

#62

~~FOR OFFICIAL USE ONLY~~

Page determined to be Unclassified
Reviewed Chief, RDD, WHS
IAW EO 13526, Section 3.5
Date: APR 08 2013

INTERVIEW

with

JOHN HALLOWELL OHLY
Special Assistant to the Secretary of Defense

by

Steven L. Rearden

and

D. M. Condit

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 11 APR 2013 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 13-M-1113

Washington, D. C.

April 19, 1977



~~FOR OFFICIAL USE ONLY~~

13-M-1113

Interview With
JOHN HALLOWELL ONLY

April 19, 1977

Page determined to be Unclassified
Reviewed Chief, RDD, WHS
IAW EO 13526, Section 3.5

Date: APR 08 2013

ONLY: The first thing I might say is that I very much appreciated the list of questions, recognizing that this was more or less just a guide to the kind of problems that you are interested in. In reading over the questions, I found that there were some areas here where I still may be able to dig up a lot more material, some of which is in Vermont. Therefore, it may very well be profitable to have a second interview in which we could go into certain of these problems in greater depth. All of my material on the Military Assistance Program is here, but I spent so much time trying to figure out some of the problems dealing with the 1947-1949 period I never got around to really reviewing my military assistance materials. So there may be some questions, particularly those that Mrs. Condit is interested in, that I may be able to go into more deeply. And for a few things on DoD reorganization, all my papers are in Vermont. This will depend a lot upon how deeply you want to go into some of these things. For example, I don't remember the details now of the specific organizational steps that were taken in the summer of 1948 in DoD. I do have a very clear recognition of some of the organizational problems we were talking about then but I can't identify the specific reorganization that took place. I think I know what it was. I think I have a piece of paper that showed exactly what happened, but I would want to check it or maybe you'd be able to refresh my recollection.

APR 08 2013

REARDEN: That was the time when the first organization manual came out.

OHLY: Oh, then I do know, because I have a copy of that which I looked at.

REARDEN: I was curious from reading the Eberstadt Report, which came out late in 1948, whether the reorganization in the summer attempted, first, to implement the original concept of the office, and second, whether it changed the role and functions of the special assistants?

OHLY: I think it would be useful to look at the situation that existed in the fall of 1947 when this whole establishment was set up. Frankly, I don't think there was any really significant organizational concept relating to the reorganization of the Office of the Secretary of Defense that had any acceptance at the time that the Act became effective. You faced a series of problems, many of which we didn't appreciate at the time the Act became effective. I've set them down here. They seem to me to have been, and I thought at that time were, the problems that faced the National Military Establishment and particularly the Secretary of Defense. First, there was the problem of establishing within the Defense Department the statutory organs that were specified in the National Security Act of 1947 and getting them to work, plus the job of separating out the Air Force from the War Department and making that

APR 08 2013

There was, I think, very little planning as to what kind of organisation you would have. One other point I might just make. What really happened was that (WilfridJJ) Maxwell, who was one of the three Special Assistants, essentially took on what had been his responsibilities in relation to the Navy, but now in relation to the whole of the Military Establishment: budget, certain administrative duties particularly relating to the Office of the Secretary of Defense in things like space in the Pentagon, and fiscal and financial problems. He brought with him a very tiny nucleus of people who had worked with him in the Navy.

Marx Leva, who had been sort of a special confidential assistant to Forrestal in addition to handling legal and Congressional matters, took over all the legal and legislative functions. The kind of things that, say, involved Mr. Forrestal's relationship with the White House, with political leaders, and things of that kind.

I was left with the rest, with nobody really having too clear an idea what "the rest" involved. Here I should interject one more thought. Forrestal in his own thinking had been quite influenced apparently by British wartime experience, with a war council and sort of an executive secretariat connected with the war council. It was a very vague idea in his mind, although he gave me two little books, one written I think by Walter Bagehot, about how this thing worked in the British setup. He was looking for some sort of an instrument to pull things together and make the operation work. He had the idea, I think, that I'd be sort of an executive secretary, using as

the mechanism for thrashing out and resolving issues the War Council, in which Forrestal would meet with the Joint Chiefs and the Secretaries, and in an orderly fashion we would resolve all the issues of unification and other things that he'd have to face. I'll come back to that more.

Let me go on now to indicate the kind of things which faced the establishment and which somehow had to be responded to.

A third thing that faced the new office -- and I think I may have said earlier that we didn't realize a lot of these things until after we had been operating a while and they simply started hitting us in the face -- was finding the means of dealing with all the other problems of running a military establishment that were not taken care of by the creation of the Research and Development Board, the Munitions Board, and some of the other statutory instruments of unification. Also, we had to work out processes for dealing with these problems and if necessary, establish additional non-statutory institutions to deal with them. An example was the later establishment of the Personnel Policy Board.

A fourth thing, and this is something I think often is not sufficiently emphasized, was finding a way to deal definitively with the huge number of issues that had accumulated since the end of World War II and that were in desperate need of solution. The Military Establishment had been concerned to a large extent with the problems of demobilization -- which had had a shattering effect in terms of people available, institutional morale, and many other things -- and had not really begun to think in depth about the effect of technological advances,

of changes in the world, and how they affected the military establishment. What the role of the establishment would be in the postwar United States. What kind of an Army, Navy, and Air Force you needed. How they would be recruited. There was an awareness of these things, but they really hadn't been tackled in any systematic way. These things simply had to be gone into. They were often not issues that had anything to do with the rivalries among the military forces as to roles and missions or for money, although in many instances the ability to solve them was affected by the fact that there were these rivalries. Some of these issues were problems within the Department of Defense but some were problems that could only be dealt with outside the Department of Defense. They were related to establishing a framework within which the Department of Defense could operate. Unless you had a statement of national objectives, an assessment of the kind of situations the Department of Defense might have to deal with, it was very difficult to engage in effective strategic planning. Then a fifth area was that of dealing not with past issues but with a large number of new issues that kept rising and which, since you had a Secretary of Defense, inevitably tended to move up to his office for resolution. at least until such time as one could establish executive agents to handle certain problems by asking the Army, the Navy, or the Air Force to serve as executive agent, or until you took steps to limit the issues that he would be faced with. Issues just came up in tremendous volume. They came up from the services, from the outside, from the President.

APR 08 2013

A sixth problem, which I suppose really relates to the fifth in a way, was the fact that at that particular time there was a complete lack of readiness in terms of forces, concepts, war plans, and everything else in the event the United States was suddenly faced with fighting a war. This is kind of a background of what, in fact, faced the Secretary of Defense at that time. Issues began to hit him as time went on, and he had as his instruments for dealing with these problems only himself and three Special Assistants. I had no one - working for me, not even a secretary, when I started; I recruited one whom I knew before from the Department of the Army. Marx Leva brought over two very, very junior people from the Navy to work with him. And as I said earlier, McNeil had a small group that had been with him in the Navy Department. Then there was an Administrative Officer, Ralph Stohl, with a small staff to deal with matters of personnel and space. A very competent staff. So, who did what, beginning in September 1947 and thereafter, really was affected by what Marx Leva and McNeil had done in the Navy Department before and by the kind of problems we faced and the best way to handle them.

REARDEN: In a sense, the Special Assistants simply mapped out the territory of responsibilities in terms of what they were familiar with. Is that right?

OHLY: Essentially so. As I recall it, it was the perfectly logical thing. As I said, we had no concept of what kind of things we would be up against the day after the act became effective. Let me jump

bigger issues that came up later on: Shouldn't you have an official executive in the office? Shouldn't you have a military staff in the office? What of a single plans and operations group that would not supplant the Joint Staff or the Joint Chiefs of Staff, but would provide the Secretary with a service-staffed group right at hand, which he could consult, particularly on issues that the Joint Chiefs of Staff did not concern themselves with? Things like that we talked a great deal about and I will get back to those later. Forrestal wanted to make things work and see that these boards like the Research and Development Board got established and that they worked with the Joint Chiefs of Staff when they should. I think he looked on me as the principal contact with each of these different groups and somehow, where their jurisdictions overlapped to ensure that they worked together. Sometimes their jurisdictions overlapped; they simply had to work together on a problem on which they jointly had a interest. This became very important in terms of the relationship of the Research and Development Board and the Joint Chiefs of Staff where there was considerable conflict because Vannoy Bush (Chairman RDB) was a very strong character. He felt that he and the scientists had a tremendous input to make and that it should be made. But the Joint Chiefs of Staff felt he was really invading their jurisdiction. He wanted to sit with the Joint Chiefs of Staff. He also sponsored and finally we got the Joint Chiefs of Staff's acceptance of a Weapons Systems Evaluation Group. That was a long struggle and it was finally decided only at the Newport Conference, after probably twelve months of

APR 08 2013

negotiation, and then it didn't become a reality for a long while afterwards. Then it apparently never worked too well.

REARDEN: In your own office, in the Secretariat, you came to deal with a great number of national security matters. As I understand it, your office was kind of a funnel for these to Forrestal, is that right?

ONLY: Yes, it was completely so. I mean, you can look at it as though this office was in fact that of an assistant secretary of national security affairs. This is what it amounted to. This was something which we did discuss at the outset, the idea that I would be dealing with the National Security Council and those extra-Pentagon agencies on which the Pentagon depended for guidance and support.

One of the things Forrestal spent a great deal of time on, and this is what people forget, was in trying to make sure that these other agencies were established and did become effective. He was very worried about the Central Intelligence Agency. Therefore, he pushed to have a major study made of the CIA, what it should be, how it should be organized, what its functions should be. Out of that effort on his part came the establishment of what was known as the Dulles-Jackson-Correa Committee. It operated out of my office actually, with Bob Elum, who was on my staff, acting as executive secretary. Officially, they were reporting to the National Security Council, which is where their report went and was finally approved. But it was Forrestal who was pushing, pushing, pushing, because he felt that we did not have a

satisfactory intelligence operation. This feeling was shared by the service secretaries, particularly Royall and Symington. I remember one discussion in which both of them said they felt that the air and army ~~intelligence~~ were not at all satisfactory and there was a desperate need to get this other institution going. Forrestal was continually pushing to get the CIA going. Eventually it was organized and General "Beetle" (Bedell) Smith was appointed as a new Director of Central Intelligence.

It was the same way with the National Security Council, although there you started with a very able and interesting person, Admiral Sidney Souers, who was very close to President Truman and who was named to be executive secretary. Forrestal wanted to put that organization to work. If you were to look at the early issues on the agenda of the National Security Council, you would find that almost all of them started with memos either from myself or Forrestal to the National Security Council, saying that the National Military Establishment wanted a policy established. This was his way of trying to force the State Department into addressing some of these issues in a forum which he was sure was the best to take up this kind of problem. Similarly with the National Security Resources Board, Forrestal had me spending a lot of time talking to Arthur Hill, the first chairman, and trying to work out the problem of relationships. There was a real problem of relations between what the National Security Resources Board would do and what the Munitions Board thought it should do. The Munitions Board still held a view that went back to the Joint

mt
NOTE
13-14

Army and Navy Munitions Board of pre-World War II. It had drawn up the industrial mobilization plans for World War II, although they were never really used. The people in the Munitions Board more or less felt that the big job of drawing up an industrial mobilization program for the next war should be theirs rather than that of the National Security Resources Board, and this of course was the source of at least minor conflict. Forrestal devoted a tremendous amount of time and thought to making sure that these other agencies could get off on the right foot. This was clearly one of the jobs that he asked me to work on.

REARDEN: Was Forrestal involved in so many things that he spread himself too thin and weakened his own position?

OHLY: Yes. It was difficult to have fathered an organization -- which I felt and I think and the Army and Air Force generally felt -- that simply could not work with only a Secretary and a handful of people around the Secretary who had no line authority. The Special Assistants had no line authority, although they exercised it; they had to.

Forrestal was a man with tremendous imagination. I would get pieces of paper from him; he would have been on a plane or had been thinking late the night before. I would put these on my issues list, and there would be about 20 or 25 things, from minor points to major points. He couldn't possibly deal, nor could his office, with a fraction of the things that really needed to be done. He did spread himself too thin. It was extraordinary how competent he was in so many areas; he was

APR 08 2013

tremendously curious, tremendously imaginative, constantly worrying about a whole series of problems. And of course a lot of these problems were not getting resolved, and always there were more and more mounting as time went on.

REARDEN: What were Forrestal's relations with others in the government, particularly with President Truman and Secretary of State Marshall? Drew Pearson in one of his columns in the summer of 1948 called Forrestal the "strong man of the cabinet." Do you think this was the case? Was he the most influential man in the cabinet in his dealings with Truman?

OHLY: I would seriously question it. I think that the other members of the cabinet may have regarded him as such. I know that Harriman had great respect for Forrestal, and I think this was true of quite a number of the other members of the cabinet. But I have never been clear that Forrestal had that kind of position in relation to the President himself. Now this is something on which I can't speak with any authority at all. Marx Leva is the only person I know of in our group who saw anything of the relationship of Forrestal to the President. Marx was very close to Clark Clifford and other people in the White House that I barely knew. I had practically nothing to do with that end of the thing. I sense that, even before the problems of the election of 1948 came up, Forrestal was not on the closest terms with Truman. On the other hand, Patterson had been. Patterson was very close to Truman. They were both very much enamored of the Army. Truman, from his World War I experience, was

very much the friend of the GI, and Judge Patterson was very much the same kind of person. They were on the same wave length. Again I never saw anything directly of this relationship, but I just felt that they were two people who were much more alike than Forrestal and the President. Anything I say on this is not really particularly helpful.

REARDEN: What about the State Department? Did you have quite a bit to do with this area?

OHLY: I know that Forrestal had tremendous respect for Marshall as an individual, as apparently everybody did. Obviously he had worked with Marshall extensively during the course of the war since Marshall had been Chief of Staff through that entire period and Forrestal had been the Under Secretary of the Navy during almost the entire war.

REARDEN: In late 1948 during the final phases of developing the 1950 budget, Marshall didn't support Forrestal's efforts to get Truman to lift the ceiling on the Defense budget. I'm perplexed by Marshall's attitude in that case. Earlier in the spring of 1948 he had been talking about having a fire and nothing to put it out, but Marshall didn't really support the Defense program. Did something ever come up in your discussions with Forrestal on NSC or State to indicate the reasons for Marshall's reluctance to support the larger Defense budget that Forrestal wanted?

OHLY: No, I know nothing about that. I can throw no light on your question.

REARDEN: Well, I'm not sure there is an answer for it. It seems as if Truman and Marshall worked on the assumption that there would be no war with the Soviet Union. If you accept this assumption, then everything else they did is consistent regardless of what they said about "playing with fire."

OHLY: Well, Marshall may have suspected, and there was some truth in this, that the size of Forrestal's budget might have reflected inability to resolve the competing claims of the services and to put them down to a lower figure. I don't know that this was the case, but the budget proposals wouldn't have been as large as they were had it not been for Forrestal's inability to resolve conflicts among the services. Marshall, as I say, may have very well have realized this.

CONDIT: The services were still executive departments in this period, weren't they? Between 1947 and 1949?

OHLY: Yes, they were.

CONDIT: Did the secretaries of the departments still go to the NSC meetings?

OHLY: Yes, they were privileged to. They didn't always go.

CONDIT: What determined their going?

OHLY: This I don't know.

CONDIT: Did they go to the cabinet meetings?

OHLY: I don't believe so, but that I don't know.

REARDEN: I believe under the 1947 Act that the service secretaries were no longer of cabinet rank but they were statutory members of the NSC.

OHLY: They were statutory members.

CONDIT: Well they were executive departments, and presumably they could have gone. I have heard that Mr. Truman did not invite them. That was what I was trying to confirm.

OHLY: I don't know. It wasn't particularly relevant to their function and the general kinds of things that a cabinet would discuss when and if the cabinet met. So often these cabinets don't meet as full bodies for long periods of time. It just depends upon how a particular President wants to use the cabinet. And the composition changes; for example, in the Eisenhower administration, the Director of Foreign Aid was a member of the cabinet, Harold Stassen. I'll come back to that later when we talk about problems between the Defense Department and ODMS. But there was a perfectly good reason for the service secretaries going to the NSC, although I have a distinct recollection that Forrestal didn't encourage them to go. This is just a recollection. I never went myself. I had Bob Elum attend with Forrestal. He went with him to the NSC meetings. I never went myself; so I don't specifically know how often they were there.

REARDEN: I haven't seen any lists of who attended the NSC meetings. The Pentagon only has records of action. We don't have any real minutes.

OHLY: I don't recall ever seeing any minutes as such from the NSC.

REARDEN: Were minutes ever kept, for the President?

OHLY: I don't know. I always knew what was going on because Admiral Souers was into Forrestal's office and my office almost everyday and I was on the phone with Jimmy Lay, who was his assistant, very frequently. I knew what was going on, but I just don't know whether minutes were kept.

REARDEN: What happened after the NSC meetings? Were the Joint Chiefs then briefed by Forrestal or someone?

OHLY: Well, he usually took someone from the Joint Chiefs with him. Gruenther quite often went, or sometimes Bradley. This was early, I don't think it was the first few meetings, but if I recall, Gruenther often went. Bob Blum, who usually went, I think took on the job of briefing those people who needed to know what had happened. Have you had an interview with Gruenther yet?

REARDEN: No, I haven't.

OHLY: This is a person you must talk to because he is really remarkable. He has a very wonderful memory; he can probably give you dates and hours of everything that happened.

APR 08 2013

REARDEN: I'm looking forward to meeting him. I would like to ask you one more question, then I think my colleague should be given a chance. I came across in the War Council minutes a discussion by Forrestal and McNeil about the need for having an integrated strategic plan and using this as a way of rationalizing or developing a budget. I've talked to others who served on the Air staff at this time who say they knew nothing about this notion at all. This is a new revelation to them; they never heard about it. This led me to wonder just how seriously Forrestal took this notion of developing a budget around strategic concepts? Was it seriously considered?

Handwritten note:
Forrestal
McNeil
Budget

ONLY: Not only did he take it seriously, it was almost central to his thinking. The fact was that progress was not being made very rapidly in developing a strategic concept around which the budgets in the period you are talking about could be based. One of Forrestal's first requests to me was to see if we could not get a statement of national objectives out of the National Security Council. Of course, the military would participate in the development of these. We needed a definitive statement of national objectives from which could be developed a strategic concept and the kind of military forces you needed. It was as a result of that request that I drafted and sent to the National Security Council the memorandum that started the first of a succession of NSC studies and decisions on a general national security policy. This became NSC 20. It was a predecessor by two or three years of NSC 68, and there was something between NSC 20 and NSC 68. NSC 20 was narrower in that it probably overemphasized

relations with the Soviet Union and the kind of forces we had to have because of the attitudes of the Soviet Union; it did not look at things perhaps as globally as some of the later papers. Forrestal was counting on the results of that paper when it was finally finished. George Kennan was the man at State Department assigned to write a sort of State Department initial draft of the paper, but it went very slowly. In looking into the question today, I noted that, as late as the summer of 1948, there had not been a completion of the NSC 20 process.

This was mentioned either by Forrestal or someone else in a meeting with Forrestal as a reason why we had made less progress on three issues that the military felt were important: One was a statement of national objectives as they affect military preparedness; the second, the completion of strategic plans in the light of national objectives; and third, an inventory of international commitments that might affect the composition and obligations of the military forces. All of these things were still lacking in the summer of 1948. You really couldn't tie your budget into a well-rounded statement of national objectives. One of the big problems at that time was that we didn't even have an emergency war plan, an intermediate war plan, and a long-term war plan. Marvelous names were given to these things: HALF-MOON, COONHILL, and DROP SHOT. DROP SHOT was the name for the long-term war plan. They were all in very poor shape. With all these conflicts as to what each service would do, what was going to be the place of new weapons, what the future forces, roles, and missions were to be, and other

confusions, you just couldn't at that time tie it to a strategic plan. But I don't think he abandoned that by any means. It certainly did not come up later in the War Council, but as you can tell by reading the War Council minutes the issues discussed there became less and less important as time went on. It simply wasn't an effective vehicle as Forrestal used it to decide things.

REARDEN: I have a feeling also that Louis Johnson wasn't as concerned about this aspect of Defense planning as he was simply in adhering to Truman's budget ceilings.

OHLY: This could be true. I don't know. I was not involved in that aspect.

REARDEN: The impression I have is that Johnson was just interested in towing the line on the budget.

OHLY: Well, he thought in very, very different terms from Forrestal. Forrestal had this idea: Establish national objectives, develop a strategic concept designed to carry out those objectives, and build budgets that would enable you to do so.

CONDIT: On this line, how do you feel Forrestal would have reacted to the North Korean aggression?

OHLY: Let me ask you by "reaction" whether you mean he would have supported . . .

CONDIT: Supported U.S. involvement in a response. On June 25, 1950.

APR 08 2013

OHLY: Yes, I think he would have supported a response.

CONDIT: And yet there was no real plan, if I get it right, for a limited war at that time.

OHLY: No, but basing a budget on a plan or pushing to have plans doesn't mean he wouldn't react in the unexpected situation. I'm quite sure Forrestal would have favored moving ahead, although he might have been somewhat more cautious. He had an understanding of the limited capabilities of the military establishments. At the particular time he was Secretary of Defense we really had very few ready divisions and I can remember the first discussions after Johnson came in. We had a long two or three day meeting at Key West with the Joint Chiefs of Staff -- Louis Johnson, myself, and I guess the service secretaries. I can remember General Collins describing what we would have to do if the Soviets moved into Europe and how little we had to do it with. The position of the Joint Chiefs of Staff at that point was that the best we could do was to hold up at the Pyrenees; we would have to drop our forces south of the Pyrenees and have a buildup in Spain.

CONDIT: Was this known to Europeans?

OHLY: Oh, I doubt it very much. I don't know whether his judgment was right, but I can remember his describing in great detail the tentative thinking of the Joint Chiefs. It was not a war plan as such; I guess it was a temporary war plan. He was saying this was what we would probably have to do if the Soviets really moved with all

they had, unless we resorted to the use of atomic weapons. So we didn't have very much to deal with. Forrestal was quite conscious of the fact that he did not have well worked out plans, that he did not have equipped divisions, and that they were spread very thinly. We had troops in Japan, troops in Europe, in occupation roles. I don't think we had more than a couple of divisions that were ready to move anywhere. I have figures on that somewhere, but that is something you could check.

CONDIT: I think I've seen the figures -- three or three-and-a-half for 1950.

OHLY: It was something like that. And the reserves were in no shape.

CONDIT: Well, the idea behind the economizing was that we could be ruined strategically by economic measures. Was this not Truman's great fear, that if he put too much money into the military he could ruin the U.S. economy and that the Russians could win by default, through our own economic ruin? I was wondering how much Forrestal went along with that sort of thinking?

OHLY: I don't know. I do know, on a slightly different point, he was worried about the effect of large military expenditures on the inflation that was going on in that period. That postwar inflationary period was quite severe. He was also very interested in giving a great deal of attention to increasing American capabilities for thinking about economic warfare. This I do know.

CONDIT: By economic warfare, you mean things like preclusive buying of strategic materials?

OHLY: Yes, preclusive buying. All the instruments of economic warfare that you do use in a war. Now he wasn't thinking of applying them at that moment, but he was thinking about being ready to implement an across-the-board economic warfare strategy if necessary and to have people in government thinking about how to do it.

CONDIT: Was this part of his interest in NSRB?

OHLY: In NSRB and NSC. This was a part of looking at the security problem as a total problem and of making sure someone in government was doing responsible work to get us ready for anything that might happen, in any sphere in which we might operate. Like economic warfare. Or covert operations; defense against and the use of unconventional types of warfare; biological warfare, defense against it, use of it; chemical warfare. All of these things. Memos would come out -- get some group going to study this. We even ran some experiments in the Pentagon. Sounds like the things that came out in the paper about what we were doing in Philadelphia. I had a group working on problems of defense against unconventional warfare, and they wanted to see if they could knock out the Pentagon. They infiltrated the furnace with some "poison" gas and they had the whole Pentagon covered within a couple of hours. Of course, this wasn't a poison gas, just a harmless substance; but they were trying out the different things that could be done and trying to figure out how we could be prepared.

In connection with these questions (by Dr. Rearden), there are quite a number of things that I haven't said that I would like to say. One was the matter of the relationship among the ~~Special Assistants~~. We talked somewhat about the different functions which they had, but I think something ought to be said about the personal relations among them and how closely they worked with one another. This did have an important effect, I think, on what was accomplished and the spirit of the office. I mentioned before that I had had a prior association with Leva; I had not had any contact at all with Wilfred McNeil. I met him for the first time the day I was sworn in as a ~~Special Assistant~~. However, it is important to emphasize the closeness of the relationship we had, both in our work and personally outside of work. I might say something about the physical setup of our offices. On one side of Forrestal's office was a room for his secretary; beyond that, rooms in which his military aide and his personal public relations officer were located. Beyond that was the room Marx Leva had, and beyond that was the room I had. Well, Marx Leva and I were in and out of each other's offices perhaps 50 times a day. Since my room was significantly larger because it was at the end of a corridor, he would often use it for a conference or we'd have joint meetings in there. McNeil was located in an office immediately on the other side of the Secretary of Defense, with a dining room lying between Forrestal's office and McNeil's office. So we were in close physical proximity. In addition, at least during the first six or eight months, before we got so involved in so many different things, we had lunch

every day together in a small dining room right across the hall from the Secretary's office, usually just the three of us, sometimes with the military aide and one or two others added. This gave us a chance to talk and exchange ideas. It was an important part of the process of the operation of the office.

We became extremely close personal friends, to the point where McNeil's daughter was married during this period and I think the only people at the wedding, apart from the bride and groom and the parents of both, were Marx Leva and his wife, and my wife and myself. Our association has continued ever since on very much the same scale, although Marx Leva is a much closer friend than McNeil. McNeil is, I guess, ten or fifteen years older than I am. Marx is probably three or four years younger. Marx and I thought much more closely on most things. We attributed it to being far more objective than McNeil. McNeil was very much pro-Navy, still is. He is, I think, more interested in the military defense aspects of security problems than in some of the broader problems that were being considered by the National Security Council, or some of the political problems that Marx Leva was up against in the relationship to the White House.

I worked with McNeil much less closely. His work was specialized in the budget area which crossed my area only insofar as I was dealing with the Joint Chiefs of Staff. I was dealing more on the policy aspect of it, whereas he was dealing with the financial and budgetary consequences of it. There was no serious conflict. There was later, when I was in military assistance and he was still in the Department

APR 08 2013

of Defense. But while I was in the Department of Defense, there was none. On the other hand, in dealing with legislation, Marx Leva was in many cases carrying through the things that I was working on substantively, such as revision of the military pay system, revision of the military justice system, and all of the substantive problems that have to be dealt with through different boards. He was picking it up and putting it into legislation and getting it through Congress insofar as it required Congressional action. So, we inevitably worked very closely. This was particularly true on military justice. He set up the task force that went into the development of the uniform system of military justice; I followed up on it and also arbitrated the differences between the services when the final report came in; then he embodied it all in legislation and got it through the Congress. It worked similarly on some of the other things. I wanted you to have this, because I think there was absolutely no aspect of jealousy or contending for power, even where there might be differences of opinion on things.

CONDIT: Did the difference in background between you and Leva on the one hand and McNeil on the other make it harder for you to have empathy or rapport with McNeil?

OHLY: Well, I think that is probably true. McNeil came out of a banking background, was very business oriented, far more conservative in his outlook than either Marx or myself, had been far more a part of the Navy establishment than Marx Leva. Marx had been on a PT boat

or something like that during most of the war and had come into Forrestal's office almost at the end or after the end of it. McNeil had been at headquarters during most of the war and had absorbed the Navy outlook on problems. I don't want to be critical of that, but it is a very specific point of view. (You probably noticed this down in Lexington. The historians in the Navy Department were quite a different animal than the historians from the other two services.) Sure, there was a difference in outlook. Both Marx and I are lawyers, and I think lawyers approach problems in a slightly different way because they have to represent all points of view depending upon who their particular client is. I do think they tend to be somewhat more objective, and at least in the case of Marx and me certainly, more generally liberal in outlook than I think McNeil was.

CONDIT: McNeil thought the MacArthur solution to the Korean war was the correct one.

ONLY: This is a characteristic of his thinking.

Dr. Rearden referred to the summer of 1948 and asked specifically what the organization manual was supposed to represent. I think it was simply a reduction to paper so that everybody would know who was responsible for what and what had been going on. You asked whether Forrestal was deep into the discussions of it; I doubt that he ever even read the thing over. I think this was developed by Ralph Stohl and his office and checked with the ~~Special Assistants~~ and we all may have made suggestions. I think we did. With that having been

APR 08 2013

done, I have a feeling that Forrestal just approved it as it was. But there were at that time some very serious organizational problems which were emerging. People in the services were not at all happy by the organization in the Office of the Secretary, they were confused as to who was doing what and as to what authority each of the Special Assistants had. They resented -- and I don't blame them, but on the other hand we had very little choice -- the tendency for Leva, McNeil, and myself to act as though we were assistant secretaries or under secretaries and simply make decisions or sign memos to the secretaries of the services directing them to do things, either alleging or not bothering to allege that we were doing it by the authority of the Secretary of Defense. This was done simply because there was no other way to make the business go.

There was also a feeling that there should be an Executive, someone who would make the place run, who would route things to the different special assistants or to the different boards. I was doing this pretty much on a shoe string, keeping track of things on paper. This was no way to run a big office, but I had no help and very little management talent anyway, no real sense of organization. There was a need for an executive sort, and Louis Johnson recognized this immediately upon his arrival, whether by personal observation or as the result of soundings he had taken with people in the services before he came on board, I don't know. There was also a tremendous amount of discussion, as I previously mentioned, on the idea of establishing some sort of a military staff, possibly under a civilian director or possibly under a military assistant to the Secretary, which would have both civilians

the
W
30

and military in it, and which would handle on a broader basis than had been done before the whole area of political-military affairs, something like the organization that eventually grew up under the Assistant Secretary for International Security Affairs. Under at least one of the concepts being thought of then, it would handle other matters of largely a military nature that came up to the Secretary of Defense and that were not matters of concern to the Joint Chiefs of Staff. These things were very much under consideration during the last part of 1948 and early 1949 but nothing was done about it until after Louis Johnson came in.

There were, of course, the amendments to the National Security Act of 1947, which had been drafted before Johnson came in. They did make some organizational changes but not within the Secretary's office, except that they provided for the establishment of a Deputy Secretary and three Assistant Secretaries to take care of the lack of line officials.

Incidentally, if you can find them somewhere, you ought to read the records of the very informal meetings that we had during August, September and October of 1948. I think there were four or five meetings in which we went over all of the 100 or 200 unresolved issues that there were in the Department of Defense at the Forrestal level at that time. Many of them related to organization, many to the operations of the Joint Chiefs of Staff and the issues before them, and many to the still unresolved issues of unification such as the establishment of unified medical services, the Personnel Policy Board, and all of those things. These meetings were based on things that had been

coming out of Forrestal's office and the constant flow of business.

I drew up this list after talking with McNeil and Leva.

REARDEN: Is this the issues and projects list which I have seen references to?

OHLY: I don't know what it was called. I drafted it in August 1948. This is not the list that I drew up for Secretary Johnson, of which I have a copy here and that you have probably seen because I know it's in the file. This is one I drew up in August 1948 as a preliminary to this series of meetings which were held. We would have supper in the Pentagon and then work to 10 or 11 o'clock going over these. It started as a small group with Marx Leva, McNeil, and myself always there, and Forrestal's military aide, and then sometimes with the addition of General Lutes, and always with General Gruenther, and in the later meetings, with the three service secretaries there plus John Kenny, the Under Secretary of the Navy, and probably one or two others. We would sit around a table and a great deal of business was done and a great many things were decided. The discussion, which I reported in the record, is very interesting, particularly the discussion of organizational problems, the different views on whether you should have a Deputy Secretary and Assistant Secretaries. The services took quite predictable views on this. The Navy was against anybody except Forrestal having any sort of line authority. The Army and Air Force both believed that you had to have someone as an alter ego to Forrestal with authority, but they had some difference of

view as to whether you should add to it another Secretary and Assistant Secretaries. Forrestal finally decided, as you know, to send up legislation to provide for a Deputy Secretary and three Assistant Secretaries.

REARDEN: I haven't seen any records of those meetings.

ONLY: Well, there were four of them, maybe five, and they took place between the middle of August and the middle of October. The Newport meeting of the Joint Chiefs of Staff could almost be considered as part of that, because a lot of the same people were there and for three days we addressed some of the same issues that we had been talking about in this series of evening meetings. We were able to dispose of them at Newport.

REARDEN: There was something that was kept for a while called the Secretary's monthly calendar. Do you know what I'm speaking of?

ONLY: I'm not sure that I recall exactly.

REARDEN: It's a monthly summary of activities in OSD, the Munitions Board, the Research and Development Board, a little bit on the Joint Chiefs of Staff. It ends in mid-48. There aren't any copies, at least that I know of, after that, but it's a very helpful summary of what goes on in the office itself.

ONLY: I just don't know, but very possibly I prepared it. I was doing so many things at that time, I just don't have any recollection.

The records of the 1948 meetings were very, very limited things. They were not mimeographed or anything like that: there were just a few copies. There were some other lists that I prepared earlier of issues just to keep Forrestal abreast of where things were.

One very serious problem was the tremendous backlog in the Joint Chiefs of Staff. I went down there and spent three or four days going over every paper in their files and finding out the status of it, who had or had not approved it. I came back and gave Forrestal a report and followed up on that every month or so afterwards. I think I went down there in June 1948 probably; this is when the backlog built up of things they were doing nothing about and were just split on. It had gone to the point where Forrestal didn't think he could let it go on.

*JCS
and
checked
in
my*

REARDEN: That's interesting, that the Joint Chiefs of Staff would let you go down and go through their files.

OHLY: They didn't have any choice. I was operating under the instructions of the Secretary of Defense.

CONDIT: They did not see themselves then as separate and equal?

OHLY: Not in terms of saying to the Secretary of Defense you can't see what our files are. It actually was no problem because the Director of the Joint Staff and Admiral Lalor, who was his assistant, were both very close to me. General Bradley, Army Chief of Staff, was a close friend of mine. All three of the Chiefs I knew personally. They

knew that I had been working in the establishment; I don't think they would have thought of holding back. They might have in terms of annexes to the war plans but I wouldn't have had the bad judgment to ask to see things they felt there was no reason for me to see. No, there was no problem about it. In fact, I went down and actually sat through meetings with the Joint Chiefs of Staff on two or three occasions in that period -- just to see how they operated, not participating. Maybe they resented it, I don't know. If so, I think it was only the naval member because as I say both the Army and Air Force Chiefs of Staff were people whom I knew intimately.

REARDEN: The Joint Chiefs have certainly changed their style of doing business since then, haven't they? Certainly we don't get access to Joint Chiefs of Staff material. They won't even let us see Joint Chiefs of Staff material that might be in the Presidential library.

OHLY: No, but you've got to remember, in effect I was acting as a deputy under secretary or an assistant secretary coming out of a small office at Forrestal's personal request. I'm quite sure John McNaughton or (Paul) Nitze or one of those people could have gone down to the Joint Chiefs of Staff. While I don't pretend my stature was theirs, in effect my status was similar. There wasn't anybody else to do it and it seemed to present no problem. Maybe it did. I didn't do it often, it was about a three-month period when I went down and checked up currently and during which I also went down to a number of their meetings.

CONDIT: Did this continue under Secretary Johnson?

OHLY: It only occurred during the time when we were trying to break the logjam, a period that preceded the series of evening meetings I was talking about. From then on, after you get into the late fall, when Forrestal knew he wasn't going to be reappointed -- I don't know if he was exactly sure -- there was much less of this. When Johnson came in, my work was quite different from then on.

CONDIT: How did it change?

OHLY: How did my work change? Well, I resigned as Special Assistant, effective when Forrestal left office. I stayed on to help Johnson in any way that he wanted, but at the same time I was working to get this Executive that he wanted established.

CONDIT: That was Leven Allen?

OHLY: Yes, Leven Allen. Well, General McNarney came in, selected by Louis Johnson, I guess based on his previous association with him. I also knew McNarney quite well from the War Department and had great respect for him. He looked at the whole problem or organization in OSD, and it was his doing that led to Allen's coming in and being set up. Previously, I might say that Forrestal had thought of having Colonel Bob Wood, his military aide, act as sort of an Executive. This was actually one of the things discussed at one of those evening meetings, whether that wouldn't be a good idea. But from then on, I spent most of my time working in the area of political-military

affairs, on the early phases of the military assistance program, and on a major NSC exercise which was a predecessor of NSC 68 and a follow-up of the NSC 20 that I mentioned. We looked at the whole strategy.

REARDEN: Could that be NSC 35?

OHLY: I don't know if it's 35 or something in the 50's. This is something I could very easily verify and tell you, but there was a special committee set up with myself and I think Paul Nitze and Harlan Cleveland and people from other agencies. I spent pretty much all my time on that during the summer of 1949, and then Johnson asked me if I would go over on the military assistance program, and then I left Defense.

CONDIT: You mentioned General McNarney. I was wondering what his role was in these early days and how seriously he was taken.

OHLY: I think he was taken very seriously by Louis Johnson, because Johnson had wanted to have someone from the Army in whom he had real confidence and who he thought had a sense of organization and a knowledge of the military services, and who could take a hard look at some of the organizational problems that existed. And they did exist, there's no question about it. I don't recall whether McNarney was about to retire and was called back. In any event, Johnson used him as a jack-of-all-trades. He did a lot more than organization. Except for details, he handled for Johnson the tremendous space move that was

effected when Johnson came in. Johnson insisted on moving the whole Pentagon. Within a few days after he was put in, we moved the whole Office of the Secretary of Defense from one part of the building to another part of the building and Johnson wanted to have those offices. It was an exercise in arrogance, but I think what was most important to him was its symbolic meaning -- that he was moving to the royal throne and to the best office and that he was to be taken seriously and people were not going to do end runs around him or anything of that kind. He was a very curious character.

REARDEN: At the same time the War Council was established, Forrestal set up a Committee of Four Secretaries, which Louis Johnson eventually eliminated in April 1949. What was Forrestal's reason for having both the War Council and the Committee of Four?

OHLY: Well, there is a very simple answer actually. He found that it was sometimes more convenient to talk with the civilian service secretaries, either because their views might be a little bit more objective than those of some of the military that served under them or because there were a lot of issues that did not really involve the three Chiefs of Staff as such. For example, should the Air Force have dress uniforms? This was one of the issues which came up on the agenda every other week. Should the Air Force have a separate academy and how should it be set up? In other words, Forrestal wanted to have a mechanism that was more than just an occasional meeting. A formal mechanism of a kind where the only people meeting with him were the

three service secretaries rather than the three service secretaries plus the three military chiefs. We just decided to have it established, and one week we would have War Council and the next week we'd have the Committee of Four.

CONDIT: There was no idea that this was to be a counterpart to the Joint Chiefs of Staff?

OHLY: No. This was a mechanism for Forrestal to deal with his civilian secretaries. The issues that we talked about in the Committee of Four Secretaries did not really involve for the most part getting a civilian viewpoint on issues that were before the Joint Chiefs of Staff. They might concern things that involved the military services as such, but I don't think it was a counterpart of the Joint Chiefs of Staff.

CONDIT: What did Johnson do about that?

OHLY: Well, I don't think he continued that at all. But he did create a thing called, I think, the Staff Council, which was to be headed by the Deputy Secretary of Defense.

CONDIT: But didn't he also create the Joint Secretaries Group? He claimed in testimony to Congress that he had created that as a political-civilian counterpart to the military advice of the Joint Chiefs of Staff. But he didn't use it in that way. It never meant anything, so far as I can tell.

OHLY: I don't recall it. But at that time, in fact, quite a while before Forrestal got out, I brought in someone to handle my staff and to act as secretary to the War Council and the Committee of Secretaries, because I just couldn't handle that with all the other things.

CONDIT: Did you bring in Townsend Hoopes?

OHLY: No, this was John Sherman. He stayed only a short time during Johnson's administration, but during the last four or six months of Forrestal's administration he acted as secretary of the War Council. Actually it had taken quite a lot of my time because I personally drew up the agenda, I personally took the notes since there was no secretary there, and I personally wrote up the decisions of the Council and what had gone on. This took a lot of time, so that I didn't follow the thing closely except to find out what had been decided. After Johnson came in, I just don't recall there being any Committee of Secretaries, but there could have been or he could have set it up later after I had gotten out of the mainstream of things.

REARDEN: It was officially dissolved in April 1949, the Committee of Four Secretaries?

OHLY: That I know, but I just don't know if this other Joint Secretaries Group was set up in place of it afterwards.

CONDIT: It's interesting to compare Mr. Forrestal's relationships with his civilian secretaries and those of later Secretaries of Defense with their departmental secretaries. Apparently he had a much closer relationship.

OHLY: Well he tried to. Actually he had some real problems with Symington.

CONDIT: Why didn't he fire Symington when he had Truman's permission?

OHLY: This I don't know, but it was a politically unwise thing to do. I know Marx Leva suggested it to him two or three times. I don't know whether I suggested it to him or not. I don't know why he didn't. I think it would have been a very, very difficult thing to do at that stage. I think a lot of Symington's blowing off was due to the high blood pressure problem he had at that time. While he was very partisan in many ways after he had the operation, it apparently corrected this condition -- this was after he was Secretary of the Air Force -- and he was a far more stable individual. I knew Symington very well because he had been Assistant Secretary for Air when I was with Patterson and I used to see him a great deal, almost every day in that capacity. I think in a sense he looked to me as a friend in the office of Forrestal. But his performance was terrible. There were some days when he would call Forrestal a dozen times complaining about something the Navy had said to the public and berating Forrestal for not doing something about it. And then the phone would ring and someone from Navy would call Forrestal and complain about something that Symington had said. This was very true, particularly toward the end of Forrestal's stay, so that, while he saw these people and met with them fairly regularly, Forrestal's relationship with Symington was not good. With Sullivan, relations were very good, because Sullivan had been a

friend in the Navy. Relations were also good with John Kenny, the Under Secretary who had been a really close friend of Forrestal's and with Royall, whom he liked very much and thought was very able and who cooperated very fully. I had also known Royall because he had been Under Secretary of War when I had been working with Patterson. Both the Navy and the Air Force had public relations directors who just kept feeding stuff out about the other service and what it was planning to do. It just kindled the fire that burned brighter and brighter and hotter and hotter. I think those are some of the things you asked about Forrestal's relations with some of the other policy-makers.

You also asked about Truman and Marshall. I think I ought to point out Forrestal's close relationship with Harriman, who was Secretary of Commerce at that time and who had a close relationship with Marshall and Truman and who had come back from being the Ambassador to Russia. Forrestal looked to Harriman a great deal for advice on interpreting what was going on on the Russian scene. He was also fairly close to Kennan in the State Department. We used to have Kennan over quite frequently to War Council meetings, either formally or informally, to tell us what was going on, what was significant on the political side abroad.

REARDEN: Kennan didn't share the military view on how to deal with the Soviets, did he? Is it correct that Kennan did not feel that military capabilities would have much impact on the Soviet Union's actions?

OHLY: Well, I think that Kennan's views changed over a period and I can't exactly trace when they changed. Korea had not occurred. No, I think probably that is an accurate statement. I hate to speak for George Kennan.

REARDEN: The records that I've seen, so far as Kennan's talks in the War Council and discussions with the War Council are concerned, are very vague. They really don't give an idea of what Kennan said.

OHLY: I think the thing that really reflected Kennan's views -- and I don't remember now exactly what it said since it sort of merges with other papers -- would be the memorandum that later became NSC 20, which the State Department sent to the National Security Council, which he prepared personally, and which was written in response to Forrestal's request for a paper on this subject.

REARDEN: I was wondering if Forrestal looked upon Kennan as an ally who would support him?

OHLY: I don't think he looked upon him as an ally who would support him; he just looked upon him as he did Harriman and a number of the other people, as someone who had information of valuable kinds for the deliberations of the War Council. Forrestal was interested and I was interested in trying to build good relations between the top policy people in State and the top military leaders so that you could get a synthesis of their thinking, to develop a good working relationship even apart from the NSC. Gruenther and Norstad and some of those people

APR 08 2013

met with the State Department people almost weekly to go over some of the problems, particularly as we approached the creation of NATO and military assistance programs. No, I don't think Forrestal looked on Kennan particularly as an ally.

REARDEN: The reason I asked that is because in his book on Architect of Illusion, Lloyd Gardner talks about Forrestal's relationship with Kennan. Gardner tries to develop the idea that Forrestal looked upon Kennan as something of an ally or would utilize Kennan's expertise to achieve his own ends as regards the Soviet Union.

OHLY: Well, this could have been true, but this would not have really been typical for Forrestal. I think he was genuinely interested in getting the best advice he could. He may have been influenced in thinking Kennan was a good man simply because his own views coincided with Kennan's, but I doubt that that would have been the case. I know Forrestal also thought a lot of Paul Nitze, whom he had known on Wall Street during the prewar years. I think he felt Nitze was a very reliable person, but Nitze hadn't risen to a position like Kennan's in the State Department at that particular point.

There's one thing that's perhaps more important actually as we get into that period you're involved in, and that is the kind of relationships that existed among some of these top people. Their relations went back long before the war or were developed during the war and that closeness resulted in a kind of team play, a team operation which contrasted tremendously with, say, the operation of the top people of

the Eisenhower administration who had never seen one another until they met for the first cabinet meeting. Harriman, Lovett, Acheson, Foster, Marshall -- all of these people either had backgrounds in New York before the war or had worked together in the postwar period. Similarly, at the level almost immediately below them, a great many of the people who were the actual workhorses had either worked together during the war or had associations of one sort or another which had brought them very closely together. Frank Nash, who became the first official Assistant Secretary for International Security Affairs in OSD; Paul Nitze, at that time head of the Policy Planning Staff; Dick Bissell, Harlan Cleveland and C. Tyler Wood, from the Mutual Security Agency; Edwin Martin, then director of the Office of European Regional Affairs in the State Department who had charge of NATO and all those problems; and myself -- used to meet once a week at the Metropolitan Club for lunch. We would talk over all common issues we had and decide what should be done about them and then go back and tell our bosses. In my case at that time, it was Harriman; in the case of Paul Nitze, it was Dean Acheson; and in the case of the Defense people, it was Lovett. Things got decided and things were done. It was a very, very effective way of operating. It doesn't mean there weren't things we disagreed upon and things which couldn't be resolved, but this was a mechanism which I don't think could be duplicated under any other circumstances in the future.

CONDIT: That's what we were talking about while coming over. Here you have Lovett, Harriman, Acheson all close friends on the very top

level. Now, you're saying that just below that top there is a wider group of people, all of whom are dedicated to the idea of making government work efficiently and run, and that's very impressive.

Mr. Lovett said to me that there might have been disagreements and bad feelings on a lower level in the departments, that is, between State and Defense, but that he felt at the higher levels they could always work it out. There wasn't this real controversy at all, it didn't exist, and I take it you would agree with this.

OHLY: I would very much agree with it. There were many issues on which we were split or disagreed, but it was all discussed in an atmosphere of friends trying to work out a problem.

CONDIT: How did Tannenwald fit into this group?

OHLY: Tannenwald was in the ODMS, the Assistant Director and Chief of Staff to Harriman, and I was the Assistant Director for Program. Also, when Harriman was abroad, I acted as Acting Director for Mutual Security for a couple of months. Ted Tannenwald and I were close friends, having law school and other associations. Ted Tannenwald had worked with me in the Department of Defense where he worked for Marx Leva for short periods on special jobs; so we were close together.

CONDIT: This was while Tannenwald was in the White House or what?

OHLY: No, not when he was in the White House. I think Ted, right after the war went back to New York to a law office, then Marx Leva got him down for a short period to help him as I mentioned earlier.

The first thing I did when I went over to Forrestal's office and before the Act was effective was to work on the problem of the divorce between the Air Force and the War Department. I worked for three or four days on the initial directive and then Ted Tannenwald picked up and acted as a special counsel to Symington but working out of Marx Leva's office on the completion of this process. It was a very, very complicated process, just from a legal standpoint -- of spelling out the responsibilities of the new offices in the Air Force, and deciding what additional legislation they might have to have, if any, and how far they could go on certain things. He was down there and obviously I saw him repeatedly over those few months that he worked there. Then I think he went back to a law firm in New York and then came down to work with Harriman in the White House. I'm not quite sure how he happened to come down at that particular point. I don't remember that. He's in town so he would be a good person to talk to about some things of this period. He's a very able person with a very good memory and I'm sure would be very happy to tell you about the Harriman office. He was a very important and effective figure in this period, particularly from the summer of 1951 through early 1953 when Stassen came in. Of course, Stassen asked him to stay on, but he said he would not.

CONDIT: Well I did come across a memo, I believe from Tannenwald's office, an official complaint that OSD was not cooperating and was deliberately bypassing ODMS in developing its programs and budget figures and so forth. We talked about all this good feeling, but

APR 08 2013

here is a definite indicator that there was some irritation, at least at secondary levels.

ONLY: There's no question that there was irritation at secondary levels. I only mentioned the camaraderie among some of the top people and the people just below the top, because it did enable one to do things and handle issues that would have been almost impossible under the circumstances that might have existed in any other period in history. There was this special background of friendship and relationship among them, but there were many issues. I was in constant conflict with the Department of Defense and the military assistance people, both when I was running the thing from the State Department before the Mutual Security Act of 1951 and subsequently when I was handling it in the Office of the Director for Mutual Security and in successor organizations. Particularly in the Foreign Operations Administration, when Stassen was the Director, the disagreements were not only at the secondary level but perhaps less at the secondary level than at the top level. There were serious clashes of personality between Stassen and Struve Hensel, who was OSD General Counsel and also the front man on a lot of these military assistance matters, and between Stassen and Kyes, the Deputy Secretary of Defense. Stassen couldn't abide him and he couldn't abide Stassen, the same being true with Hensel. Both Kyes and Hensel had tempers and were vitriolic. While Stassen didn't have a temper and wasn't vitriolic, he was stubborn and arrogant so there were many conflicts there, and these were serious even to the point where they had to be arbitrated by the President. Actually,

the President asked the Secretary of the Treasury to try to arbitrate them.

CONDIT: I would like to go backwards a bit and ask you about General Burns and his relationship with Secretary Johnson and Secretary Acheson and people over at State Department. As I understand it, Johnson brought in General Burns, didn't he?

OHLY: That's right. He was a man of great confidence, great integrity. When I went down with Patterson in 1940, I felt that he was one of the really outstanding military officers. Most of the officers working in the procurement field were senescent. That meant that people who should have been generals were still captains. It was just a mess. This may not have been true of the people working with Marshall and the General Staff, but I was working on the procurement end and the non-military side of the department. Burns was one of the few people that impressed me and who I know impressed Patterson and other civilians. He apparently had been very close to Johnson, and Johnson kept in touch with him. He brought Burns in because he had a feeling that he needed a senior person in whom he had real confidence to handle this whole area of military assistance and political military relations. Johnson did not like Halaby terribly well. They may have had some clashes fairly early in the game after a honeymoon for a few months; I don't know the exact details of it. Burns was someone Johnson felt comfortable with and had great confidence in, and justifiably so, even though he was I guess, pretty close to seventy at the time.

He had had a heart attack and had retired on physical disability and I don't know whether he was even brought back on a military basis, I'm not sure he wasn't a civilian consultant.

CONDIT: Do you know anything about this supplemental military assistance in FY 51, for four billion dollars which Lemnitzer apparently dreamed up?

ONLY: He didn't dream it up. We dreamed it up together or the group of us did. This was the first thing we did after Korea. We had to consider, how do we modify the military assistance program, if at all, in response to what happened? This attack represented a very great change in the whole world situation. The decision to increase military aid was as much a political conclusion on the part of the State Department as a military one.

CONDIT: Did you initiate the supplemental four billion?

ONLY: This is in 1950, right after Korea, and Forrestal was gone, Johnson was in. I wrote a memorandum raising the question, what should be done. This seemed to be terribly important. Do you change the concept of what you're providing military assistance for?

CONDIT: You were in State. How did Lemnitzer get hold of this? Did you call him or what?

ONLY: I don't know, we were on the phone 20 times a day, he was my military deputy.

CONDIT: But he was in OSD wasn't he?

OHLY: I know, but the structure of the military assistance program was a very peculiar one. The director and deputy director were located in the Department of State, or at least the two statutory jobs that were filled by the people were called director and deputy director. At the same time they were special assistants to the Secretary of State and were located in the State Department. General Lemnitzer headed up the OSD setup for military assistance. In effect, because of the way we operated, we were very close to one another, and it was as though he were my military deputy or perhaps more accurately the operational chief.

CONDIT: This is informal?

OHLY: It wasn't completely informal, no, because all programs had to be submitted for my approval. I had the responsibility for coordinating the development of these programs, bringing together political, economic and military considerations; for reviewing those programs; and finally for approving them from a total standpoint. I don't mean that as an individual I did all this, but it was my responsibility to do it. So I was working with Lemnitzer day in and day out. We would testify together; we would meet together several times a week and informally a good many times.

CONDIT: So you wrote a memorandum and discussed various facets of this problem?

OHLY: I'll have to check back to the actual sequence of this, but I know that the day Korea happened I immediately raised the question of what this meant in terms of the military assistance program. In the first place, the European program, pre-Korea, was based largely on political purpose rather than real military purpose. It was a billion dollar program to support forces under NATO. I'm talking now about the European side of the thing. Nobody thought those forces could really put up a military defense against a Russian invasion, if one should occur, nor did they expect for a number of years that the Europeans could build up forces, even with our help, that would be effective against the Russians. It was thought of as a means of giving confidence to Europe, to show our willingness to support and complement the European recovery program. Europe was in a state of jitters. Czechoslovakia had occurred and people in France, Germany, and Italy were worried about what might happen. The first military assistance program was mainly a political program, to make the Marshall plan work, to build confidence so that people would be willing to invest and not be afraid that governments would be overthrown, that their countries would be invaded.

CONDIT: How about internal stability?

OHLY: Internal stability, and also external. When I first took over the military assistance thing, I was a little troubled that there had not been a real articulation of what the military program was meant to accomplish, the philosophy behind it, and how it was

meant to operate. As a basis for the Congressional presentation that year, I wrote personally the first semi-annual report on the military assistance program for the President to send to Congress. In that, I articulated what I believed was the philosophy and purpose of the program. In my second semi-annual report, I tried to point out how the Korean operation had affected the thinking. No one had expected overt aggression in Korea across national boundaries, and the belief was that this was Soviet supported. The whole feeling as to whether you had to create real military might on the European continent changed. In turn, this immediately raised the question, should we go into a crash program to try to develop real military strength on the continent of Europe? This was one of the rationales behind the four billion dollar program. I could probably find some of the memos that relate to this. I wrote a lot of memos right after that.

CONDIT: I'm just trying to come back now to Lemnitzer. Then he carried the ball within the Department of Defense for you?

OHLY: No, this immediately pyramided right up to the President and Acheson and Johnson. Within hours. We went up to the Hill within two weeks with a complete new program.

CONDIT: All right, now who prepared that program inside of OSD?

OHLY: That would have been right under Lemnitzer.

CONDIT: Did Johnson know about it?

OHLY: Johnson was part of the decision process, I'm sure.

CONDIT: The reason I'm asking all this, is that there is a very interesting little story that Lemnitzer prepared the program and passed it into Secretary Johnson and then never heard anything about it again until he found it being debated in Congress.

OHLY: Johnson could operate this way. This wouldn't surprise me at all.

CONDIT: So therefore, I apparently misinterpreted. I thought that perhaps Lemnitzer had originated the idea for extending the program. This is not it at all?

OHLY: No. This was just obviously one of the issues that had to be faced immediately.

CONDIT: And this was the reason Mr. Acheson stressed to European leaders at that point that there was a new view of United States relations with Europe. That if there was an attack in Europe that we would defend, not liberate, Europe. Those words are his, several times. Of course, it meant we would stand and fight rather than run out and try to go back. I assume this is part of this whole change in military philosophy.

OHLY: There was a change of military philosophy at that time: A change in the assessment of Soviet intentions and what the Soviets might do to carry out those intentions. In other words, for the first time there was a judgment at top levels of government that the

Soviet Union might be ready to resort to overt aggression outside of Eastern Europe with military forces to take the land. This required an entirely different response in terms of the kind of military establishment we had, the kind of military establishment our allies had, and the purpose of NATO. This meant we really had to try to build up the NATO forces. Everything that went on for the next couple of years, the decisions to bring the German forces in and all these things, emanated from that conclusion. I think you might be interested in looking at those two semi-annual reports on military assistance because in a sense I tell the story but in a much more careful way. I'll check and see, I might have the memorandum that I wrote on Korea.

CONDIT: Did you know Mr. Lovett very well?

OHLY: Quite well, because I had worked with him very closely during World War II in the War Department. I was handling War Department relations with organized labor and problems involved in the takeover of operation in plants which were either struck or threatened with strikes as a result of labor disputes. A number of the key labor situations were ones that involved Air Force production and on those I had occasion to see him. The first one, in 1941, was the North American Aviation Plant, which was producing all the aircraft for Britain. We desperately needed their production for the expected battle of Britain. We took that plant over. Lovett was active in that, and I was active in it, and that's where I first got to know him. Then I would see him from time to time on issues of that kind.

I was never close to him, but he would certainly recognize me as someone he knew. Then I worked with him also when he was Under Secretary of State, because one of the big issues during the Forrestal regime was the Berlin airlift. We had a lot of conferences involving the Air Force. Sometimes I would sit in for Forrestal on these conferences and report back to him what the discussions had been, because he had more or less delegated to the Army and the Air Force the operational responsibility. I saw Lovett then as Under Secretary of State, and I saw him occasionally when he was Secretary of Defense on military assistance problems. Only occasionally. But I have tremendous respect for him. He is really a wonderful man.

CONDIT: It's amazing to me that he could do all the things he had to do at that time.

OHLY: He's an extraordinary person. I'll try to locate some of these papers on the fiscal year 1951 supplemental, because this is something I was very much a part of. This became one of the most remarkable feats with Congress that was ever accomplished, and this was almost entirely the result of Acheson and Truman. We got this four billion dollar appropriation through without any follow-up authorization. It went through as an appropriation, but if anybody in Congress had objected that there was no authorization, it would have been stopped under the rules of either the House or the Senate. Someone did a miraculous job -- I think it was largely Acheson working with Connally and some of the others up on the Hill. It went through

and this enabled us to have the money immediately available for procurement.

The story of how we decided what to get and the interweaving of military procurement and MDAP procurement is a very interesting one. I agreed to massive orders of tanks and aircraft which the Defense Department said would cover part of an integrated, combined Defense-military assistance program, not knowing -- and the military unable to say -- that these things would eventually go. We decided that we just had to throw all the money in, to get production rolling, and then sort the thing out afterwards. This is one of the cases where the fact that the people were close friends made it possible to take great chances on the legality of the thing and to forget about the fact that this was not really the orthodox way of doing it. We knew that we would sort it out later, as we did. But the FY 51 military assistance supplement was not something dreamed up by Lemnitzer, even though he drafted the particular program. It was very much in the minds of everybody at the top of the government immediately after the Korean invasion.

COMMENT: Concerning the regular appropriations for those years, it has struck me that you fight to get money from Congress and then the unfortunate thing is that the Congress points out to the Defense Department that it has not obligated all the military aid money it gave last year. That seems to be a great problem all through the Korean war years: Not getting end items even though there was a lot of money for procurement. You didn't actually receive the end items that you

needed for mutual security, the military aid part of it, despite the appropriations.

OHLY: That is certainly true. This is a matter of considerable difference of opinion. The problem was that contracts were placed for very large amounts of money, say for tanks, and they were often combined orders. We would combine the military assistance funds and DoD funds in terms of placing the orders. You always had the question of whether or not you should open another production line, say of tanks, if you had one or two or three going. Or should you try to cram it all into one establishment? If you crammed it all into one establishment, the end of your contract was going to be two or three years out in the future. In many cases, you couldn't establish a new line that could produce in less than one or two years for tank production. The result was a real shortage of equipment that was needed in two places at once. The question was where to allocate it. When you're fighting a hot war in one place and want to build up forces mainly for political reasons and to give a sense of support in another place, you obviously are going to have conflicts. One of the great problems in military assistance has always been -- I don't know whether it's true today -- that the Office of the Secretary of Defense was unable to control the actual day-to-day nuts and bolts operations of the services and their allocation of equipment. Lemnitzer has as many problems -- and so did his successors General S.L. Scott and General George H. Olmsted -- with what the military departments actually did when equipment came out as I did, looking at it from a

different point of view. There's no question that military aid allocations lagged behind, particularly in the first couple of years of the Korean war. The equipment simply was not allocated.

There were a lot of other problems too that led to disagreements.

A lot of the shelf items which had been earmarked for MDAP were just immediately taken off the shelves by the services instead of being shipped in accordance with the programs of MDAP, simply because the services had nowhere else to turn. They did not have the reserve equipment on hand to immediately expand American divisions. They really had no choice. The State Department seemed to have great difficulty understanding this. One of the problems I had was in interpreting to the State Department and to people outside the Defense Department the military allocation problem which the Department of Defense had. Dean Acheson had great difficulty understanding this. Why, if the Defense Department had this money, couldn't they deliver tanks that were needed in Europe? Why was it so slow in getting the stuff there? This is something that would be worth spending a lot of time on. I suggest in connection with this, you might want to read Annex E to the Report of the Draper Commission. Are you familiar with that?

CONDIT: No, I haven't read it.

OHLY: The Draper Commission was established in 1958 by Eisenhower to review the whole military assistance program. This was really a first-rate commission. You ought to read the report. I was thinking

about Annex G, which I did for them. I was on a leave of absence at the time and was asked to submit a study of my views on the military assistance program. This is a 140-page document in volume II. The report itself is called a Composite Report of the President's Committee. In this report, I try to bring out the areas of conflict between Defense on the one hand and State and the Economic Aid agencies on the other hand, and the difficulties of making a military assistance program operate. In a sense this represents a synthesis of my experience over the whole period that I was associated with military assistance. In my opinion, this is the best and only real analysis of the problems which were involved and the difficulty the Office of the Secretary of Defense itself had in controlling what the services did. The services looked at the military assistance program from an entirely different standpoint than the OSD. In many cases, they looked at it, not as something that would build up strong forces overseas, but as a way of reequipping their own forces. Under the provisions of the Mutual Defense Assistance Act, they could ship an old model tank out of their inventory to, say, the French or British and get the money to buy a new modern tank for their own forces.

CONDIT: They definitely defended that practice.

ORLY: I'm not saying the practice was wrong, but this is a place where you get into a real problem. The allies objected to getting secondhand equipment, which a lot of it was. A lot of it wasn't necessarily equipment in stock that hadn't been used; in many cases

APR 08 2013

it was equipment that had been used and refurbished. They also objected to not getting the latest models. This was a running problem because we got the repercussions on the political side, but the services were very anxious to reequip their own forces, didn't have enough money to do it in their own appropriations, and this was a very convenient way to do it. And it was abused. Not that it wasn't the thing that ought to be done to a certain extent; there was no reason why a second-rate tank or refurbished tank shouldn't go to a place like the Philippines. But there was a lot of difference in sending it to first line forces in France or Germany.

We also had a problem when we decided that, in order to feed dollars into Europe by a means other than economic means as such, we would try to launch a very, very large off-shore procurement program and use a large amount of the military assistance funds to buy things in Europe. I gave an order to the Department of Defense when I was in Harriman's office: You will spend one billion or one-and-a-half billion of the money that's been appropriated for off-shore procurement of items in Europe rather than in the United States. And this threw them into an uproar, because they wanted to use the money to start new lines of production here.

COMMENT: I believe Mr. Lovett had a lot of trouble in getting the Lovett-Ismay Agreement going, for off-shore procurement in Great Britain. Again on the French side, the French found that the off-shore procurement program, which was supposed to be put into effect

and in which your office had a major interest, never seemed to materialize.

OHLY: This was something that had been negotiated by top leaders of our government in the NATO complex during special meetings that had been going on. Frank Nash fortunately understood all sides of this question, and he was able to carry the day in the Pentagon on a lot of these things. I don't know what would have happened otherwise. Lemnitzer was gone by then.

CONDIT: I wonder what to do about Dr. Kaplan's questions.

OHLY: Let's go to his questions.

Number one concerns Title VI, military aid that was supposed to be appended to the ECA program in the spring of 1948. I'm just going to have to look into it. I just don't know the answer to it.

CONDIT: How about number four? This is the question about a charge in The New York Times of 15 November 1951 that Mr. Ohly was ruling the MSA as an agent of State while Harriman was in Paris on TCC.

OHLY: Harriman before leaving for Europe designated me to act for him as Director for Mutual Security.

CONDIT: So indeed you were ruling it?

OHLY: I was ruling it. Beyond that, this was right after the Mutual Security Act of 1951 had been passed. There were a tremendous number of provisions about which something had to be done right away. I

APR 08 2013

simply started sending out a whole series of memoranda instructing people in MSA. This story emanated, not from Defense, but from MSA, either from Dick Bissell or Harlan Cleveland. People there were all my good friends, but there was great resentment. Their theory was that there would be in Harriman's office under Harriman a committee which I would chair and which would have representatives from MSA, (considering MSA as distinct from ODMS), the State Department, and the Department of Defense, to consider issues of general importance and then come to some conclusion. I considered that this committee should be advisory to Harriman and to me as ODMS and not a consensus operation. People in MSA felt that it should be operated on a committee basis. I thought I couldn't operate on that basis; so, after meeting with the committee, I would come to conclusions and issue instructions. This was actually a "mountain from a mole hill," an unimportant thing. Relations worked out and there really wasn't any serious problem for any length of time.

CONDIT: Harriman was head of both MSA and ODMS and then he was also in charge of Battle Act stuff. Where did he handle that?

OHLY: I think Seymour Rubin, a Washington lawyer, took care of that, out of Harriman's ODMS office.

CONDIT: How autonomous was MSA?

OHLY: MSA was treated in a manner parallel to the State Department and the Defense Department, as sort of an autonomous unit.

CONDIT: So you were like the OSD in a way?

OHLY: OSD in relation to the services, that's correct. This was my concept of it actually, and I think that is the way Harriman treated it, although his associations had been so close with the people in MSA that perhaps in actual fact he operated more closely. But he was a representative of the President and he was operating as a representative of the President and we felt that MSA was an operating agency, like TCA. TCA was another phase of the program. It fell under the State Department, but we treated TCA just as we treated MSA.

CONDIT: And then you treated OSD and its mutual security aspect as another operating element?

OHLY: As another operating element. This was my concept and this is the way I handled it.

This is question number three: How realistic were fears that unused portions of Fiscal Year 1950 MDAF would be reappropriated in place of new appropriations for Fiscal Year 1951? I think this was a real possibility. Traditionally the appropriation committees, in their efforts to cut down new obligational authority, tend to cut down the new obligational authority and to reappropriate money that has not been allocated. This was a problem we always had. I think we were generally successful in that particular round in getting them both to reappropriate the unobligated portion of the 1950 program and to appropriate most of the new appropriations by explaining that the time had been so short since the first military assistance act was passed in October 1949 that it simply had not been possible to place the

contracts and that this other money could also be utilized. Everything was thrown out of gear by the Korean affair and our going up again for four billion dollars in addition.

Now on question number two, concerning relations with Lemnitzer and Burns, my personal relations with Lemnitzer couldn't have been closer. I was responsible in part for bringing him into OSD to handle the development of the military assistance program.

CONDIT: Were you the one that spoke to Forrestal about bringing Lemnitzer on board?

OHLY: I don't know whether it was done that way or whether it was a general conversation with Al Gruenther, who knew Lemnitzer very well, and who felt that this was the best man who could be brought in. Lemnitzer was then Deputy Commandant of the National War College, I believe. He was there working while I was still in the Department of Defense and as I say we worked on a very close basis. I saw actually very little of Burns. He was in the background. Our relations were very good, we talked with one another, and I was very pleased to see him.

CONDIT: Did you perceive any pressure on them from JCS with respect to end items already available?

OHLY: There's no question that the services at least, and probably JCS at various times, were in deep disagreement with Lemnitzer and people in OSD who were trying to get things allocated for the military

assistance program and in conflict with what the services wanted.

Sure, there were tremendous pressures, and some were effective, and probably in many cases should have been effective. You had competing claimants.

CONDIT: Leunitzer was eloquent on this point. Even Collins, his own Chief of Staff was upset. He's done very well in expressing the pressure that came on him.

ONLY: It was true, and he would reflect it to me. He was terribly good at trying to convey the problems of our allies, the importance of carrying out the military assistance program. He was a wonderful person to work with, one of the people whom I wish I saw more of.

CONDIT: Do you want to make any comment on Title VI?

ONLY: I just don't have any comment to make. I'll have to check on that. I recall vaguely that this came up.

CONDIT: This was very early in the spring of 1948.

ONLY: We actually had at that time various military aid programs working but not within a general military assistance program. The Greek-Turkish program had been started in 1948 or 1949 and that was a substantial program. I think legislation was passed actually in 1947 and the program got operating in 1948, but it was 1947 that the British pulled out of Greece. There was also a military aid program going in the Far East in terms of surplus equipment to Chiang Kai-shek.

Very, very substantial amounts of surplus war equipment were being turned over. There were small programs that involved sending down stuff from General Clay's headquarters to Italy before the Italian elections, I think, in 1948. They were very afraid of a Communist coup down there at the time. We sent special trains, with windows down and all sealed, with equipment for the police forces in Italy, in anticipation of serious trouble there that didn't erupt. There were all sorts of little things like that, of military assistance going on in a lot of places, but they were not part of an organized program.

CONDIT: Did they come out of economic cooperation?

OHLY: No, the Greek-Turkish program was a special program. I think that the Italian thing was simply an authorization for Clay to send down some of his equipment because we were in occupation in Italy, I guess. The Chinese program was a surplus equipment operation which, I think, had special authorization under some of the programs for disposing of surplus equipment that was located overseas and wasn't worth bringing back. There was some special legislation permitting the transfer of surplus ships to Latin America. I could give you a list of some programs that did involve some sort of small military assistance, just from the time when things went across my desk when I was in Forrestal's office. It was all small. It was related to specific problems. But I don't remember what this Title VI thing was about. I'm sure I'll have some records in my files if it came

up in Forrestal's office, because it would have invariably gone across my desk.

CONDIT: I guess we're ready to start on my questions now, and I don't know if I have the nerve to do it at this late hour.

ONLY: I'll be delighted to meet again with you and spend as much time as you want on these things. On these questions I have all my materials available.

CONDIT: Could I come back next week?

ONLY: It's entirely up to you. I expect to be here all through this month. I don't expect to go back to Vermont till at least the end of May, maybe August. If you want to go on this afternoon we can, but I would just as soon have more time to think about your questions.

CONDIT: That will be fine, because it's getting a little late now. Why don't we put it off till next week then?

904 Turkey Run Road
McLean, Va. 22101

February 8, 1982

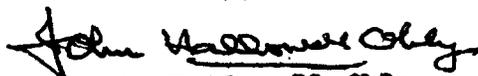
Dr. Alfred Goldberg
OSD Historian
Office of the Assistant Secretary of Defense (Administration)
Washington, D.C. 20301

Dear Dr. Goldberg:

This is in reply to your letter of 27 January 1982 relative to the restrictions, if any, that I wish to have placed on access to, and the use of, the transcripts of, or the other records of, interviews of representatives of your office with me in connection with your oral history program.

Since my wishes with respect to each of the four separate transcripts and records to which your letter refers differ in minor respects from my wishes with regard to each of the others, I have written, and enclose herewith, a separate letter for each of the four documents.

Sincerely,


John Hallowell Ohly

904 Turkey Run Road
McLean, Va. 22101

February 8, 1962

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

Dear Dr. Goldberg:

I refer to your letter of 27 January 1962 relating to the restrictions, if any, that I wish to have placed on access to, or the use of, the document prepared by Mr. Harry Yeshke covering an interview with me on April 24, 1974 and entitled "Notes on Meeting with Mr. John Ohly."

Since this document constitutes a summary prepared by ~~specialist~~ of statements made during the ~~interview~~, rather than the transcript of the interview itself, it should perhaps be treated differently than a transcript thereof would be. However, in any event, I can see no reason why this document should not be open without restriction, although, for the reasons given below, I believe a copy of this letter should be appended to it.

It is my impression that Yeshke's summary does not accurately reflect what I said at the time about a number of matters— or, perhaps more accurately, does not accurately record what I meant to say about them. Since I understand that your goal is to get the historical record as accurately recorded as possible, I am taking the liberty of pointing out the instances in which I believe the summary does not fully convey the impressions I had wished to leave. All of these instances are on page 1 and all are minor. They are:

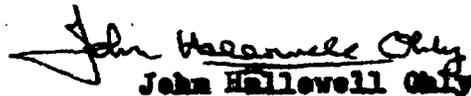
1. "It was interesting to note that he viewed himself as representing the 'War Department-Air Force,' while Leva and McNeill represented the Navy." — I did not view myself as "representing" in the ordinary sense of this term, the War Department-Air Force, but did look upon McNeill and Leva as "representatives," in the ordinary sense, of the Navy. My point was— and is— that McNeill and Leva, having both held responsible positions with the Navy, were widely regarded as having a point of view that would probably reflect a Navy point of view on matters that were in controversy among the three services and that my selection constituted an intentional effort on the part of Ferrestal to recruit one person whose prior association was such that he would be regarded as being in a position to reflect the Army-Air Force points of view. None of us considered that we were representatives of service constituencies.

2. "Ohly was outraged with Johnson as Secretary of Defense." This was not the case; but I was "outraged" by a number of actions taken by Johnson and especially by the manner in which he took some of such actions; and told him so.

3. "he [Chly] was not happy and didn't want one of the Assistant Secretary slots that Johnson offered him."- Johnson did not offer me one of the Assistant Secretary slots. However, I had made plain to him in writing that I would not accept an appointment to one of such slots should it be offered. I do not know whether, had I not so advised him (well before the positions had even been established), he would have offered me one of such slots; I doubt that he would have. The statement that I "was not happy" is also an overstatement. It is true that I did not find the office as much to my liking as during the days of his predecessor, but I was given interesting and challenging work and, as Yepshe's summary states, I did get "along fairly well with Johnson"- in spite of many disagreements on both substance and method.

4. "Johnson suggested that Chly go into the military assistance program, then being set up in the State Department."- I am not certain, as I have indicated elsewhere, what role Johnson did play in the chain of events leading to my appointment as Deputy Director to Bruce. Bruce had talked to him or he had talked to Bruce about the possibility of my working for Bruce, for it was Johnson who told me that Bruce wanted to talk to me about a job with MDAP. He also encouraged me, once Bruce had made his offer, to accept the offer; and I suspect, but do not know, that he was the person or one of the persons who suggested to Bruce that he talk with me. Statements of fact or surmise I have made in other interviews on this subject are inconsistent and misleading, partly because research in my own papers has resulted in the conclusion that my initial recollections were partly in error.

Sincerely yours,


John Hallowell Chly

904 Tindley Run Road
McLean, Va. 22101

February 8, 1982

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

Dear Dr. Goldberg:

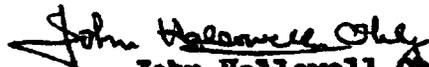
Referring to your letter of 27 January 1982, which relates to the restrictions, if any, that I wish to have placed on access to, or use of, the transcript of my interview with you and Harry Yeakle on July 17, 1974.

This interview can be considered open without restriction except that, until January 1, 1990, the following passages are not to be cited or quoted without my personal permission:

1. References to specific individuals on page 6.
2. Reference to Hillenkeetter on page 13.
3. Reference to specific individuals on page 22.
4. Reference to Stassen on page 48.

This limitation will not apply to any of such individuals when no longer living.

Sincerely,


John Hallowell O'Leary

904 Turkey Run Road
MaLean, Va. 22101

February 8, 1982

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

Dear Dr. Goldberg:

I refer to your letter of 27 January 1982, which relates to the restrictions, if any, that I wish to have placed on access to, or use of, the transcript of my interview with Doris M. Cendit and Steven E. Reardon on April 19, 1977.

This interview can be considered open without restriction except that, until January 1, 1990, the following passages are not to be cited or quoted without my personal permission:

1. References to McNeil on pages 32, 33, and 34.
2. References to Symington on page 48.
3. References to Hensel and Stassen on page 46.

This limitation will not apply to Symington, Hensel, or Stassen if such individual is no longer living.

I should, however, add a comment relative to a clause in a sentence near the bottom of page 43 reading as follows:

"and then Johnson asked me if I would go over to the Department of State as Deputy Director of the military assistance program, and I left Defense."

This comment is necessary because I seem to have made somewhat conflicting statements in different interviews with respect to (a) whether Johnson offered me an assistant secretaryship, (b) how I came to be offered the job of Deputy Director of MB&P, and (c) whether Johnson asked me to go over to State as such Deputy Director. The facts, insofar as I can reconstruct them, are the following:

1. Johnson did not offer me an assistant secretaryship. However, I had advised him in writing before the assistant secretary positions were established by the 1949 amendments to the National Security Act that I would not accept such an appointment if offered. I had also told him that I would be glad to continue working in his office if he wished me to, at least for the immediate future. I do not know whether, but for my letter, he might have offered me such an appointment. I think he would not have.

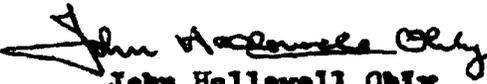
2. I do not know how I came to be offered the Deputy Directorship of Military Assistance. I had thought at the time of my meeting with Bruce that it probably resulted from a suggestion of Johnson to Bruce, who was a friend of Johnson's and who had been a heavy contributor to Truman's 1948 campaign. Subsequent research among my own papers indicates that Webb, then

Under Secretary of State, had taken, some months earlier, before Mutual Defense Assistance legislation had been presented to Congress, phoned to ask whether I would accept a State Department appointment as Coordinator of Foreign Assistance Programs, implying or indicating (I can't remember which) that I was to take over the top military assistance job once such legislation had been passed. While I turned down this offer, Webb may well have suggested me to Bruce, although I am under the impression that Johnson did in any event. At the time, unbeknownst to me, Bruce expected, as I am sure perhaps Johnson and perhaps Webb also expected, that Bruce would be named Ambassador to the Court of St. James within several months.

3. In any event, my recollection is that it was Johnson who told me that Bruce would like to talk to me about the possibility of working for him on MDAF. Thereafter, at his suggestion, I either called Bruce or Bruce called me to set a meeting. Johnson didn't "ask" me to go over to State but he did encourage me to talk to Bruce.

This is a very minor point but readers of the package of my several interviews and of writings based on them might be confused by my inconsistency.

Sincerely,


John Halliwell Chley

904 Turkey Run Road
McLean, Va. 22101

February 8, 1982

Dr. Alfred Goldberg
OMB Historian
Office of the Assistant Secretary of Defense (Administration)
Washington, D.C. 20381

Dear Dr. Goldberg:

I refer to your letter of 27 January 1982, which relates to the restrictions, if any, that I wish to have placed upon access to, or use of, the transcript of my interview with Davis M. Condit on April 28, 1977.

This interview can be considered open without restriction except that, without my personal permission, the following passages are not to be cited or quoted while, in the case of the first reference, Stassen is living and, in the case of the second passage, Halaby is living:

1. References to Stassen on page 88.
2. References to Halaby on pages 96 and 97.

I should, however, add two corrections and one other comment.

First, in line 9 on page 38, the word "Defense" should be changed to the word "State."

Second, the comment, which relates to the following sentences on page 7:

"Johnson's close association with Bruce was apparently the principal reason why I happened to end up as Bruce's Deputy Director— becoming such without realizing that it was contemplated at that time that I was to take over as Director when, as he had been promised, Bruce was named Ambassador to the Court of St. James."

"Apparently Johnson and he [Bruce] had talked about getting me appointed as a Deputy; this was unknown to me at the time, and I didn't learn about it until months later."

This comment is necessary because I seem to have made somewhat conflicting statements in different interviews with respect to (a) how I came to be offered the job of Deputy Director of MDAF and (b) whether others contemplated at the time of my appointment that I would succeed Bruce if and when he was appointed Ambassador to the Court of St. James. The facts, insofar as I can reconstruct them now, are the following:

1. I do not know how I came to be offered the Deputy Directorship of Military Assistance. I had thought at the time, simply because of the circumstances mentioned in 2 below, but did not know, that my initial interview with Bruce probably resulted from a suggestion of Johnson to

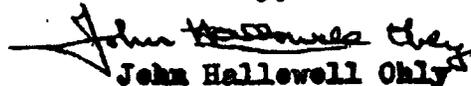
Date: APR 08 2013

Bruce. Subsequent research in my own papers reveals that Webb, then Under Secretary of State, had on two different occasions during the preceding winter, before the Mutual Assistance legislation had been presented to Congress, phoned to ask whether I would accept a State Department appointment as Coordinator of Foreign Assistance Programs, implying or indicating (I can't remember which) that I was to take over the top military assistance job once such legislation had been passed. While I turned down these offers, Webb may well have suggested me to Bruce as a Deputy after Bruce had been selected to be the Director when the legislation was about to become law. However, I am under the impression that Johnson may have made such a suggestion to Bruce, since I know the two were friends and that Bruce had contributed heavily to Truman's 1948 election campaign; in any event, it is at least clear that Johnson was privy to the arrangement.

2. In any event, whether or not Johnson did in fact suggest me to Bruce, my recollection is that it was Johnson who told me that Bruce would like to talk to me about the possibility of working for him on MDAP. Thereafter, at his suggestion, I either called Bruce or Bruce called me to set up a meeting with him. Johnson did encourage me to talk to Bruce.

This is a very minor point but I would like to avoid any possible reader confusion as a result of inconsistencies among statements of mine on the point.

Sincerely,


John Hallewell Only

APR 08 2013

Notes on Meeting with Mr. John Ohly
April 24, 1974

Mr. Ohly had virtually no role in the events leading up to the Unification Act. He had served as Special Assistant to Secretary of War Patterson in the latter half of 1946; he served as Executive Director of the Compton Commission in the first half of 1947; he was brought in by Marx Leva to serve as one of the three Special Assistants to Forrestal upon the activation of OSD in September 1947. It was interesting to note that he viewed himself as representing the "War Department-Air Force," while Leva and McNeil represented the Navy. This point was significant to me because the Air Force later complained that Forrestal's office was top heavy with Navy people and lacked representation from the Air Force. Ohly wrote the Report on the Defense Department that was sent to the White House in February 1948.

Ohly was outraged with Johnson as Secretary of Defense. He got along fairly well with Johnson, but he was not happy and didn't want one of the Assistant Secretary slots that Johnson offered him. Johnson suggested that Ohly go into the military assistance program, then being set up in the State Department. Ohly did this and stayed with the program for a number of years. He worked closely with General Lemnitzer whom he found to be very effective. Ohly wrote an extensive study which appears as an annex to the Draper report on military assistance. I checked out this document; it is very comprehensive, but lacks material relevant to my particular interest at this time.

Ohly appears to have had first hand experience with all aspects of the Foreign Aid Program since its inception. Perhaps in later sessions with Ohly, he will be able to provide useful information on just what OSD was doing to generate policy and action in the International Security area. It would appear that OSD did much that may not show up clearly in the formal record.

Mr. Ohly doubted from the outset that the 1947 structure was workable. He worked closely with Marx Leva, General Gruenther and others on reforms. He pointed out that he had held the War Department view of unification and that his doubts about the system working had been confirmed.

Ohly pointed to a major weakness in the lack of a national policy. The NSC was not working out as the framers of the 1947 Act had hoped, and the JCS was severely hampered in its efforts to formulate strategic concepts and strategic plans. This in turn hampered the Defense establishment in efforts to formulate meaningful and balanced budgets. It was Ohly's view that the organization was inadequate and that command authority was lacking.

The framers of the 1947 Act, he emphasized, had envisioned the organizations created as one team. He alluded to the place of the NSC in the general scheme of national security organization, and to its relation to the State-Army-Navy-Air Coordinating Committee (SANACC). Ohly stressed the OSD efforts to get the NSC and the State Department to hammer out national policy. He recognized the importance of a close

tie-in between national policy and the strategic concepts upon which military planning is based, and offered to discuss these matters in depth, including their relation to budget development during the Forrestal-Johnson years.

Harry B. Yoshpe