

#12

~~FOR OFFICIAL USE ONLY~~

Page determined to be Unclassified
Reviewed Chief, RDD, WHS
IAW EO 13526, Section 3.5
Date: MAY 01 2013

INTERVIEW WITH FRANK PACE
SECRETARY OF THE ARMY 1950 - 1953

by

ALFRED GOLDBERG AND HARRY B. YOSHPE
NEW YORK CITY
MAY 13, 1974

Office of the Secretary of Defense 505-C-552
Chief, RDD, ESD, WHS +
Date: 01 MAY 2013 Authority: EO 13526
Declassify: X Deny in Full: _____
Declassify in Part: _____
Reason: _____
MDR: 13 -M- 1063

~~FOR OFFICIAL USE ONLY~~

B-M-1063 2-1

INTERVIEW WITH FRANK PACE
SECRETARY OF THE ARMY, 1950-1953

Page determined to be Unclassified
Reviewed Chief, RDD, WHS
IAW EO 13526, Section 3.5
Date: MAY 01 2013

by

ALFRED GOLDBERG AND FRANK B. YOSHPE
NEW YORK CITY
MAY 13, 1974

GOLDBERG: We would like to start with some questions from Mr. Yoshpe, who is working on this specific period in which you were with the Bureau of the Budget and the Army.

YOSHPE: Mr. Pace, one of the matters that impresses me in my review of this period is the importance of the budget as a resource allocation mechanism, and the problems which Forrestal and Johnson had in trying to fit the military requirements within a Presidential ceiling. From your vantage point in the Bureau of Budget, could you give us some idea as to the thinking that lay behind the setting of budgetary ceilings for the military establishment during the '47-'50 period? As you know, it was a period when military appropriations were being severely reduced, down to less than \$15 billion dollars, and Defense Secretary Forrestal had a great deal of trouble in trying to fit what the JCS thought they needed within what the President was willing to agree to. Could you tell us something about the philosophy behind the budget ceiling approach in those days and also whether you feel, with the benefit of hindsight, that this was the most appropriate

approach to military budget-making in support of national policy in that period.

PACE: In this period I was first Assistant Director of the Budget then Director, and I had the day to day managerial problems.

Mr. Webb, the Director of the Budget, had the broader perspective on what was happening. The President was very much interested in the budget and had very strong views about the control of it.

I think his attitude generally about the budget was a conservative one. We felt that we were in a period of substantial expansion in the social and economic field, and that big budgets, as they grew, became uncontrollable. We were in a period of peace. We just came out of a great war, and we were preeminent in the world. We alone controlled the atom bomb. And with almost all of the other great countries of the world having suffered so severely during World War II, it seemed to be an ideal time to try to establish a peacetime level of military budget-making that could form a pattern for the future.

The plan was to bring the budget of the military down to a minimum. It was the belief that a major conflagration would not occur, and ^{we} had not been engaged in a minor altercation for a hundred years. Therefore, unless the military was to feed on itself, which it can do, and grow solely because of that process, this seemed to be the time to aim for reductions. When you have a structure such as Secretary Forrestal had, this kind of reduction seemed incredibly painful. There is never enough money to satisfy legitimate military requirements; neither is

MAY 01 2013

there ever enough money to satisfy legitimate domestic, social requirements. There was a feeling in this country that the budget was about 25 or 30 percent lean and about 70 percent fat, and that with little effort, it could very easily be reduced.

In my period I introduced something called "The Budget in Brief." It still carries on today. We sold this for a dollar. It was my theory that the public needed to know that the budget was not 75 percent fat and 25 percent lean, and that no matter how stringent your reduction, unless you really cut into programs, you just didn't reduce it. So fundamentally, in this period it was the President's sense that in peacetime a nation needed to throw more of its great strength into its social and economic growth.

GOLDBERG: May I interject a question? Were you generally and specifically in agreement with the President in this view? Did you feel that in this period '48 - '49 it was desirable to cut the military in favor of economic and social programs?

PACE: Yes, I very clearly agreed with the President. Frankly, if I had not agreed with the President, I wouldn't have stayed as Director of the Budget.

GOLDBERG: Did your views change once you moved into the Defense Department?

PACE: You have to remember that almost immediately when I came

in, the Korean War came along, and all previous plans and thoughts were totally changed. You could ask me another question, that is, in the light of the Korean War was what we did wise? The answer is that if we had known the Korean War would erupt, we certainly wouldn't have done what we did. This was a chance element in history; whether Russia moved to test us or whether Russia moved out of a mistaken idea, based on Dean Acheson's statements, that this was a "happy hunting ground," no one will ever fully know. It really was not a particularly logical act on the part of the Russians. They did not have the strength to support this. They have always been quite conservative in such matters; their tendency is to probe rather than to thrust. So there was here either a desire to test or a mistaken assumption that this would not be something that would draw us in.

GOLDBERG: Could we go back a little bit before the Korean War to 1948 when we had first the Czechoslovakia crisis and the rumors of aggression war, then of possible by the Soviets beyond Czechoslovakia, and next, the Berlin airlift. Now, many people in and out of government and particularly, of course, in the military establishment and especially Forrestal, were excited and agitated by these actions, obviously to a far greater extent than was the President and his immediate advisors, including I presume, Secretary of State George Marshall. Is it simply that

their reading was different from that of Forrestal and his people ?

PACE: Well, you have to understand when you are in the Department of Defense, you are very much like the head of a business. There is very little else in the world that is important to you except your product. It is a fact that when you get in the Department of Defense you are exposed to every danger that exists. Your advisors keep you well informed. The military normally see greater danger than the ordinary fellow does, so I would say that I am surprised that Jim Forrestal was not more agitated than he was, rather than less agitated, because this was the most drastic reduction that had been undertaken.

It was, in the light of the kind of complicated world we live in, certainly a questionable experiment. Had the Russians not made this particular move, Korea--it is possible that because we did not build up substantially, they would not have been forced to build up substantially. Having lived through a great many situations, I rarely see things in black or white any more! "This was right; this was wrong." I prefer to say that the President had very clear ideas as to how much this country really could afford to spend. You also have to remember that this was a period when quite conservative fiscal minds were functioning in the Congress. There are no more Harry Byrds, there are no more Carter Glasses, not only of the persuasion, but of the strength to put that particular persuasion across.

The President really saw the issue in terms of priorities: what is more important? Not can I do both? The President didn't believe he could do both. He felt that in order to do one well, he really had to make another pay a price as we did do it. Now it is also true that in any big institution, and the Defense Department is no exception, every now and then the cleansing effects of strong reductions have a beneficial impact on the system. There is scarcely a company I know that has not really put its house in order every time a recession comes along; that is the time to do the lopping. So I can't say it was all bad. I can't say that from that lean and relatively clearly identified base we couldn't expand a little better than we could have expanded from a sloppier and slightly larger base. I am not making the argument. I am only pointing out that the alternatives are there.

GOLDBERG: When Korea came along the President did flip very quickly.

PACE: He did; that's right.

GOLDBERG: Were there indications prior to Korea that he was already moving in that direction, - not in the direction of a major change in policy but at least some changes, perhaps not to the extent envisaged by NSC 68, but at least in that direction? Is it possible or likely that he might have permitted somewhat larger budgets even in the absence of the Korean conflict?

MAY 01 2013

PACE: I am sure he would have permitted somewhat larger budgets. I don't think this was basically a change in philosophy. I think it was more his belief, as frankly it was mine, that if you create a really solid reduced base, if the system is working at all, what sloughs off is the less desirable area. Certainly it is less true in government than it is in business, but you have to proceed on the assumption that if you are reducing and if you are ingenious at all, you will find means of retaining your basic strengths and losing your weaknesses. Now I don't believe that the President, in the absence of a war, intended to keep it at that level. I don't believe this was a change in philosophy because quite clearly he appointed Louis Johnson for one purpose - to reduce Defense spending; and Louis Johnson sought to fulfill this purpose. There is no easy way to have a small defense establishment. There, frankly, is no easy way to have a large defense establishment. The requirements of a defense establishment always are going to exceed what you provide, irrespective of what you provide.

YOSHPE: One of the significant developments during the 1947-50 period was the Foreign Assistance Program. Would you say that the Administration saw this need to build up the "citadel," our European partners, and that it was more desirable to invest the money in this effort as against increasing the outlays for the US defense establishment. Was the recovery of Europe economically and militarily considered

seriously as a trade-off against an expanded U. S. military budget?

PACE: It was one of the trade-offs. I can't in all honesty say that we reduced the military in order to do this. But just in terms of priorities, I think Mr. Truman's priorities and mine lay in a strong and reconstructed Europe and, hopefully, ultimately a strong and reconstructed world. This, we felt, offered greater possibilities than additional stocking of weapons which unfortunately become obsolete so quickly.

Obsolescence is one of the problems of the military process, a problem, for instance, that must face the Russians today. You buy vast quantities of equipment, and one major change in the state of the art of the military can wipe out a multi-billion dollar investment. You're constantly on the horns of the dilemma of being prepared for today and being obsolete the day after tomorrow.

So I think President Truman had two objectives in mind. One was to get this relatively unmanageable military organization brought under a sensible management structure. The philosophy of three competing Services had been developed and pressed, but it was really unimpressive to Mr. Truman and frankly was not impressive to me.

The second objective was to insure that there was a solid and sensible base from which to build. Now going along with that was the feeling and possibly the hope that we would find a way to maintain a far

reduced military force. One thing is clear, It is extremely easy to expand the military force. Given a pattern of peacetime size, it becomes virtually impossible to reduce. We were in a period of reduction from a wartime operation. It is relatively easier to continue the reduction process than it is to embark on reductions once you've established a level in peacetime.

I think the objective here was to go to a base from which you could move in an emergency. I would be the last to deny that the base may well have been too low. I can't prove that the judgment here was wise. It is virtually impossible for us to be fully prepared in peacetime for war. The only nations which could be thus fully prepared are those whose people are subject to total autocratic authority. Nobody except in a dictatorship is going to accept a situation where you provide the kind of strength in peacetime that is needed for war.

GOLDBERG: But you do remember, I'm sure, that in the beginning of your period, an issue was being drawn between the "mobilization" theory which you've been talking about and the theory of the forces in being prepared and ready to fight on immediate notice. This was the fundamental difference between the Air Force and the other Services particularly the Army. This was beginning to come to a head during the period that you were in office/of the Army. Do you recall that Mr. Truman reacted to this issue at all? I suppose he was pretty

MAY 01 2013

much convinced of the soundness of the mobilization theory - of mobilizing from an established base.

PACE: But I think to a certain degree his conviction was born of the economic process involved. I think if you had your philosophical choice between a ready force or mobilized force, there would be no hesitation: you would go for a ready force. The issue is: what does it cost you to have a ready force? How long does that force remain ready? What price do you pay in the growth of your whole system for this kind of ready force? The great problem you have in this whole thing is the general assumption, in my judgment, that has existed for some time- that we are a nation of unlimited resources and we did what we needed to do, not what we could afford to do. At least I, as you can tell from my general discussion, felt quite early we were not a nation of unlimited resources.

GOLDBERG: You mean this was your view at the time?

PACE: Yes, quite clearly. I felt that we needed basically to find a means to live within those resources. Anything you did was chance. If you failed adequately to support economic and social growth, then your nation suffered in one way. If you do not have a ready force and war strikes, there is a hue and cry as to why we spent all that money and were not ready. But if you accept the doctrine of limited as opposed to unlimited resources, which I think the Vietnam experience

has made clear, then you have to make judgments as to the area in which you are prepared to take your chances.

Mr. Truman, at that time, felt quite strongly, and I did agree with him, that the great strength of America, coming right out of the war, lay in this enormous thrust for economic growth, and our capacity for technology. I remember the way that Bill Shockley brought in the transistor, this little thing that revolutionized industry.

Here was this whole thrust and push. You had several choices. for You could go/a substantial military force: Call it ready if you want to; I just don't think there is such a thing as a ready force, but let's say approximating a ready force, and you could cut back on your economy. You could do both of them fairly well, or you could do both of them very well and show a very substantial budget deficit.

Well, we were still in the era of the balanced budget. I can assure you that if you had advanced something that was clearly out of line, you would have found Harry Byrd at the bridge. I wouldn't want to try to get across that bridge because I knew Harry Byrd and I knew the power he exercised in the Congress in that field. Quite frankly a good deal of the nation was with him at that time.

These were all the considerations - this just wasn't "lets take a whack here and whack there." It was a considered judgment that was unfortunately reversed by Korea. Whether we should have tackled the Russians ^{on} / Korea or let him run over us, you can argue as you see

fit. We believed at that time that there was a very reasonable chance that this fellow was going to lick his wounds and get all the pieces back together again. The last thing any of us could imagine was engaging in some kind of war with Russia as early as 1950. Now by 1960, Russia might pose a real threat. But what we did in 1950 would be so totally obsolete by 1960 that doing it would be in itself a waste that could very easily be challenged.

GOLDBERG: May I raise another question or a related one that grows out of this one. The military, of course, are pretty much inbred on this whole subject of strategic concepts. At the nub of much of the controversy within the military was the question of what kind of a war are we likely to face. The Services had different views of what that was going to be like, and these views were generally in accord with their particular interests and forces. Now this, as you know very well, was rather fiercely argued inside the Defense establishment. How much of that spilled outside, let us say to the White House and the President?

PACE: Well, much more, as you'd understand, to the Budget than to the White House. You really have to distinguish the Budget from the White House. It was part of the White House, but the rest of the White House was interested in special areas and political areas. We were the sole managerial functionaries, and we were fully aware of it. We recognized that the people who made the arguments were both honest and dedicated, and I mean that. But we also recognized that they looked

at it from a point of view of the experience that they had had. If you're going to get a coal miner to judge how much money you ought to spend on mine safety, I've got news for you - you will come up with a budget that will fascinate you.

This was one of the great problems of the budget. Not that you had a bunch of people trying to give you what was known as a "snow job," but highly dedicated people who had interests and requirements that could not be fulfilled. If you accepted, as I did, the doctrine of limited resources in this society, you were dealing with honest issues in which you had to make decisions to give the military what they sought or to further the growth of the country, promote the development of protection against disease, and meet the problems of the cities and the requirements of the farmer.

What you really had to avoid was cutting the claims in each area to the point that none really functioned effectively. So by and large, the hard decision was made that you were going to give these others an opportunity to move and develop and that you were going to take your chances at that juncture on the military. I have to say that at that time, I regarded this as a highly logical decision.

Even in the light of Korea, I believe, it is still a highly defensible decision. We had this incredible growth in the 50s and 60s. We did use the remarkable technical developments that came out of World War II to build a whole new industrial society. We did provide for the needs

and requirements of a group of people who had never been recognized before. All this might not have happened if you had decided that you had to put your hand in the dike here and in the dike there but had no forward motive power.

GOLDBERG: Then it's your view that the leadership of the country, particularly President Truman and his advisors, never gave serious consideration at all to the Air Force view that defense could be achieved more cheaply had we adopted their notion of a ready Air Force which could have taken care of all situations, that we could therefore have gotten along with a much smaller Army and much smaller Navy and in effect actually saved money overall.

PACE: We sure could not have saved money. The ready Air Force would cost you more than the \$14.6 billion we spent for defense. When you're a Budget Director you look with a jaundiced eye upon people's estimates of what it would cost to equip a ready force. So first, you would not have saved money; you would have spent more. Secondly, it's not fair to say that Mr. Truman didn't take the Air Force point of view seriously. The Air Force, you will recall, was very young and brash at that time. The Army and I'm not prejudiced in this because I was in the Air Force myself - was infinitely more mature, infinitely more wedded to the requirements of the nation. Not only were the Army arguments, in my judgment, more compelling; the people who

made them were infinitely more qualified to make them. I can't tell you exactly what Mr. Truman thought. But knowing him, as I did, I have an instinct in feeling that he had this same philosophy. I don't need to say that at least in that regard, Korea proved us to be correct. You do recall that we originally decided to go in without land forces - purely with Air and Navy; and I can still recall at 1:00 in the morning that Shakespearean English of General MacArthur advising me that we either committed ground troops or we would be unable to defend Korea. I remember calling the President at that hour and conveying General MacArthur's message. The President said "Well, Frank, do we have to decide it now?" I replied: "No sir, but you have to decide that we don't have to decide it now." He said, "We'll decide it in the morning," and I said, "Yes sir, sorry to have awakened you - Good Night." And we did decide it in the morning.

YOSHPE: Another matter has perplexed me a bit. I'm aware of the fact that you and Mr. Webb gave a great of thought to the need for an integrated Defense budget reflecting balanced Defense plans. But in order to have that kind of budget you have to have good strategic planning attuned to well formulated national and military policies. One of the troubles in this period was that the mechanisms conceived for developing national policy at the NSC level and strategic policy at the

JCS level were not working the way they were conceived. Would you comment on that?

PACE: Well, you have to understand it was in this period that we first really created the institution of the Presidency. Prior to Mr. Truman there had been no institution of the Presidency. It was never big enough under Presidents Coolidge and Hoover. Mr. Roosevelt managed things on a highly personal basis, but Mr. Truman regarded the Presidency as an institution. He felt the Presidency was above him, and with his modesty he was able to create this.

You've also got to understand that in this we had had no experience whatsoever. We laid on what I think was a highly logical scheme but the people who were executing it just weren't trained in executing it. The JCS had come out of a highly competitive atmosphere, and although they were fine men, in those early days it was almost impossible to achieve national policy when you were fighting this particular fight that you have identified. Now the JCS have grown into a much broader and more meaningful institution, but that took a certain amount of time and certain amount of trial and error.

Remember, also, there has never been anything like an NSC - This was a totally new process. Again, processes only work if the people in them know how to make them work. That means you have to recognize at certain points that you have to make concessions, and you have to

recognize that at other points you can't afford to make concessions.

You only do that by living the process, and we just frankly hadn't lived it long enough.

So to create a realistic policy at this point was a challenge of the first magnitude. Mind you - this business of being a world leader was a very uncomfortable one for all of us. The values of leadership are minimal and the problems of leadership are inexhaustible. We were neither prepared in terms of our internal military situation or in terms of our foreign policy, planning. This was an extremely difficult period for that kind of system to work. Again, I have to say that irrespective of how you lay it on, you are rarely prepared to meet the unexpected. You're organized to meet the expected and you're organized to explain why you didn't meet the unexpected. But you're not organized to meet the unexpected, and least of all is a democracy prepared to meet the unexpected.

GOLDBERG: I gather from your remarks that we were really groping our way in most matters, foreign as well as military.

PACE: I don't think Dean Acheson would like that phrase and I don't think his efforts merit that phrase. I would say that we were inexperienced. We had a broad knowledge of where we would like to go. We felt very strongly that the development of NATO and the orientation of the European allies to us and their strengthening to the point where they

could do something was really quite compelling. We had a sense that establishing a variety of alliances around the world was a from of strength.

GOLDBERG: Well it took several years after World War II to arrive at those particular policies.

PACE: That is correct.

GOLDBERG: What is your reaction to latterday revisionist ideas about our foreign policies of the late 40s and early 50s. The revisionists view is that we were impelled primarily by economic and imperialistic motives in most of our policies; that what we were doing was primarily in terms of our own self interest, basically the economic interest of business and commercial establishments.

PACE: Well that's an easy one for me to comment on because, if I may say so, it's an utterly silly proposition. There never was a more magnanimous nation - one that pursued its own self-interest less than the United States. If you're going to challenge this country, you've got to challenge it on the fact that it failed consistently to pursue its own self-interest. I know of no decision in that period that was made out of pure self-interest. ~~I believe that the treatment of our defeated~~

~~allies and the development~~

MAY 01 2013

of the Marshall Plan will rank in world history as probably two of the most intelligent and magnanimous acts in the history of any nation. And then when we went further to translate that same generosity to the developing countries, we did so unwisely because the European formula in which we brought money to a highly technical society was totally inapplicable to nontechnical societies. In none of these instances were we thinking of our own self-interest.

The degree to which the governments of other nations have defended the private interest of their society is so infinitely greater than our own. To me, it is wrong to say that in that period we were pursuing our private interests. No, we had a dream that we could create a world in which people could live not fabulously, but satisfactorily, and then maybe turn it over to somebody else and go away from it. We neither had self-interest in the period that I was in government nor dreams of power.

GOLDBERG: There's a large school of revisionist historians who are working on this period. The other element of the theory is that along with the spur of self-interest, we were driven by an implacable hostility toward the Soviet Union and a desire to contain the Soviet Union and if possible to reverse the tide. Much of what we did, these revisionists assert, was a result of these two basic elements. From this point of view, the U. S. was far more to blame than the Soviet Union for the cold war and all that has followed.

PACE: As to the first point, it's silly. I can't characterize it any other way because I was there and I was part of it. As to the second, very early, as you know, many of us had hoped that in the face of their many problems, the Russians would pose no difficulties for us. I would say we clearly over-estimated the strength of the Russians in that period. I think we had reasonable evidence of latent Russian hostility and cunning. Many of the top officers, with whom I dealt as Secretary of the Army, totally distrusted the Russians. They had had dealings with them at the end of the war that left them with the feeling that this was not a nation that honored anything except its own self-interest. Mind you - we knew very little about Russia. You're always suspicious of what you know very little about. So as to the charge that we had implacable hatred of Russia, that was not totally correct. There was the feeling, and I think justifiably, that Russia believed she could manage to dominate the world, not necessarily by war but by demonstrating a better way of management or alternatively a greater capacity to sell what could have been a package. I don't believe that Russia really learned the limits of power until Czechoslovakia. It was not until then that Russia came to appreciate that world domination does not come from military might or propaganda, that anytime you achieve a conquest you may have paid a bigger price for reorienting what you conquered.

GOLDBERG: You mean Czechoslovakia in '68 or '48?

PACE: '68. I think it was only then, combined with Vietnam, that Russia really came to the conclusion that power was quite a limited thing and that unless what you conquered was in your geographic domain, you probably might end up more loser than winner. This is pure Pace now. I'm not trying to say this is correct, but you don't want my view of what other people think, you want my view of what I think - for whatever it's worth. In that period we knew very little about Russia. I remember coming back from the NATO conference which we did indeed put General Eisenhower in - we did reorganize NATO - we did do the very difficult thing of bringing West Germany in - I remember that Joe Collins and Al Gruenther and I flew very carefully over the Pyrenees to see if there could be a land base retained. I mean this was seriously our thinking, this wasn't something that was generated - you really have to take the mind back to that period. But the thought that we found Russia a whipping boy, or the thought that Russia was a means of permitting us to move our imperialistic designs under the guise of a greater danger - believe me, and I'm sure the revisionist historians would enjoy cutting me to pieces - it just isn't true. Or else there were a lot of people doing a lot of things that I never knew about, and that's a little hard to do with the Director of the Budget and a President like Mr. Truman.

YOSHPE: What influence did the Council of Economic Advisers have

in determining the budget limitations for that period. Did they play very much of a role?

PACE: Not very much. The Council of Economic Advisers in the early period that I was in the Budget, was headed by a conservative economist named Ed Nourse, whose general attitude toward fiscal matters was pretty much in accord with my own. Remember, he was replaced by Leon Keyserling, whose general attitude on fiscal matters was quite divergent from mine. I believe that Mr. Truman had set the pattern in the period of the conservative Dr. Nourse. Keyserling, who is a very persuasive fellow, affected some areas of distribution, but I don't believe that the basic pattern of the budget was really affected by Leon Keyserling or Ed Nourse.

GOLDBERG: What was your relationship with Mr. McNeil when you were at the Budget Bureau and he was at the Pentagon? I understand you worked pretty closely.

PACE: We did. Actually it was shortly after I came over to the Pentagon that we started putting Budget people in the Pentagon. When I first came to the Budget Bureau Defense officials made quite formal presentations to us, almost like before the Congress. The budget is so big that it cannot be grasped through formal presentations.

Mark Twain said that there were three kinds of lies: "Lies, Damn Lies and Statistics," and I'm a great believer in that fact. This quite formal

relationship, I felt, was really not productive at all, and I think that Mac had much the same feeling.

And so we began to put Budget people in Mac's operation in the three Services. The result was we were just one whale of a lot better informed. It was almost an adversary proceeding in those earlier days. They came before us; we were the judges, but their ability both to mislead us and have us improperly distrust them was substantial. The need to have somebody there whom you could trust, who knew the facts, was really compelling.

Yes, my relationship with Mac was very close. In fact, my relationships with all four of Jim Forrestal's first assistants were very close.

Leva and I were close. Frank Nash and I were extremely close, and Jack Ohly and I had been classmates. So there developed here a sense, institutionally, we either had to hang together or hang separately, because going through two adversary processes in which they came up to the Budget and made their presentation and got whacked here, and then on to the Congress and got whacked there, made the whole process almost meaningless. I believe the really important thing that came out in the period was the interrelationship between the Budget Bureau and the Defense Establishment.

GOLDBERG: You recall NSC 68 and its development during 1949 - 1950, I believe? Do you know whether President Truman ever was exposed to that or paid very much attention to it?

PACE: Well I'm sure he was exposed to it. President Truman, as you remember, had a unique administrative talent. People were forever talking about what a great politician Mr. Truman was, and in my vast ignorance I regarded him as only a fair politician. Nobody ever talked about what an administrator he was, and I thought he was a hell of an administrator. He spent a lot of time picking the people, and when he picked them he leaned on them very heavily. As you know, he leaned very heavily on Acheson, on Marshall, on Webb. I think he leaned very heavily on me.

President Truman's relationship with Jim Forrestal was quite formal. They were different kinds of people, but of course he and Dean Acheson were different kinds of people. But they didn't have that kind of relationship that grows up from time to time. When you talk about government you really have to remember also that none of this can ever be written out in some kind of formula. People have a chemistry or they don't have a chemistry, and the President has a chemistry. One of the President's great strengths was his ability to take very complicated things and say them in a very simple way without cheating which may be the greatest characteristic a President can have. The second characteristic was to take a great deal of time in selecting people, and then lean on them very heavily. So when you ask me if I know that Mr. Truman spent a great deal of time on NSC-68, I

I would guess No, but I'd guess he knew who had spent time on NSC-68 and took their judgment on it.

YOSHPE: In connection with this matter of his formal relationship with Forrestal. We get the impression that President Truman was somewhat irritated with Forrestal because he kept coming back trying to break that budget ceiling, trying to get him to raise it. You remember the President came back and said, "No, that's it," even after he had heard all the briefings.

PACE: I would say that that is probably correct. I don't know whether the word irritated is a fair one, but Mr. Truman was a very fair man. When he first discussed the problems with Mr. Forrestal, he discussed them very fully, and told him why he came to that conclusion. I can see what impelled Jim Forrestal to come back again and again. I don't blame him. I can see why a President who said this is it could become very irritated with a man who kept coming back and acting as though the President didn't know what he was doing. So the irritation was probably there. It was no fault of either Forrestal or the President. It grew out of a situation that Jim Forrestal couldn't live with; it grew out of a situation that the President was very clear about.

YOSHPE: How would you rate Forrestal as against Johnson? As human beings, as Secretaries of Defense in terms of their style and their way of working with people?

PACE: I knew both men quite well and I have a certain hesitancy about imposing my judgment of people on History. I would prefer to give you my personal reactions and ask that you not identify them as my personal reactions. Jim Forrestal, as you know, came out of Wall Street. To a certain degree Jim Forrestal did things by the book. And Jim Forrestal developed great loyalty in the people he was working with, and he worked with them quite intimately. Therefore, Jim Forrestal had a feeling that he was letting down the Defense establishment and people he admired so greatly. He was also troubled by our seemingly defenseless position at this point in history. But if I had to make a guess, he was more troubled at letting his team down than he was by his historical perspective. Jim Forrestal was also troubled in this period by Drew Pearson's attacks on him personally. He was not a politician with a thick skin. He was a very fine and dedicated man out of Wall Street with a very thin skin. As a result of all this he was driven to come back again and again to the President.

Louis Johnson, who was personally very kind to me in the period I was there, was not a man of depth. He was essentially a lawyer politician; he knew how to get things done in a political way but not in a managerial way. He came in with a mission. I don't believe he ever assessed the meaning of the mission or the effects or impacts

of the reductions involved. I could be totally wrong about this. I think quite frankly that Mr. Truman's own confidence that we would not again be troubled in his era or immediately thereafter by any form of major or minor conflagration explained his willingness to put Mr. Johnson in as Secretary of Defense. I don't believe that he had any different concept of Mr. Johnson than I've given you, but again, I'm very careful about these things because, as you can tell, I have very clear ideas about almost anything. They can very easily be wrong, but you don't have any problem understanding what I say. This is my assessment of these two men. Once we were in difficulty, Mr. Truman moved quickly to put General Marshall in there, very precipitously and to reorient to a war situation that neither he nor frankly I expected to occur in that period.

GOLDBERG: Was there anything in particular which precipitated Johnson's removal? Or was it a combination of circumstances?

PACE: Two things, I believe Mr. Truman knew we were in for an important and difficult period and that Mr. Johnson was not capable of carrying that and that General Marshall was. Louis Johnson had also been a little indiscreet. Having on the one hand reduced our strength, he made the mistake of leaving the impression the strength was there. The honest way, and the honest way is often in my judgment the most sensible way, was to say, "we're taking this kind of a risk."

Mr. Johnson left the impression that you could have a \$14.6 billion budget and still have the strength to move anywhere any time, and it just wasn't there. So I think these were the reasons.

GOLDBERG: You were also involved in some regard in the MacArthur removal - is that correct?

PACE: Yes. In an indirect rather than a direct way. I went to Wake Island first and conducted the military discussions with General MacArthur. Mr. Truman talked about this beforehand. He really had quite a high regard for General MacArthur. He felt that General MacArthur was the best man to be conducting this difficult war. Contrary to what he might have said later in life, Mr. Truman chose to fly halfway across the world rather than order MacArthur back to Washington. The meeting at Wake Island was a fruitful one. Again in chemistry, General MacArthur would always have to regard Mr. Truman as an inferior human being, and Mr. Truman would always have to resent General MacArthur's feeling that way. But this was not a factor in this meeting. General MacArthur did say that the war would be over by Thanksgiving and the boys would be home by Christmas. That precipitated many problems that might not otherwise have been present.

The actual firing - it's a fascinating story. I don't know whether it relates to your particular interest or not. I was on a trip to the

Pacific, and when I arrived in Tokyo, General MacArthur greeted me and treated me extremely well. He gave a dinner in my honor. I found him an extremely fascinating man to spend time with. His concepts and views were brilliantly imaginative.

I received a cable from General Marshall saying, "this is explicit - this is explicit - you will proceed to Korea where you will remain until you hear from me." He didn't say a day, a week, or a month. So I bid goodbye to General MacArthur and went over to Korea.

I'd had some hand appointing General Ridgway as the Commander there; he and I were good friends and we did all the things you do on the battlefield, pinning some medals on Koreans and Americans alike and flying over the Chinese lines, improperly, in small planes. When I came back there was a call for me from General Lev Allen in Seoul, advising me of a cable from General Marshall to disregard my cable No. 87503, and to notify General Matthew B. Ridgway that he is now the Supreme Commander of the South Pacific, vice General MacArthur relieved. I was to proceed to Tokyo and assist General Ridgway in assuming his command.

Well, I asked General Allen to read that once more, and he did. So I got hold of Ridgway - remember he always wore those live grenades. Well, there was a hail storm coming up and I said, "Matt, could you possibly take those grenades off? If that hail stone hits that - what

I have to tell you is not going to be very meaningful. It is now my duty to advise you you're now the Supreme Commander of the South Pacific, vice General MacArthur, relieved." Well, he said, "Mr. Secretary, I can't believe it." I replied; "I can't either, so I'll repeat it. You're now the Supreme Commander of the South Pacific, vice General MacArthur relieved." Then I said: "I don't think you ought to go to Tokyo now. I think General MacArthur needs 48 hours to organize himself. So let's stay around here, I'd like to get that cable I was supposed to disregard." It came in a little after midnight and read as follows: You will proceed to Tokyo where you will advise General Douglas B. MacArthur that he is relieved of his command.

And an apocryphal story grew up in the Pacific that I was asked by the AP what I would have done if I had gotten that cable. And I was alleged to have replied, "It would have been no problem. As this was a Presidential order, I would have commandeered the first plane. I would have flown directly to Tokyo. Arriving after hours, I would have gone to General MacArthur's quarters, would have rung the bell, shoved the orders under the door, and run like hell." Well, in any event, General MacArthur was relieved. What had happened was that they did not feel they could send me a message through Tokyo because Willoughby would have intercepted it, and so they sent me to Korea

and then sent it through the Port of Pusan. There was a power failure in the Port of Pusan, and I never got the message in time to deliver it. Now that's not historically important.

GOLDBERG: How is it you got the second one before the first then.

PAGE: I got the second one before the first because the second one came in through Tokyo. They sent the second one through Tokyo. They apparently discovered that there was a power failure.

GOLDBERG: Oh - Had the news ---

PAGE: The news had already reached General MacArthur on the radio.

GOLDBERG: Yes, so it all got fouled up really.

PAGE: Very fouled up.

GOLDBERG: The intention had been that MacArthur be notified directly by someone --

PAGE: By me. I was the logical person to do it.

GOLDBERG: So that clears it up.

PAGE: Fascinating incident.

GOLDBERG: Yes it is. There are many misconceptions about it. Were you involved in any degree in the problem of the ammunition shortage which was supposed to have taken place during the Korean War?

PAGE: Very definitely.

GOLDBERG: What are your views on that? There are several different

interpretations. What actually happened and why?

PACE: There are many interpretations, but there is only one set of facts. When I came back from Wake Island, and General MacArthur had said the war will be over by Thanksgiving and the boys home by Christmas, I got the Policy Council together and passed on to them what General MacArthur had told us. I wouldn't want to go up before the Congress in February and have someone raise General MacArthur's comment and ask, "what did you do, Mr. Secretary?" I wouldn't want to say I did nothing. We'd better pick the thing that has the least leadtime. And then lets start cutting back on that. Which we did.

You remember then that the Chinese did come in, and if anybody ever had leadtime burned into his soul it was I, because of all things leadtime oughtn't to trouble you on is ammunition. But we just could not reverse that flow. In addition, the amount of ammunition that was fired in Korea made the 4th of July look like nothing. I was breaking my back, and that ammunition was banging up against those hillsides. We couldn't challenge the judgment of Van Fleet who was using it to protect his people, but that's exactly how it occurred, and that's exactly why there was an ammunition shortage. And because of the real demand on the ammunition, we just never could recoup that margin.

GOLDBERG: The rate of consumption ran something like 5 to 1 over World War II.

PACE: That's absolutely correct. You just can't believe it ;it had not run at that rate earlier.

GOLDBERG: Apparently something similar happened in Vietnam, too.

PACE: Oh, indeed it did.

GOLDBERG: The rates went up enormously.

PACE: I have to say, if I failed to do what I did, and General MacArthur had been right, I would have looked like a consummate ass.

MacArthur had said, the war's going to end and here's all this money being poured into the war. I have to say to you that after General MacArthur had pulled off Inchon, (and the JCS had had real doubts about that operation) when he spoke it came down like a thunder cloud from on high. Well Gentlemen, I hope this will be very useful to you.