysis as anybody had at the time, but for us to do much about it was not all that practical. We found it great to say we should join with this middle group, but the truth is they didn't want to join with us. As I get old, I have serious doubts as to how much U.S. policy can alter events that are underway.

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MCKINZIE: I take it that at that time there were so many other hot spots; priorities were on Europe and the Korean war was lingering on.

TREZISE: Yes, and the tendency is to always do what you have been doing -- by and large, a sensible tendency. You know, most new ideas are bad ideas, anyway, and I think the function of a bureaucracy like that in the State Department is basically to keep secretaries and political appointees from doing things that are pointless or dangerous. Had we pursued that attitude toward Indochina, we might have avoided some of the traumas we had. But you know that was policy that moved by inertia and eventually led nearly to disaster. Had the White House called for a lot of staff papers at the time of Tonkin Gulf and given six months over to writing position papers, we might not have done what we did.

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MCKINZIE: Well, Ambassador Trezise, thank you very much.

TREZISE: Well, you're very welcome.

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