

Oral History Interview

With

GORDON GRAY

Asst. Secretary of the Army, U.S. Dept. of Defense, 1947-49; Secretary of the Army, June 1949-Apr. 1950; Special Assistant to the President of the United States, Apr. 1950-Nov. 1950; and Director, Psychological Strategy Board, July-Dec. 1951.

Washington, D.C.

June 18, 1973 by Richard D. McKinzie, Harry S. Truman Library

The Harry S. Truman Library
Independence, Missouri

February, 1976

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by Richard D. McKinzie, Harry S. Truman Library

MCKINZIE: Mr. Gray, might we start by asking you to explain how you came to be appointed Assistant Secretary of the Army in 1947? Could you talk a bit about your relationship with Mr. [Kenneth] Royall and how that came about?

GRAY: All right. Well, I'll have to begin a little earlier, because I suppose this really all starts with my entrance into public life in the first place.

MCKINZIE: Yes.

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GRAY: And let me suggest at the outset that we're talking about people and events of many years ago, and I'll have to say that my recollection is not as sharp as I'd like it to be; but I'll give it to you the best I can.

I first got interested in politics in North Carolina. Although born in Baltimore, I grew up in Winston-Salem, North Carolina, and I had practiced law in New York for a couple of years. I worked for a large law firm there when I first got out of law school in 1933.

I was there for a couple of years, and in 1935 my father died, rather suddenly and unexpectedly, and, after considerable wrestling with my conscience and responsibilities, I decided that I should return to North Carolina to be with my mother, primarily.

So, when I was able to wind up my affairs in New York, I came back to North Carolina, either late '35 or early '36, and I took the

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North Carolina bar exam after a period of cramming for it, passed, and became associated with a law firm which was then known as Manly, Hendren, & Womble, then, I guess, the largest firm in the community, and perhaps the best.

The thing that really got me interested in politics was that in 1936 we had a very spirited Democratic primary contest (this was for Governor) between Clyde Hoey, who later became United States Senator, and a man named Ralph McDonald, who was then on the faculty at Salem College, and who later became--and may still be, I don't know--president of Bowling Green State University, or whatever it's called, out in Ohio.

I think that if he should ever read this transcript he would agree with me that he was not considered exactly a burning conservative; and indeed in those days, whatever his later views--and I think they began to ameliorate--he was really quite liberal. A part of his campaign,

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which is normal, in politics, was attacking the big interests. I was sitting at home one night with my brother, reading, or listening to the radio, or something, anyway the radio was on, I'm sure, because this is the real beginning of my getting into politics.

I heard a voice (Ralph McDonald) saying something like this: "Now, they ask me how I'm going to pay for all of these new programs." He said, "I'm going to tell you where I'm going to get the money, I'm going to get the money where the money is. Now," he said, "for example, a prominent and wealthy citizen of this community died recently. His will is probated in the very courthouse in which I'm speaking, and my friends, do you know, that man died and paid not a penny of taxes," He said, "That's the kind of source."

It was clear to me that he was talking about my father, and the next day I went down and offered my services to the Hoey campaign, because

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I resented this attack on a man who had never been in politics, had never taken any part, who was a decent, honorable citizen, successful, and who was in no position to answer the charge, you see.

Well, I was 27 years old or so, and I didn't get a very big job with the Hoey campaign headquarters. I think I swept floors or something like that, but Hoey won the primary and went on to become Governor. As a result of this exposure and interest, I worked later in the Roosevelt campaign. His candidacy for a second term would have been in 1936. I actually went to the Hotel Biltmore in New York and spent several weeks there as a very minor functionary, but doing what I was told to do and never knowing whether I made any kind of contribution or not.

MCKINZIE: This kind of life, though, was appealing

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to you?

GRAY: Well it did appeal to me, public service then was very appealing. I was in the law firm for a couple of years before I got into the newspaper business in about 1937, and then ran for the state senate in 1938 and was elected. I served a two-year term in the senate, continuing to be in the newspaper business as publisher of the two daily newspapers in the community, and the operator of a radio station; and I ran again in 1940 (these were two-year terms), and was elected.

Then, of course, Pearl Harbor came along in December of '41. At that time I was, I suppose draft proof, or draft exempt. I was holding state office, I was publisher of a newspaper, I had three children. There was just no way I would get into the military services unless I volunteered.

Living in a small community like that, of course, the members of the draft board were all friends of mine, and when I sought in early

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'42 to enlist in the services, having if I may say, somewhat immodestly, been sought after by both the Army and the Navy for direct commission...

MCKINZIE: May I ask why you did not choose the commission?

GRAY: Well, as best I can reconstruct my feelings at the time, in our community there was a strong America First sentiment and the young men, many young men, younger than I--you see by this time I had gotten to be, I think, 32 years old--there was little enthusiasm for the war among many of the potential leaders in the community, for one thing.. People who read this later on will just have to take my word for it as to what my thoughts were at the time, but one thing I wanted to do was to set an example for the community. Another thing was, I didn't believe in accepting a commission and possibly being put into a position later on in some capacity without ever knowing to what kind of assignment I'd go, of being responsible for people without having

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trained for this responsibility, and especially in the Army.

And so after a very considerable tussle with the draft board I was allowed to volunteer for the Army--I can't remember the exact date, but in the spring of 1942. This necessitated my resigning from the state senate, which I did in order to go into the Army.

I did go into the Army; was inducted at Fort Bragg. After a week or two there I was sent to Camp Wheeler, Macon, Georgia, for my basic training. I remember that I had reached my 33rd birthday just about two weeks after I had been in the Army. I was basically trained at Camp Wheeler in the summer, which was quite an experience, that being not exactly a Maine climate, and physically, of course, very difficult, because I was a senior of my peers by 12, 13, 14 years, I guess. But I successfully completed the basic training course. It was

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discovered during the last week of my basic training that I had developed a double hernia and they put me on light duty for the last week of training. I thought the authorities were very compassionate, to allow me to wait for another week, complete the training, and then go into the hospital, which I did; and then Uncle gave me a free double hernia operation. And after a short period of convalescent leave I returned to Camp Wheeler, and temporarily was a member of the cadre there until I was sent to OCS at Fort Benning, infantry OCS, from which I graduated in February of 1943 as a second lieutenant.

To my regret I was kept on the staff at the infantry school, because I wanted to be more a part of the Army, as it were. I stayed there--again the dates are not clear in my mind, but for quite a

period--and got the automatic promotions every six months, which you do in a headquarters of that sort. Finally

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I applied for admission to the Battalion Commander and Advance Staff Officers' course at Fort Benning, because this was the only way I could get released from the staff of the school. They had no choice but to release me to enter this course, which I completed successfully, and then I was put in the officers' pool for overseas assignment.

I had known General Leven Allen's two aides well, General Allen having been the commandant of the infantry school. He had left and had joined [General Omar] Bradley and ultimately, as you know, General Bradley commanded the 12th Army Group and Leven Allen was his deputy. And unbeknownst to me, one of these aides had had a request put in for me to be assigned to General Bradley's headquarters, or he had asked General Allen to put in the request--I'm not sure what the mechanics were. But I was shipped overseas, I went through the Armed Forces Replacement system, spending, once I remember, about eight days on a

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"forty and eight" because things were confused; we were shipped here to there and other places. But in any event, I finally ended up in Luxembourg in early December 1944, first assigned (again to my regret) to the broadcast section of the 12th Army Group, which was back at Versailles. Then I was sent to Luxembourg to help establish a shortwave radio communications system back to this country for military purposes. And on the street I ran into a man named William Harding Jackson, in the little city of Luxembourg. I didn't know he was even in the Army and he didn't know I was in the Army. He was the man who was the hiring partner when I went to work at Carter, Ledyard & Milburn in New York.

I'm going into this kind of detail because it affects some of the other things I'm going to get to later on. He asked me what I was doing and I told him. He said, "Well, we'd like to have you at the advanced headquarters,"--which

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was known as EAGLE TAC--and there had been some consideration (again background that I knew nothing about) of my being sent up there anyway as a part of operations. But Jackson was General [Edwin L.] Sibert's deputy, General Sibert being General Bradley's chief intelligence officer, his G-2. And as Bill Jackson had told me at the time, "I'm swiping you away from operations and putting you in the intelligence section." And that's where I was until I left the Army.

MCKINZIE: Was that duty more pleasant to you? Was it more in keeping with what you wanted to do?

GRAY: Than the broadcast thing? Oh, yes, it was very interesting duty. Still it can hardly be said that it was hazardous duty, except for the fact that the Ardennes counteroffensive started--the Battle of the Bulge as it's more popularly known--on the 16th of December, as I recall it, and the Germans got right to the city

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limits of Luxembourg. We had little action there, even though three large headquarters were there; Bradley's and [General Hoyt S.] Vandenberg's and [General George S., Jr.] Patton's.

Well, in any event, when I was separated from the Army as a captain, I returned to Winston-Salem and resumed my duties, including running again for the North Carolina state senate, to which I was elected in 1946.

In the summer of 1946 Kenneth Royall, who then, I think, had a title of Special Assistant to Secretary [Robert P.] Patterson called me and asked me to come to Washington to join the Army Department, having in mind that I would do public relations and congressional relations work, from a background which was pretty well-suited for this.

It didn't appeal to me to come to Washington. I was just getting reestablished, and I didn't feel that the kind of position I was being offered was even commensurate with what

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I was doing for my state and my community.

So I said, "No, I won't come to Washington."

A year later, the National Security Act of 1947 was passed. You will recall that it established what was then known as the National Military Establishment; but it established a separate Air Force, and it created new assistant secretaries for each of the services. There was to be a secretary, an under secretary, and two assistant secretaries. By this time Bob Patterson, who had been Secretary of War and who succeeded Stimson, had resigned and Kenneth Royall became the last Secretary of War and first Secretary of the Army, under the new act. He asked me to come up as one of the assistant secretaries and I accepted this offer. He recommended to the President that I be appointed, and I came up.

Now, we'll answer a question you put earlier. I'd known Kenneth Royall all of my life. He was

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from Goldsboro, North Carolina; he was a very successful lawyer there, and North Carolina is a state (or was a state), where everybody knows everybody else, and he had been a member of the same fraternity that I had belonged to in Chapel Hill when I was a student. Well, I just knew him, you know, and I came up to take that job. As a matter of fact, I first said to him I didn't want to come and he said, "Well, if I send a plane down, will you come up and have lunch with me?" I

thought I couldn't refuse that, and he talked me into taking the job, which was supposed to be in the field of the occupied areas. At that time we were still occupying Germany and Japan and I was to be in that area of the work. I explained to him that I didn't know anything about these kinds of responsibilities, and he said, "Well, don't worry about that, you will be able to do whatever we ask you to do."

I don't want to make this too detailed and complicated, but General [William H.] Draper who

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had been, I think Deputy High Commissioner in Germany, came back about the same time, or a little earlier, as Under Secretary of the Army, and he was given the final responsibility for the occupied areas, for which he was extremely well-equipped. He was a very careful, able man. He had been in Germany in a position of high responsibility. So, for a few months, from September--I think it was September--I actually was sworn in I think the day after the President signed that bill, or the day he signed the bill, I'm not sure about that, anyway, it was right away.

MCKINZIE: It was September 23rd.

GRAY: I was sworn in, I think, that same day, and my mother and her husband, my stepfather, and my wife and children were there and I thought I'd take the rest of the day off; but I got back to the hotel where we were staying and I had a call saying that the Secretary wanted to know

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where I was.

Anyway, I then started work. I have always tried to do my best with any job that I've had. I was given a desk, a large office. I had no secretary so they assigned a secretary to me from the pool. And here I was with no job description, and only the instruction that I was to work for General Draper, which I enjoyed doing. It turned out that the secretary they assigned me from the pool stayed with me in my three years in the Pentagon, and even went back to Chapel Hill with me and stayed for a while. That was one of the lucky things that happened to me; she was very good.

I didn't dare open doors at either end of this big room. I was so new, and the Pentagon to somebody that has never been in it is so awe-inspiring (it was to me anyway), even with all the experience I had had. I later learned that at each end of this room was a bathroom. Of

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course, a parking space on the mall, and a bathroom, were the status symbols there. You were there when you had both of those things.

One very amusing little thing I remember. I didn't know the first day I was working that I had a bathroom and I started out of my office and little Miss Beam, my secretary, came running after me and said, "Where are you going?"

Well, I said, "Why do you have to know?"

She said, "I have to keep a log of every minute of what you do in the office,"--then, and I suppose now, they do.

So. I told my first falsehood as a Federal official. I said, "I'm going to the Secretary's office." Actually, I went to the bathroom, but that satisfied her and she wrote down, "Gray left the office at such and such a time,"

Well, in any event I tried very hard to work with Bill Draper, but he was so good and his own background was as an investment banker

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where the whole thrust of everything that he had done, things had to be letter perfect, and no misspelled words--I'm speaking sort of symbolically now--it really didn't work too well, because he would give me a job to do and then the next day he would want to know how I was doing it. What I'm trying to say is, I was unnecessary to him in that job, and I spoke with Secretary Royall about this. I told him that it was a waste of my time, really, and Government money, that whereas I liked him and liked working for General Draper, I was just an unnecessary appendage. And about that time, as I recall it, Ed [Edwin W.] Pauley--I don't know whether that name means anything to you?...

MCKINZIE: Yes, he's now in California.

GRAY: ...who much earlier had been nominated for a high Navy post and I think was not confirmed by the Senate, or his name was withdrawn or something.

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He was a Special Assistant to Secretary Royall and handling procurement affairs, Army procurement affairs, and I think Mr. Royall had in mind, after a period of demonstration of his successful accomplishment of his tasks there, nominating him to a civilian post in the Army.

Actually, I think that when Mr. Royall asked General Draper to come back here to run the occupation responsibility he had offered him the position of Assistant Secretary. General Draper had misunderstood that and he thought he was being offered the position of Under Secretary. I don't know what happened, but he ended up being Under Secretary and this sort of changed Mr. Royall's plans for Ed Pauley, but in any event, he still was going to arrange something, when at this time Ed Pauley got in the news in connection with speculation in commodity futures, and he left the Army Department.

We had a distinction which sounds like

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bureaucratic nonsense, but I was made "The" Assistant Secretary of the Army, and Tracy Voorhees, who also was working by this time in occupation matters, as a special assistant, was made Assistant Secretary of the Army. The "The" in front of my name simply denoted that I was the senior Assistant Secretary. It caused a lot of laughter around many places, as you can see, but it was meaningful in our structure.

So, for a period of time, I served as The (procurement) Assistant Secretary of the Army, and this was the time that I learned that brains and patience and perhaps general ability, often compensate for lack of experience, because I'd never been engaged in major procurement in any way. But I performed, I think, reasonably well in that position.

MCKINZIE: There is abundant testimony that it was more than that.

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GRAY: I worked very hard at it. I worked long hours. I had breakfast in the Pentagon at 7:30 and I just rarely got home before 7:30 at night; I worked every Saturday and most Sundays.

Then the chronology again gets to be a little confused, but I think this is now carefully documented in my oral history project at Columbia. But in general terms, General Draper resigned, Secretary Royall resigned, and suddenly I found myself The Assistant Secretary of the Army, the Acting Under Secretary of the Army, and the Acting Secretary of the Army.

I'm afraid I'm giving you a very much too detailed...

MCKINZIE: No, this is exactly what I would like.

GRAY: Some of this leads to questions about Mr. Truman.

MCKINZIE: This is fine, sir.

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In the interim you were appointed chairman of that interservice board, were you not?

GRAY: [James V.] Forrestal had limitations as Secretary of Defense, presiding over an establishment with three separate departments and with very little power and very little staff--he had three statutory assistants--he tried to get a lot of things done by interservice boards.

At the moment two come to mind, one was the committee or board, whatever it was called, on civilian components of the Armed forces, of which I was the chairman, with the Assistant Secretary of the Navy, Assistant Secretary of the Air Force, and three very high ranking flag, general officers, constituting it; and we were to study the Reserve forces, that is the National Guard and the Reserves.

We completed the study, which had 60 or 70 recommendations. The first was that the National

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Guard be federalized. Secretary Forrestal bought the report, distributed advanced copies to the press, and suddenly people began backing away from it including my own superior, Mr. Royall, who I think then still entertained some political ambitions (and I don't say this critically at all), because he knew what a storm this would raise with the Governors.

MCKINZIE: Well, as a politician yourself you must have had some feelings.

GRAY: Well, that didn't bother me.

MCKINZIE: Okay.

GRAY: I always took the position in any public job I had that I didn't care whether I had it the next day or not, and that was the hallmark I think of good public servants; that was always Stimson's attitude and all the great ones, I think. They did what they thought was right

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and if they ceased to be Secretary the next day, that was all right with them. I mean I was here for the munificent salary of whatever it was, \$12,000 or something.

But Jim Forrestal got sort of nervous about this and he withdrew the report before the official release date, which of course, got a lot more publicity. I have a scrapbook here somewhere in the office. I think I had telegrams from all the then 48 Governors, only one of which was favorable, and this as I recall was from the Governor of Louisiana. I'm not sure I know why he approved it.

So it did create a political storm, and although I think some of our less controversial recommendations were adopted, but not the big one, which was number one. I don't think anybody ever read past number one, or most people didn't, because this was where the turmoil started. Well, that was one board and I still

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think it was a pretty good report.

And then he created a board to bring about a change in the code of military justice, not only so that the three services would have the same code (the existing codes differed in some respects), but also because there was very considerable pressure to make "reforms" in them.

Eddie [Edmund, Jr.] Morgan of Harvard was the chairman of that board, and again, there were Assistant Secretaries. I don't think there were military on that board, but that report was accepted. I was the only one to enter any dissents in it. I felt that in some cases it went too far in applying civilian standards of justice to military situations. Here is one of the reasons why if I haven't said, I will say, that I never would take anything for having served as an enlisted man in

the Army, living in the barracks. If somebody steals \$10 out of your wallet at the Metropolitan Club while you're

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in the shower, or something, that's not such a serious thing. In a military barracks if somebody loses \$10 with 40 or 60, 80, however many men live in the barracks, this is quite a different kind of thing. It's a much more serious offense. I mean it affected morale. Things like that, that some of these men, I felt, on the board just didn't understand. But it's not important, the majority of the report was adopted and, of course, the Court of Military Appeals was created and there is a standard code of military justice for the three services and so forth.

Now, those are two of the boards; I don't know which one you had in mind.

MCKINZIE: Well, the first one, which was before the resignation of Mr. Royall.

GRAY: Oh, yes, this was while I was still just the Assistant Secretary, in fact it was rather early on, I think, in my service in the Pentagon.

Well, here we were, Louis Johnson, of course,

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was then the Secretary of Defense. I found myself having the responsibility of these three positions all at once. I might say, and sort of parenthetically, that President Truman, as I think every President since, ordered people in the Defense Department and the State Department to stay out of political campaigns; this was in 1948. Louis Johnson who had not yet come into the Defense Department, was one of the chief fundraisers for the Democratic Party, and also active in the general campaign. He wanted me to do more in the campaign, and more financially, than I felt that I should do. As a matter of fact, I made a contribution to the campaign through the then Treasurer, who was a North Carolinian and with whom I had served in the State senate--his name was Joe Blythe--but I made it very quietly and I don't think Louis ever knew that I had made this contribution. I gave the money to Joe one evening and he died suddenly that same night.

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In any event, Louis didn't have--for that reason and perhaps other good ones--a very high regard for me, and he was not about to recommend that I succeed to any of these positions. And at about this time, John Sullivan had resigned from the Navy, in a public dispute with Louis Johnson over the cancellation of aircraft carriers. We were going through the battle between the Air Force and the Navy, and the central issue was the B-36 against carriers, to oversimplify it. I was trying to keep the Army out of this. But I was called to Mr. Truman's office one day--and I'd like to say that in those days the Secretaries of the service had a good deal more clout and responsibility than is now the case in this evolution that has taken place. For example, I never once had any difficulty going to see the President. I could see him whenever I wanted to; he frequently would call me over to talk about Army matters without going through the Secretary of Defense.

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He called me over one day and he said, "I've got to appoint a new Secretary of the Navy." He said, "I'm worried about my apparent neglect of the Army where we've got the two top positions unfilled." And, he said, "I don't have Louis Johnson's recommendation about a Secretary of the Army, or I'm not in a position to act on that," or something like that. But he said, "If I appoint a new Secretary of the Navy, will you for public appearances sake consent to become Under Secretary of the Army so that the people will understand I'm concerned about what is going in the Army?"

Well, I told him that at that time I had wanted to return to North Carolina. There were intimations, or perhaps something stronger, that I was to be offered the post of Dean of the Business School at Chapel Hill. Originally, when I first came to Washington, I told Kenneth Royall I'd be willing to stay for a year. Of course, that

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never happens to anybody, but anyway the President knew that I didn't...

MCKINZIE: Did you have serious aspirations to get into the academic world?

GRAY: Not particularly, although it had a certain amount of appeal. I had never liked the practice of law, and I didn't find that with a very adequate group of people working with me in the newspaper business that was too challenging; and I was sort of intrigued at times. At about this time Louis called me to his office and he said, "I want you to go and talk to a man who's sitting in my dining room."

I went in there and introduced myself to him, and he was Frank Matthews; and I asked him what he did and what his interests were. I didn't know why I was talking to him. And so we talked 15 or 20 minutes, and I came back into Louis office and I said, "Well, I've talked to Mr. Matthews, he's a very nice man."

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He said, "Well, what do you think of my recommending him to the President as Secretary of the Navy?"

I said, "Well, Louis, I can't on the basis of a 15 or 20 minute conversation answer that question with any kind of assurance. He seems intelligent, he's personable, but I never heard of him before and I don't know him."

Well, Truman did appoint him Secretary of the Navy, and at about the same time appointed me Under Secretary of the Army with the understanding that after a decent interval I could return to North Carolina.

About three weeks after my appointment as Under Secretary of the Army--and let me say again that this is documented in terms of dates and of people, in my Columbia oral history transcript, because I met with Tracy Voorhees, who knew this story, and he did some checking on various things including a book that was written by Jim Conant, about the work of the

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Committee On the Present Danger, you remember, which was a very effective committee incidentally--with which I didn't have anything to do. Tracy really ran it. He was the executive for it. Again, I can't remember the date of this, but anyway, I'm only saying that with Tracy's help I reconstructed this whole series of events of how I got to be Secretary of the Army.

So, I then was Under Secretary of the Army and Acting Secretary of the Army. About three weeks after my appointment I went to Louis and reported to him that the Army lawyers had told me that I would have to stop signing papers because there was an old statute, which has been in the news recently, which I think has never been tested in the courts, and which seems to say that no person can be acting head of a department for more than 30 days. This is the statute to which I think Senator [William D.] Proxmire was referring when he challenged the [William D.] Ruckelshaus appointment as Director of the FBI.

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And I said, "You've got to get ahead with the appointment of a Secretary of the Army, because the lawyers tell me that I may begin now to be committing acts which are subject to challenge in the courts"

Well, at that time he was trying to get a man named Curtis Calder, who was a utility executive in New York, to become Secretary of the Army, and he said, "Well, I'll call Curtis this morning, and you come back and see me this afternoon if you will."

I said, "I can't do that Louis, because I'm going to Chapel Hill." Actually, I was going down there to receive an honorary degree, and I remember taking along on the plane with me Jim Webb who the same night received an honorary degree.

I said, "I can't talk to you because I've got to go to Chapel Hill," and indeed that night in Chapel Hill I met with the committee for the selection of the dean of the business school and accepted that job to begin somewhat later, having

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been given the President's assurances that he would release me after a reasonable time. Louis said, "Well, then come see me tomorrow morning."

I said, "Well, I can't do that, because I'm leaving very early, I'm making the commencement address at West Point."

He said, "Call me before you leave, I'm an early riser." So, I called him very early, 6 or 6:15 or so. He said, "I can't get Calder to take the job, what do you think about my nominating you to the President?"

And I said, "Louis, I don't want it. The President knows I want to return to North Carolina, and please do not suggest my name because I'm honestly not a candidate."

"Well," he said, "come back and see me when you get back from West Point."

So I went to West Point and made the commencement address. While I was at West Point, Louis Johnson went to the President and said, "I want you to nominate Gordon Gray to be Secretary of

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the Army."

The President said, "Well, does he want it?"

And Louis said, "He wants it so bad he can taste it."

So, the President said, "Well, okay." I think it's fair to say he had a high regard for me, and he said, "I'm delighted to have him as Secretary of the Army."

Well, Steve Early was working for Louis Johnson, and Steve with his great public relations sense, thought, well, it ought to be just a wonderful thing if this news could come out while I was at West Point making the commencement address. But things didn't work quite that fast, and so when I got back in the middle of the afternoon Tracy Voorhees got on the plane before I could get off, and he said, "I want you to know what's happened before the press gets to you."

I said, "What's that?"

He said, "You were nominated this morning

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to be Secretary of the Army."

I came back to the Pentagon, and there was some meeting going on that day, I've forgotten what it was, but I know Bradley was involved in it, and Jack McCloy was involved in it. They by this time were no longer serving in the Pentagon. I walked in the office and my staff all said, "Congratulations, Mr. Secretary." I was bitter, really; I had just made this commitment the night before, I really didn't want the job, and knew that Louis didn't really want me.

MCKINZIE: Is it a fair statement to say that the major reason you didn't want it, was working with Louis Johnson?

GRAY: I don't think that would be correct. I had my difficulties with Louis, as a lot of people did. I think in all honesty it should be said that was not the main reason, it may have been a minor contributing reason, but I think it's

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honest to say that that was not the reason. No, it was that my mind had been geared to getting back; I had accepted this other job, So, everybody said, "Congratulations," and I said, "Well, hell, I'm not going to take it."

And then the word began to spread around the Pentagon. Parading through my office were McCloy and Bradley--others I can't remember--saying, "You've got to take it."

I called Matt Connelly and said, "I've got to see the President."

He said, "Congratulations, Mr. Secretary."

I said, "Matt, I'm not going to take it."

And I told him some of these circumstances and he said, "Well, of course, you've got to see the President. Come at 3:30, or something."

And this was one of the reasons that I admire--now we're getting to Mr. Truman finally--one of the reasons I had such admiration for him. I might say that from the first time I walked into his office, which was right after I was sworn

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in in the Pentagon, and every other time thereafter, I had a great sense of cleanliness. This is hard to describe: but his office was brightly lit, he was always impeccably dressed, his desk was neat--always freshly shaven. I never saw him when he didn't look as though he was just starting out the day. My impression always was one of wading into a sanitary place. I was upset as could be at the moment. So, I explained the circumstances to him and he said, "Well, we're in trouble, aren't we?"

And I said, "Yes, sir."

"Well," he said, "I'll take the rap."

I said, "What does that mean?"

He said, "Well, I'll just have to send a message up to the Senate and say I made a mistake.

Suddenly it dawned on me you don't do that kind of thing to a President of the United States, you know. So, I said, "Oh, Mr. President,

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I'll try to square this with the people down in Chapel Hill and I'll take it, but, again, I hope that after I've served what we both consider a respectable time, you'll release me."

And he said, "That's a clear understanding and I'm grateful to you for accepting it."

And of course, I'll never forget that moment when a President of the United States said to me, "I'll take the rap."

So, I went back and served, I hope well, as Secretary. Strangely enough, soon thereafter there became the necessity to find a president of the university. They went through the usual screening process, etc., and one of the members of the committee was a friend of my mother, and he kept telling her that my name was on the list--and I was not a candidate for that job either, largely on the basis of lack of experience; I didn't have the union card. I mean I had a law degree, but that's not the same thing as a Ph.D.

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in the academic world, as you well know. But they finally, I learned, narrowed the choice down to three people. And in about, I think it was February (this would have been in 1950), the chairman of the search committee, who was also a friend of mine, with whom I had served in the state senate, called me here one night and he said, "Our committee has settled on you as the choice for President, but I don't think the trustees will elect you unless they know you are going to take it."

And I said, "Vic, I can understand that, but I'd like you to understand that I'm not going to accept a job I haven't been offered."

"Well," he said, "this is a dilemma."

I said, "Well, maybe not, let me tell you an old story about the little girl who went to a dance. She sat along the wall all evening, nobody asked her to dance all evening, until they started playing "Home Sweet Home," which you will

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recall in the earlier days signaled the end of the dance. Some little boy came up to her and said, "Are you dancing?"

She said, "Are you asking?"

He said, "Of course, I'm asking."

She said, "Then, of course, I'm dancing."

And my friend said, "Thank you very much."

And the next day I was elected President of the University of North Carolina. But Mr. Truman knew--I had told him--I was going to perhaps get involved in this. Of course, I had to wind up my affairs, and I think it was sometime in April that the President asked me to head up a study on foreign economic policy as a special assistant to him and to delay my appearance at the university until this was finished.

One of the reasons was that Frank Pace, who was then Director of the Bureau of the Budget, was to be my successor and he was very anxious to get started immediately, and I think really

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this was why I was sort of taken out of the job of Secretary of the Army; but the President wanted this study made, and he thought I could lead it as well as anybody else. Of course, if I had known that the Korean war was going to start, I wouldn't have left the Army, but we really had at that time no real indication that this thing was going to happen.

MCKINZIE: You had expected then to go to Chapel Hill in September to begin as President.

GRAY: Maybe it was October, I don't know. I would have stayed on probably through the summer. I guess the answer to your question is, "yes," I told the Chapel Hill people that I couldn't come immediately, and they understood this, but not because I knew at the moment that I was going to become a special assistant. But I thought I'd want that time to leave the Army in good shape for my successor.

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Incidentally, I learned during this period how you can commit a serious mistake through sheer inadvertence, because during about the last three weeks I was in the Army I was having my official Army portrait painted. The President was very anxious that my successor's name not be known until he actually announced it, and I think there was literally only four of us who knew who my successor was going to be. One was Jim Webb, of whom Frank Pace was sort of a protege, and the President, and myself, I believe. And of course, Pace. Anyway, I was instructed not to mention it.

I sat for my portrait here in one of the studios at the Corcoran. Gardner Cox painted it, and he wanted me to carry on Army business while he was painting the portrait, he didn't want me to just sit there. I dealt mostly with a special assistant of mine on whom I relied very heavily in those days, named Jim King. And so King would come over while I was sitting

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every day, and I had, in the meantime, had some discussions with Frank Pace as to how he wanted to find things when he came into the Army; and so I talked to Jim in terms of "My

successor will want this all set up and want this changed," and always, as far as I knew, using the words "my successor."

So, when the day came that Frank Pace's announcement was made, Jim came into my office and he said, "I helped you keep that secret pretty well, didn't I?"

I said, "How did you know anything about it?"

He said, "Well, you told me."

I said, "I'll swear on a stack of Bibles that I never told you,"

He said, "One day when we were talking and we talked about what your successor wanted, and you said, 'Is that all clear?' I said, 'Yes,' and you said, 'I want to turn to some other things now that I need to talk to you about, so

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now that we've got the Pace matter settled, I want to talk about this."

And I was prepared to swear that I had never mentioned his name, but you know, people get trapped. When you see people get into trouble in Government and everything, sometimes we have to understand that it's inadvertence.

MCKINZIE: Sure.

GRAY: Well, Jim did keep the secret, and I was not embarrassed by it. So, then I went ahead and did the study, it was supposed to be a study of the dollar gap and right in the middle of the work the whole situation changed because the Korean war broke out, so we had to reorient the study.

MCKINZIE: How did you ever get Edward Mason from Harvard to come down and work for you?

GRAY: I asked him. I didn't know him well, but he was highly recommended by a lot of people here in town and correctly. I knew Matt [Menc S.]

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Szymczak who was then in the Federal Reserve, and he knew I didn't know much about foreign economics, and foreign economic policy, and we were all concerned that a good job be done for the President, He recommended Ed, and others concurred. Ed put together a pretty good staff, several of whom are now at Brookings, of which I am a trustee. Ed was a very good director of the study, and if the study was any good it was due more to him than me, and to the people he assembled.

One interesting little anecdote about this, I sent this report to the interested departments, and particularly State, for comment before I made it to the President. And Jim Webb, who was then Under Secretary of State, called me one day and said that the Department had studied this; and he said, "Very interesting report." He said, "I have a suggestion to make to you; why don't you just turn it over to us and let us rewrite it in language that would be better understood

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by the people in State and the other agencies."

And I said, "Thanks Jim for the offer, If you have any objections I would be glad to consider them, but the State Department is not going to write the report." The report was finished, but there was an election--this must have been an off-year election. 1950. And I said to the President, it seems to me that I ought to hold this report and not release it to you until after the election, just to make sure that a report that I made to you doesn't get involved in politics. This was why the report seemed to take longer than was necessary. Indeed, as this indicates, I was writing him from Chapel Hill, I had already gone to Chapel Hill before the report was released. But the reason for the time delay was a perfectly legitimate and correct one, I think, and that is that it just didn't make sense to put out a report which was controversial right on the eve of an election. The

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President hadn't acted on it, couldn't have acted on it, and I saw no reason to get it into politics.

Nothing, as I recall it, came very much of it because, subsequently, Clarence Randall made the same study, and there were others. I've forgotten how much of this was accepted and how much wasn't.

But anyway, then I went to Chapel Hill in the fall and assumed my duties. I wasn't inaugurated immediately. I've forgotten just when that took place, but anyway I went to work in Chapel Hill. That following year, I think the following year...

MCKINZIE: July '51.

GRAY: Well, you're speaking of PSB [Psychological Strategy Board] now?

MCKINZIE: Right.

GRAY: Well, I think even before that--and I don't believe *Who's Who* would reflect this--I was

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asked to be chairman of a commission on financing hospital care. I spent a lot of time on that and that report, We had a lot of trouble, the executive director of the report dropped dead right in the middle of it. Anyway we finally got the report out, and it was one of these committees that have all racial representation, business, labor, agriculture; it was about 50 people and a very unwieldy

committee, but we finally reached a fairly unanimous report, I think there were few dissents in it. This was done under the auspices of the American Hospital Association, but with grants from various foundations. That doesn't appear much in my literature because I just can't include everything I've done.

MCKINZIE: Was this something that you felt very strongly about?

GRAY: Not necessarily, but again, this public service bug that had bitten me almost always

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kept me from saying "no" to something that I thought was perhaps important. And looking back on it, the question of financing hospital care was and is still one of the big problems.

In 1951--I can't remember whether they came to Chapel Hill to see me or whether I was asked to come to Washington, I think that's unimportant--but Bedell Smith, and I think William Harding Jackson who (now our paths cross again) and perhaps someone else asked to see me.

They said, "The President's going to create an organization to be known as the Psychological Strategy Board, I believe that Jackson was Deputy Director of the CIA and Bedell was the Director, but that's easily checked. Bedell said, "We want you to take this job for two reasons, number one, the President is serious about setting up this board and we think that you are well-equipped to do it; but the second reason is we want to recommend you to become

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the Director of the CIA when I leave. And we think your taking this job will, allow people to say, 'Well, sure, here's a logical choice for Director of the CIA.'"

I told them that I had only been at the university for a few months (less than a year, I guess) and that my conscience wouldn't allow me to take another fulltime job so soon, and very regretfully I could not say that I will accept the CIA job in a few months.

I remember Bill Jackson's argument about how important it was and of course, "you always have to worry about America being caught in another Pearl Harbor, but this is, you know, a great thing for the country."

So, I said to him, "If the President wants me to set up this PSB I will set it up for him, but on a temporary basis, and if that's irrevocably tied to the other job then he had better not ask me to do it."

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Then the decision was made here by whomever that I would be asked to set up this board, which I had agreed to do; and I came up here in July, I spent three days a week here, and three days in Chapel Hill. I was on both of these jobs simultaneously. I stayed for, what, about six months.

MCKINZIE: Stayed from July to December.

GRAY: I got it established, although it turned out being largely an abortive organization, because most of the agencies wouldn't cooperate. It was done by an Executive order. It was to be financed out of the budgets of Defense and the CIA I think. I've forgotten just how the finances were arranged.

MCKINZIE: You wrote to John Foster Dulles in June 1952. You'd read an article of his and you said, "I very much liked your point about containment. I argued very strongly during the

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period that I served as Director of the Psychological Strategy Board that containment was not enough. However, I'm not sure that I succeeded in convincing anyone but myself and my associates in the staff of the Board."

Do you recall your feelings at that time?

GRAY: I don't recall this letter, of course.

MCKINZIE: I know, but I mean about this point.

GRAY: It was a feeling of complete frustration, yes. I came up here and they assigned me a desk in a room over in the old headquarters of the CIA on E Street. I shared an office and a secretary with some CIA fellow. We had no quarters, we had no money, we had nothing; but I finally got the three end buildings down on Jackson Place. They were the three old buildings that are around the corner from the Blair House. And I put together a staff. When I say it was somewhat abortive, it was for this reason: I thought my

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charter was to draw a plan for the cold war, and I've got hanging in my office here in Washington, broadcasts from Radio Prague and quotations from *Pravda*, and other things of this sort that indicated that this is what the Iron Curtain countries thought, too, because I was referred to as someone with a mandate to conduct assassination, and all this kind of thing. But the State Department felt that this was an invasion of their business, and in a sense it was, and some of the other departments felt the same way. I remember once when Paul Nitze, who was an old friend and associate, was head of the Policy Planning Staff. I went in to see him about something, and he said, "Look, you just forget about policy, that's not your business; we'll make the policy and then you can put it on your damn radio." I mean this was sort of their feeling. It accomplished some things, but it never really got off the ground, I felt; and I

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don't consider this one of the conspicuous successes of my life.

Then, just to follow that up, briefly (this takes us beyond the Truman period), when Eisenhower was elected he set up a committee which was given the euphemistic title of "The President's Committee on International Information Affairs" or something, headed up by--guess who again--Bill Jackson. I was on this committee, and we wrote a report which I think has never been fully declassified. A sanitized version was put out, but at that time the report recommended, and the President agreed, that the PSB be abolished, and the OCB, the Operations Coordinating Board, be created in its place. And the OCB then continued until President [John F.] Kennedy was elected, when he just swept away everything. The OCB was a very useful thing; and I think the PSB had been the necessary, although wobbly, precursor to the OCB. I think we couldn't have had an effective OCB without the experiences of

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the PSB, but that may be rationalization. I guess that the PSB was the last job I did for President Truman,

MCKINZIE: Did you ever speak with him about the PSB?

GRAY: Oh, yes, and all I got was, "Do the best you can." He swore me in as Director of PSB and I've got a nice little picture of the swearing-in, among many others from him. He always wrote, "With thanks and appreciation to my friend Gordon Gray;" and then he wrote on the back of this picture something like this: (and I had that double-framed, also hanging in my office) "Gordon, if I had a thousand like you I'd be in clover, but thank God for giving me your services anyhow."

Now, this didn't diminish my liking and respect for him.

I see time is passing and I don't know what--I've given you very little opportunity to ask questions.

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