

**Stephen Ailes Oral History Interview - JFK #1, 8/21/1968**  
Administrative Information

**Creator:** Stephen Ailes  
**Interviewer:** Larry J. Hackman  
**Date of Interview:** August 21, 1968  
**Place of Interview:** Washington, D.C.  
**Length:** 20 pp.

**Biographical Note**

Ailes discusses his appointment as under secretary of the army, his involvement in the 1960 campaign, the political appointments process in the Department of Defense, and issues regarding Panama and the canal.

**Access**

Open.

**Usage Restrictions**

According to the deed of gift signed January 1989, copyright of these materials has been assigned to United States Government.

**Copyright**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excesses of "fair use," that user may be liable for copyright infringement. This institution reserves the right to refuse to accept a copying order if, in its judgment, fulfillment of the order would involve violation of copyright law. The copyright law extends its protection to unpublished works from the moment of creation in a tangible form. Direct your questions concerning copyright to the reference staff.

**Transcript of Oral History Interview**

These electronic documents were created from transcripts available in the research room of the John F. Kennedy Library. The transcripts were scanned using optical character recognition and the resulting text files were proofread against the original transcripts. Some formatting changes were made. Page numbers are noted where they would have occurred at the bottoms of the pages of the original transcripts. If researchers have any concerns about accuracy, they are encouraged to visit the Library and consult the transcripts and the interview recordings.

**Suggested Citation**

Stephen Ailes, recorded interview by Larry J. Hackman, August 21, 1968, (page number), John F. Kennedy Library Oral History Program.

GENERAL SERVICES ADMINISTRATION  
NATIONAL ARCHIVES AND RECORDS SERVICE

Gift of Personal Statement

By Stephen Ailes

to the

John Fitzgerald Kennedy Library

In accordance with Sec. 507 of the Federal Property and Administrative Services Act of 1949, as amended (44 U.S.C. 397) and regulations issued thereunder (41 CFR 101-10), I, Stephen Ailes, hereinafter referred to as the donor, hereby give, donate, and convey to the United States of America for deposit in the John Fitzgerald Kennedy Library, and for administration therein by the authorities thereof, the tape(s) and transcript of a personal statement approved by me and prepared for the purpose of deposit in the John Fitzgerald Kennedy Library. The gift of this material is made subject to the following terms and conditions:

1. Title to the material transferred hereunder, and all literary property rights, will pass to the United States as of the date of the delivery of this material into the physical custody of the Archivist of the United States.

2. It is the donor's wish to make the material donated to the United States of America by terms of this instrument available for research as soon as it has been deposited in the John Fitzgerald Kennedy Library.

3. A revision of this stipulation governing access to the material for research may be entered into between the donor and the Archivist of the United States, or his designee, if it appears desirable.

4. The material donated to the United States pursuant to the foregoing shall be kept intact permanently in the John Fitzgerald Kennedy Library.

Signed Stephen Ailes

Date Jan 13, 1972

Accepted James B. Rhoads  
Archivist of the United States

Date January 26, 1972

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
JOHN F. KENNEDY LIBRARY

Legal Agreement Pertaining to the Oral History Interview of  
Stephen Ailes

In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms and conditions hereinafter set forth, I, Stephen Ailes, of Chevy Chase, Maryland, do hereby give, donate and convey to the United States of America all my rights, title, and interest in the transcript and tape recording of a personal interview conducted on August 21, 1968, September 26, 1968, October 16, 1968, October 30, 1968 at Washington, D.C., and prepared for deposit in the John F. Kennedy Library. This assignment is subject to the following terms and conditions:

(1) The transcript shall be available for use by researchers after review by regular employees of the National Archives and Records Administration. During such review, portions of the transcript containing information potentially embarrassing to living persons shall be segregated and restricted from public access until such time as the Director determines that, because of the passage of time or other circumstances, the reason for the restriction no longer exists.

(2) The tape recording shall be available to those researchers who have access to the transcript; however, access to the tape recording shall be for background use only, and researchers may not cite, paraphrase, or quote therefrom.

(3) I hereby assign to the United States Government all copyright I may have in the interview transcript and tape recording.

(4) Copies of the transcript and tape recording may be provided by the Library to researchers upon request.

(5) Copies of the transcript and tape recording may be deposited in or loaned to institutions other than the John F. Kennedy Library.

Donor

*Stephen Ailes*

Date

*Jan 9, 1989*

Archivist of the United States

Date

*Jan - 27, 1989*

STEVEN AILES  
JFK #1

Table of Contents

<u>Page</u>	<u>Topic</u>
5	Political process
5	Civilian aides
6	Under Secretary responsibilities
9, 14	Panama Canal
11	Financial management
13	Job development
14	Okinawa
16	President Chiari; Chiari government
17	Ackley study
18	Ambassador Farland
20	Congressional problem [relating to Panama]

Oral History Interview

with

STEPHEN AILES

August 21, 1968  
Washington, D.C.

By Larry J. Hackman

For the John F. Kennedy Library

HACKMAN: Well, why don't we just start off by me asking you if you had any contacts with President Kennedy [John F. Kennedy] or the people around him before you were selected as under secretary of the army, in the campaign or any previous contact.

AILES: No. Of course, I have been a registered Democrat for many years. I was interested, purely as a voter, in the pre-convention Kennedy campaign. I was interested in the convention just as an observer and very much interested in the election. Actually, I wasn't active at all for the simple reason that I was engaged in a jury trial the whole year of 1960.

HACKMAN: I didn't realize that.

AILES: An antitrust case here in Washington. The Trial actually concluded on about the third or fourth of November.

HACKMAN: So that didn't leave you much time.

AILES: That's right. And we were in there at night--I mean, all day every day during most of that period, and we were working nights. And actually I just wasn't at

all active in the campaign in any sense whatsoever. I was somewhat delighted at the outcome of the election, like a lot of other people.

[-1-]

HACKMAN: How did your appointment come about then, as under secretary?

AILES: Well, it was strange. A chap named Powell Pierpoint and I were in this lawsuit together, along with seven or eight other law firms, and somewhere in the course of the Kennedy campaign we agreed that if Kennedy was elected president, we would go to work for the government. Now Pierpoint had left his law firm in New York once before to work in the district attorney's office up there. And I had worked in the government here in OPA [Office of Price Administration] during World War II days, and I had had several brief assignments for the government. But we just simply agreed that if President Kennedy set out to do what it sounded to us like he was going to do, we would drop everything and go to work for the government. And I was sufficiently serious about that in my own mind to mention it to Johnson [Louis Johnson], who was the head of this law firm, the active head of this law firm at that time, simply saying that I had this in mind. There the matter ended.

I was consulted from time to time by some of the people who were recruiting personnel for the administration with respect to other people. In fact, I really had put it out of my mind. Really it had dropped from my mind, I should say.

Elvis Stahr was named secretary of the army.... He was at that time president of the University of West Virginia. I had known him previously; I'd known him when he worked for Frank Pace when Frank was secretary of the army. Frank, incidentally, is a close personal friend of mine, a college classmate, so I had some acquaintance with Elvis that way. But Elvis called me right after he was named secretary of the army and invited me over to his swearing in. I went.

And two or three days later he called me up and said that the statute provided for three assistant secretaries of the army who were suppose to have functional capabilities like in financial management or research and development or procurement, but that it also provided for an under secretary who was a generalist and, much to my surprise, asked me if I would come and take the job. I don't believe Elvis knew whether I was a Republican or Democrat. In fact, he said he didn't know when he was talking to me about this. And I was astounded by this suggestion, never having been in the service myself at all. But the more I thought about it, the more I was intrigued by it, mainly, because I had heard a lot about the army and the senior people in the army from Frank Pace during the period when Frank had been secretary ten years before.

But literally, that's the sum and substance of how I happened to go over there. I had had this preliminary

[-2-]

intention or desire to go and then had really sort of forgotten about it. But just to complete that proposition, the first thing I did was to ask Elvis if he had a general counsel. And when

he said no, I called up Pierpoint and asked him come to Washington. He came, and he served for two years over there as general counsel of the army.

HACKMAN: When Mr. Stahr was talking to you this first time and you said he made the remark about he didn't know whether you were a Republican or a Democrat, did he say at that point that this was their general policy in the area of defense?

AILES: Absolutely. Absolutely. And I had a lot to do with filling other slots over there after I got over there, and it was very clear that that was the policy and remained such. We ran into no political interference whatsoever with respect to any of the jobs that had to do with--that involved presidential appointments, let me say that.

HACKMAN: Well, let me ask you, you had talked about being asked about jobs by some of the recruiting people. Can you comment on this?

AILES: Strangely enough, the call I remember specifically was with respect to Elvis. And the call came from Paul Warnke, who is over there now. Paul was a lawyer with the Covington firm, and he called me and asked me whether I knew Elvis Stahr and whether I thought Elvis would make a satisfactory secretary of the army. It's amusing that that is the particular call that I had that I remember.

Now, incidentally, I was called right after I went over there to--right after I agreed to go over to the army, and asked if I was interested in the Antitrust Division in the Department of Justice which was, let me say, a lot more closely related to my experience and area of competence. But I was delighted to have the opportunity to work for the army during that period.

HACKMAN: Who was it that called on the Justice Department?

AILES: Who called me?

HACKMAN: Yes.

[-3-]

AILES: I think it was Harold Leventhal. If I remember correctly, he just asked me if I was interested in going over there. I think that Harold was simply asked to submit some names, and he and I had worked together back in OPA days and were good friends, and he knew that I had spent most of my time for about ten years in antitrust litigation. That's why he thought of me.

HACKMAN: What about helping to fill the other positions after you got over to the army? Can you recall which ones you got involved in and....

AILES: Oh well, when I got there, we had, an assistant secretary for financial management, Bill Schaub [William F. Schaub], who had come out of budget, and we had an assistant secretary for R and D, Dick Morse [Richard S. Morse], who was a holdover from the previous administration, who was simply there for a short period of time. But our principal job was finding an assistant secretary for procurement. And we ended up with a man I persuaded with some difficulty to come--helped, again, by Pierpoint, as I recall--and this young man turned out to be very good. In fact, he's still there, and at the present time he's the secretary of the navy. I'm talking about Paul Ignatius.

HACKMAN: Right.

AILES: And for the life of me, I don't know whether Paul was a Republican or a Democrat, and nobody ever asked me that. He was a man of towering competence in the field and had been originally recommended by Tom Morris [Thomas D. Morris], who was, of course, the assistant secretary of defense for procurement [Interruption]

HACKMAN: You were talking about Ignatius.

AILES: Yes. I was saying he had been recommended by Tom Morris, who was the assistant secretary of defense for procurement. But then when Morse left, I was active or involved in the selection of and the signing on of Finn Larsen and in obtaining the necessary political clearances for him, and I don't remember whether Finn was a Democrat or a Republican. But again, here was a fellow of tremendous competence. And then there were replacements for those jobs later on, but I really can't remember when--I can't sit here and designate which of the replacements occurred during the Johnson administration or which were in Kennedy's.

[-4-]

HACKMAN: I think I've got a couple of those down here. Let me ask you something, just while I'm looking this up, to explain the political process as it operated from your point of view over there on these early jobs. What did you have to go through to get this done? Were there any problems at all?

AILES: Yes. Incidentally, we had a terrible problem with Pierpoint. This is because when John Bailey saw his name and saw that he had been designated as a Democrat, he called up Elvis and said, "I refuse to believe that a Wall Street lawyer named Powell Pier-point could possibly be a Democrat." It took something like eight weeks to get Pierpoint cleared.

But as a normal proposition, if my recollection is correct, I would call Dick Donahue [Richard K. Donahue] and say that we had a vacancy or we had found the right man to fill a certain slot. If the man was a man of really major talent, in an important job the political considerations simply didn't enter into it. If he happened to be down the line a little bit, you could run into some real difficulty politically, particularly if the check out that they made on

him proved that the man had suddenly become Democrat--which happened in one case, a man I was interested in--you could run into some real difficulty. In fact, enough difficulty to make you change your mind.

But the philosophy, as I got it, was that--in fact, Dick or somebody told me once--no political hay is made out of putting a bum in an important job--that they were, therefore, much more interested in seeing really top notch people go in the significant jobs. But there are some jobs that are down the line a little bit where the political considerations became important. We used to run into a lot of political problems with respect to appointments for civilian aides, for instance, in each state, which were almost honorary titles--or were thought by the political people to be honorary titles. They really are not. But, there again, we were able to reappoint civilian aides who had been long in the job and who were very important to us even though they were Republicans, with the exception of one man, I remember, who had been a very active partisan politician, and that was more than the [Democratic National] Committee could stomach.

HACKMAN: Where would most of the recommendations for these civilian aides come from? Would they come from congressional side or from the White House or....

[-5-]

AILES: No, no. We did that. That came up through the army a role of the army commander in each particular army area--at that time the United States was divided into six continental Army areas, you know, like the commander of the Sixth Army in San Francisco, at the Presidio--each commander was supposed to make recommendations for filling vacancies or for the reappointment or the non-reappointment of the civilian aides that we had on the board. They did so; and they took this responsibility really quite seriously; and they'd give you a substantial list of people with quite a bit of analysis with respect to each.

And then we would come forward with our selections, but the political people connected with the White House always wanted to take a look at those things. And, as I say, they were really quite cooperative with us. Dorothy Davies handled this for a considerable period there. Dorothy was very understanding with respect to those things. If we told her that somebody was really important to the army, she would go to bat for us. And by the same token, sometimes people were recommended to us who looked like not so good an appointment after the check out was made by the committee. I mean, it was really quite a constructive type of inquiry that was made on those things.

HACKMAN: Could you see any conflict between the Donahue operation and the committee and the Dorothy Davies operation as far as....

AILES: They were the same, as far as I recall. I think Donahue and Dorothy, Dick and Dorothy, handled different types of assignments. I don't recall Dorothy really being in on a question like an assistant secretary or something like that. I must say I, after a kind of a rough start, became very fond of Dick and thought that he really

performed a useful service over there and that he was really quite a high-minded young man and an immensely amusing one.

HACKMAN: Did Secretary Stahr leave a lot of this responsibility to you while you were under secretary, or did he take a close interest in this level of...

AILES: He was very much interested in people. And I would say that a major talent of Elvis' had to do with the selection of people. But the way the secretary and the under secretary worked, they worked really as one anyway. The alter ego concept prevails. The

[-6-]

Under Secretary had certain functional responsibilities of his own, like running the manpower operation--he did then--and the reserve business and various specific areas, Panama, and so on; but he also had the responsibility of being in on everything the secretary was doing so he could act for him in his absence. And on matters like people, Elvis, and then Cy [Cyrus R. Vance] later, were very anxious to talk these things out with me. And, indeed, I was, when I became secretary, with Ignatius, who was under secretary, and then Stan Resor [Stanley R. Resor]. The logical person for you to talk with on those things is your under secretary. It just so happened that, with respect to some of it, I ended up with the burden of working out the political clearances--probably because Elvis was away or something like that. You know we used to do a lot of this through Adam Yarmolinsky when Adam was over there working for Bob McNamara [Robert S. McNamara]. Adam used to handle a great deal of that sort of a problem, and I can't sort out now why it is on some we were direct and some we were through Adam.

HACKMAN: You mean there would be a certain level that would have to be cleared with somebody on McNamara's side?

AILES: No, it couldn't have been....

HACKMAN: Or did everything have to go through that channel?

AILES: Well, when you were getting ready to appoint somebody to really an important job, like an assistant secretary job, you would always clear it with McNamara personally because you wanted to.... But this is not for political reasons; this is strictly on the basis of bringing in a member of the team, and you wanted McNamara's okay on that. And he was very much interested in that himself. On the political side, after you agreed here was the fellow, then you went through the political steps and, as I say, sometimes, or for a period, we handled that through McNamara--I mean through Yarmolinsky. But then in due course it got so we were handling them more and more directly.

I will say, just as a sidelight on all this, that you approached all these problems with a great deal of confidence and not hat in hand for the simple reason that President Kennedy had

told McNamara that political considerations were not going to enter into significant and important appointments in the Department of Defense and that McNamara was supposed to get the best team he could. So that you always

[-7-]

felt that if it really came to a showdown and the political people really wanted to veto somebody that you needed, it would get straightened out very fast by Secretary McNamara's going to see the president.

So all these discussions were sort of a waltz, in a sense; they were sort of a ritual, except that we recognized that the committee had its problem, too, and felt that there wasn't any reason why you couldn't solve problems on both sides at the same time. So we tried to be aware of their problems, and I think in that spirit we really had almost zero difficulty in that whole area.

HACKMAN: Can you remember any vetoes at all by the Yarmolinsky-McNamara side of the thing?

AILES: Well, the Yarmolinsky-McNamara side is two sides. Adam did not enter into McNamara's determination of whether or not a man was good or not.

HACKMAN: Oh, I see.

AILES: Adam's role was as a liaison between the Defense Department and the political people in the White House. He was simply a channel for that kind of inquiry. But, no, McNamara made his own determinations with respect to the people that we took to him. He was very much interested, you know, in the people in uniform because he made those recommendations to the president, and he was very much interested in reviewing those personally and in depth. And at one point he interviewed all the people who were under consideration to be vice chief of staff in the army, for instance. But Adam would have nothing to do with that.

And actually, Adam, so far as I recall, had nothing to do with making a judgment as to whether or not a man like Ignatius could be a good assistant secretary of the army for procurement. When it came around to getting the political clearance for Ignatius, Adam had a role to play, although, as I say, he was a channel and sometimes, I think, perfectly frankly, there are instances where we thought we could do better with the White House direct than through Adam because Adam would get in difficulty over there every now and then.

Now Adam got into one personnel matter, I remember, when there was a Negro, a very distinguished gentleman, who worked for us, had been in the manpower business in the army for a long time, and the question came up of whether or not he should be made deputy under secretary in the manpower field. And there was another very good candidate. And Adam got very interested in that.

[-8-]

HACKMAN: This is the fellow who'd done a lot of work on the desegregation thing over on the manpower side?

AILES: No. This man was in the technical business. I'm horrified to say, I can't remember his name. I can see him plain as day. His name is Roy [Roy K. Davenport]. I keep wanting to say Henderson, which isn't the name. Anderson isn't his name.

HACKMAN: Well, maybe I can find out.

AILES: He was a--he became deputy under secretary. He and Arthur Allen became two deputy under secretaries, and they served that way for a substantial period of time.

HACKMAN: Is this during the Kennedy period? Or is this later when you were secretary? Do you recall?

AILES: My recollection is that that division occurred while I was still under secretary. But it occurred when Al Fitt [Alfred B. Fitt] ceased being deputy under secretary and became an assistant to McNamara for civil rights; then it was a question of Al's successor. And I am quite sure that Cy Vance was still secretary.

You know, strangely enough, I had written a resignation to President Kennedy on about the 15<sup>th</sup> of November, the 20<sup>th</sup> of November. And I was going down to Panama--I really felt that I should be back at my law firm, and I was going down to Panama in connection with my responsibilities down there, and I really wanted to write a report for Cy about how I thought the problems of the [Canal] Zone should be handled. And I was down in Panama when.... Well, I gave this resignation to Cy, and he said, "Why don't you hold this until you come back?" And I was in Panama when President Kennedy was assassinated.

So then President Johnson [Lyndon B. Johnson] asked everybody to stand pat until the first of the year, which was like thirty days away, and I was in the process of resigning again on the first of the year when Ros Gilpatric [Roswell L. Gilpatric] went back to New York; Cy was made deputy secretary of defense, and at that point they asked me to stay on for a year as secretary of the army. But as a result, my career as under secretary sort of coincides with the Kennedy administration, and my service as secretary coincides with the Johnson one. I think Cy Vance and I were President Johnson's first two appointments because we were appointed right around the first of January. I think we were probably his first two appointments. So that, as I say, I can really sort out

[ -9 - ]

whether it was during the Kennedy administration or during the Johnson administration by whether I was under secretary or secretary.

HACKMAN: Well, let me go back to the beginning again. At the time you were appointed under secretary, the announcement in the newspaper didn't come until

February 10. Was the appointment actually that late? After the inauguration?

AILES: Don't forget. The inauguration was January 20.

HACKMAN: Right.

AILES: Elvis and Gene Zuckert [Eugene M. Zuckert] were sworn in the same day and Ros Gilpatric, if I remember correctly, which was something like the 21 or 22. I remember Elvis asked me to come over and talk to him--he was staying at Ft. Myer--on a Friday evening. I said, "Well, I can come over in one week. I'll straighten up the stuff at the office." I finally agreed over the week-end that I would do it. And I actually went over there on February 1 but on the pay-roll as a consultant because, you see, they had to make all those checks. I think I was actually formally nominated on February 19--that is the date that sticks in my mind--and I wasn't confirmed, I suppose, until about a week or ten days after that. But I was really on board from February 1 on, so I missed the first ten days of the administration is what it amounted to.

HACKMAN: I had wondered if they had a particular problem in filling this position and, you know, if they had any difficulty or if other people were rumored for the job at that time.

AILES: I haven't the vaguest notion because, as I say, this is a subject I wasn't following at all.

HACKMAN: Right.

AILES: It came right out of the blue as far as I was concerned.

HACKMAN: We were talking about people who got replaced in that period. One of them was a fellow from the Bureau of the Budget who came over, Schaub?

AILES: Schaub.

[-10-]

HACKMAN: Schaub. Ed Pratt Jr. [Edmund T. Pratt Jr.], replaced him as assistant secretary during the Kennedy administration.

AILES: Correct, right.

HACKMAN: Can you remember how that came about?

AILES: Oh, sure. Why sure. Well, Bill is the world's nicest guy and had an outstanding record of public service and had been in the military area a great

period of time. But Bill was, you know, like sixty three or four years old, and, believe me, that operation over there in the McNamara era was one that imposed fantastic physical strain on people. And Bill was indispensable in getting our group sort of organized and straightened away with respect to the whole financial operation of the department.

But Bill's talents, you know, are pre-computer. And in this day and age you just have to have a fellow handling the financial management business who is postcomputer. And this means that the age of your financial management guy drops from sixty-five to thirty-five in one bite. And that's exactly what happened. Pratt was comptroller of IBM [International Business Machines] International, had gone to Duke and somewhere to to business school, and was very highly recommended.

Now the talent search on that side of the house was influenced, I think, a lot by Bob Anthony [Robert Anthony], who was still up at Harvard, later came down as assistant secretary, comptroller, and by Charlie Hitch's [Charles J. Hitch] people. His name bobbed up as a fellow who was immensely capable in modern financial management techniques, which we desperately needed. And so Bill, who was pretty well worn out and tired, exhausted, stepped down, and Pratt was hired. And, again, I don't know whether he was a Democrat or a Republican. I haven't a clue. I talked to him at great length in the process of seeing whether or not he was our guy and whether or not he wanted to come.

HACKMAN: Had there been dissatisfaction from the Hitch operation at the army's performance in this area, or was this Schaub's own decision or Mr. Stahr's decision? How exactly did this....

AILES: I don't have a real clear recollection about that. I think that Bill was just pretty damn well worn out, and the strain was really telling on him.

[-11-]

I think that--you see, one thing that makes this question difficult is that Bill brought in as deputy a guy who was there under Pratt and under Pratt's successor, a guy who was just outstanding. And that was a fellow named Jack Fitch [John H. Fitch].

And incidentally, we went to great pains to make those jobs career jobs, those deputy jobs career jobs. This was something that McNamara was interested in, and I think President Kennedy had been interested in. Those key jobs, those sort of professional jobs, should be career like in the British civil service, the career under secretary type of thing. So we got Jack's job made a career job, and we got the one over on the deputy for procurement the same that Tyler Port was in, and the one on R and D was anyway because that was, whatever you call that thing, PL-something-14--you know, those scientific jobs. But Fitch had been director of the budget for Defense, whatever that title was. The budget officer for Defense. So he had come down to army. And Fitch really was out-standing. So that I think he probably did more than either Schaub or Pratt.

HACKMAN: Did you get any feedback from the committee people on making these positions career positions?

AILES: No. No, no. The Civil Service Commission was quite interested in all that. I suppose, I guess John Macy was over there then. You know Macy had been in such a job with the army back in his career somewhere.

HACKMAN: I didn't realize that.

AILES: Yes. He had been out there with Pace in some sort of a civilian assistant capacity. So he was very familiar with what we were trying to do and very much in agreement with it.

HACKMAN: The only other position change that I can recall was an administrative assistant to Mr. Stahr, James Cook came in for Robert Willey or Wiley?

AILES: Willey, yes.

HACKMAN: But maybe that wasn't that important.

AILES: Oh, no. Bob Willey always had in mind that that was a real big job, and I think it had been in the past. There was a fellow named John Martin, or something like that, who had really wielded a great deal of authority in previous administrations. But Bob was interested in making that more of a job, but he left to become the

[-12-]

personnel director or something like that for FAA [Federal Aviation Agency], if I'm not mistaken. And Jimmy Cook succeeded him. Jimmy had come into that job as a secretary in something like 1914; you know, he had been there an incredible period of time. And he was an extremely nice guy.... But that was a ministerial operation entirely--all the time I was there.

HACKMAN: I'd like to get you to go back and comment more on just the way your job developed, what Mr. Stahr, you said was looking for a generalist in the first place, and obviously in relation to that position that's what were, and so....

AILES: Well, I sure wasn't a procurement, financial, or R and D expert.

HACKMAN: So how did this develop as far as the type of things you got involved in and exactly how he used the position or how it developed?

AILES: Well, in the first place, I was really another secretary of the army, just like the alter ego thing means; I was Elvis's shadow; I had a full authority to act in his name on everything. And I had a practice, also with Cy. The things that I thought I could handle because I was pretty sure how Elvis or Cy would have handled them, I simply did, and each day I would send up a note that said, "Today I made the following

decisions in your name,” and list them bing, bing, bing. Or “I made the following decisions under your authority,” or something like that. And then when Elvis went away, of course, I would function as the secretary; the same with Cy. Actually, Cy was sick a couple of times, like during the Cuban crisis.

As far as the functional responsibilities are concerned, the manpower area is perfectly fascinating one, and there isn't any such things as an expert in it. And I'm convinced a lawyer is good in that field, which was the reason why I got Al Fitt to come and be my deputy for manpower. Al turned out to be superb, and he is now the assistant secretary of defense for manpower. I was absolutely fascinated by that field and spent a lot of time working on it, you know, devising means to smooth out the peaks and valleys in draft calls and worrying about standards, the mental standards for enlistment versus the draft, all the problems that affect morale in the service, all the problems that affect age in grade, there are literally a myriad of problems of that character that become fascinating, and ending up with the

[-13-]

problem of recruit training which I really went into under Cy.

When I left, when I became secretary right after I had filed a report of all the things that ought to be done about recruit training, I was able to say, “Now, let's put it into effect.” I still get letters from senior army people talking about what happened to the training in the army. In fact, I got a letter just two days ago from General Johnson [Harold K. Johnson], who just retired as chief of staff, talking about the effect on the army this revision in the training program had. But, as I say, I think a lawyer or anybody, any civilian can make a tremendous contribution in those fields.

The matter of Panama and Okinawa are very tough problems. I was greeted as secretary, you know, the day I was appointed, by those riots in Panama. President Johnson asked me if there was any connection between those two developments. The problems of the Canal, a sea level canal, a new treaty with Panama, all these things are problems I would be happy to work full time on. Okinawa's problems came to a head while I was Under Secretary, and President Kennedy appointed a task force in connection with that. In fact, that was one of the things I went over to talk to him about because of the military significance of Okinawa. The political problems our presence on Okinawa creates in Japan are immensely complex. And the business of trying to rationalize those two things was important.

I thought I personally played an important role: both in connection with Panama and Okinawa in wiping out a real cleavage that had existed between Army and Defense on one hand and State on the other. Purely fortuitously, the ambassador to Panama happened to be a fellow I had taught in law school, Joe Farland [Joseph S. Farland], who was a close friend of mine. And the man in charge of Okinawa, when we got really down to the nut cutting, was a fellow named Barney Koren [Henry L.T. Koren] who was a classmate of mine at Princeton. So this helped tremendously. But those areas I found intriguing and fascinating and difficult, and I would have gone over there just to work on them.

HACKMAN: Why don't we talk about those in a little detail? We'll start off with Panama.

What can you recall about the early period when you first went down and first

came in contact with this situation and with--General Carter [W. A. Carter] who was the governor of the zone then, and Farland had been there under Eisenhower [Dwight D. Eisenhower] for a little while.

AILES: Of course, they had had a riot down there just before Joe got there. In Carter we had an

[-14-]

immensely able guy who was, you know, fairly tough and sort of in the old school as far as the kind of operation he was running. Bill, you know, left before so terribly long. It seems to me I was down there a couple of times while he was there. He left before his term wound up to be succeeded by Bob Fleming [Robert J. Fleming Jr.] because Joe overlapped with Bob for quite a period of time.

I put quite a bit of heat on Bob when he took that job, telling him that it was important that he really do something about relations with Panama, that he abolished that automobile with the flags on it that was buzzing all over the place with horns and things like that. Bob got so interested in solving the Panamanian problems that he didn't pay as much attention, perhaps, to the internal operation of the canal as he should have, although he was backed up by Phil Leber [Walter P. Leber] who was the lieutenant governor at the time, who is the governor now, who's an immensely capable guy.

It was ironic that the riots would occur under Fleming. I've always felt sort of responsible for that because I emphasized to Bob so hard the Panamanian end of the job that in the course of worrying about that--to the extent that he did--he really weakened his own leadership of the Zonian, and it was the Zonian fear of what happening down there that really was the pretext for the riot anyway--you know, when they started running up the flag at the high school. But I had a lot of ideas about what really ought to be done about those problems in terms of communication with the Zonians. As I say, just before the president was assassinated, I'd interviewed about twenty-five different people in the Zone and worked up this report. But the problem of Panama is immensely complex with the congressional interest, the warped congressional views with respect to it; our chauvinistic approach to those problems is terribly misguided, it seems to me. Everybody used to kid me about quoting from Secretary Elihu Root, who said as a Senator, "We are here as a mandatory of world commerce, not as a means of territorial expansion." There are just a lot of people who overlook the fact that that isn't the same as Georgia or Alabama, down there.

But with it all, that canal is the best run government project in our history. And those people down there have not gone tropical in any sense. The thing has never been touched with the slightest breath of scandal in its whole operation. I've been interested and still am. In fact, I went up and testified last year about those new treaties that were worked out. Of course, the Panamanians themselves are frightfully frustrating and can't make up their mind to agree to anything ever that we would agree to because they figure if we would agree to it, it must be bad. So....

[-15-]

HACKMAN: Did you have any direct contact with members of the Chiari [Roberto F. Chiari] government, with Ambassador Farland, when you went down.

AILES: Sure, sure. Up here. Remember, they came up here to negotiate with President Kennedy. I sat in on those meetings. We had a Panamanian group under Mac Bundy [McGeorge Bundy] that used to meet in the White House for a long period of time. And Mac used to call me his Panamanian friend or that crazy Panamanian. That kind of stuff.

HACKMAN: Carl Kaysen in on that?

AILES: Yes. Some. Kaysen was in on the meetings the time that the Chiari delegation came up here because I remember when, I think Secretary Rusk [Dean Rusk] and Joe and--I can't remember when, I guess it was Galileo Solis, who was the foreign minister then.

HACKMAN: Right. That's tight. It was.

AILES: Because I remember Dicky Arias [Ricardo M. Arias] was sitting at the table and Fernando Eleta, who later became the foreign minister, were all sitting at the table. And I remember Kaysen being a little bit annoyed about the fact that he wasn't taken back into the room for the private discussion. I worked with Carl a great deal on Okinawa, of course.

HACKMAN: Right. Can you remember before the trip that President Chiari made to Washington, in these discussions, to what extent there was disagreement between Ed Martin [Edwin M. Martin], who was over at state, and Kaysen and Farland and yourself and other people involved in what viewpoint to take as far as talking about renegotiation?

AILES: Not precisely, for the simple reason that that business went round and round and round and round and round. If you go back to try to read the history of all the positions that we have taken with respect to Panama, you can hardly understand it if you read it, much less remember it, you know. But I do remember that the main thrust of what we were going to do with Chiari was to say that this ought to be studied for about five years. The theory was this would sort of buy time.

I remember reaching the conclusion very early, myself, that the sea level canal was the answer. I had in mind that

[-16-]

it ought to be done at the present site on the theory that we really could revive Panama if it were built there because about 90 percent of the construction cost goes into the purchases of goods and services in Panama.

Interestingly enough, I asked an economist that I had known in OPA days--to come to Washington on weekends that summer (which would have been the summer of maybe '62 or something like that) to study the question of what steps had to be taken if you built such a canal in order to maximize the benefit to the Republic of Panama. This was an economist who later became chairman of the Council of Economic Advisors. This is Gardner Ackley. But he had an office; we picked an office for him across the hall from my office as under secretary; and old Ackley was down here. We had a young fellow assigned to support him. He was down here four or five times that summer working on this analysis of that whole Panamanian problem and wrote a report about it.  
[Interruption]

HACKMAN: Did anything come out of this Ackley study? Any particular proposal that you made, or did it tie into your later proposals in '63?

AILES: Sure, it influenced a great deal our views on really what ought to be done down there. And, you know, this is the position we're in today. I just reached a firm conviction that the sea level canal was the answer to our Panamanian problems, long range and short range. And the one thing that I think I made some contribution to in these debates that went on and on and on thereafter was insisting that any modification of the current treaty be tied with an option on a sea level canal....

And there's really a third part, which is a base rights agreement. When we were able to get the thinking squared away where you treated the military problem and the canal problem separately, that was a tremendous advance. So if you tie a base rights agreement, which gives the military what they need, clearly, you've got the whole JCS [Joint Chiefs of Staff] system with you. Whereas if you don't, the JCS will oppose any concessions with respect to the damn ditch on the theory that it may interfere with the military operations. So, if you handle the military as one problem and then you divide the ditch problem into two, then there's an interim problem: namely, what do you do between now and the time you have a sea level canal? And a long-range problem: do you have a sea level canal? And if so, where?

If you keep the attack on these three things moving together always--a sea level canal treaty which gives you the right

[-17-]

to build one, a base rights agreement which protects the military completely and takes the military operations out of the Zone--then you have some freedom to maneuver with respect to the Zone itself. And that's really what we've offered Panama right now.

HACKMAN: At what point did the discussion begin to be approached in that framework? Was this during the Kennedy administration that you felt you accomplished this, or....

AILES: Well, I reached the conclusion that the sea level canal was the answer to all of this sufficiently early--I mean, it was the sea level canal idea that prompted

me to ask Gardner Ackley to come down and study the economic situation there. So that was way back.

As I recall, our discussions with Chiari had to do with the proposition, "Let's agree that we will immediately begin a study of the feasibility of the sea level canal because it takes five years to make the study." The reason is that if you want to build it by nuclear means, you've got to test the nuclear devices in geology similar to that which is in the Darien. And to do that, you've got to find out what's in the Darien first. And this is what we tried to do with the Chiari government plus certain financial concessions to them in the short range so they could go home and say they had something.

But basically the three way proposal just evolved. And you understand, those riots occurred, which really brought about a major change in the rate of speed at which things were happening. The riots occurred on the ninth of January in '64, which is right at the beginning of the Johnson administration. But all of these steps are laid out in great detail in various histories of the thing, some of which were introduced in the congressional hearings last year.

HACKMAN: What kind of relationship--you had mentioned that you had a friendship with Ambassador Farland. He became a very controversial figure during that period. Were your ideas usually--did you find him easy to work with?

AILES: Yes. We had no difficulty whatsoever. Joe's problem.... An Ambassador is a tough slot, let's face it. The communication is just too damn good nowadays, and there's always somebody telling him that if he sends in a message, he's got to say, "I said, he said, I said, he said." And then some clerk sends him a message that says, "When he said, so and so you should have

[-18-]

said so and so." You know. And so I say, it's a tough business to begin with. Joe is very emotional about Panamanians; he speaks the language well; he's very well liked by all of them down there; he's an extremely pleasant affable guy. And Joe really got sort of out of sorts on all this business because he felt that a lot times things were going on when he really wasn't being consulted as much as he should. I don't know.

I honestly think that Joe thought he'd been there long enough and had done a good enough job there to justify yet another ambassadorial appointment elsewhere. And he and Ed Martin did not hit it off too well. And I think Joe probably felt that that was part of the reason why he wasn't rewarded with another appointment. I guess that's always a problem in the State Department: namely, there's a whole long list of guys who have wonderful records of service who are interested in an embassy. And Joe had had three in roe...

HACKMAN: He was a Republican.

AILES: ...and not done any work back here, had never been assigned back here.

HACKMAN: Right.

AILES: So I think that Joe's problem was more one of just sort of frustration with respect to his own career which had been meteoric really and which had been eminently successful. But unfortunately that's not the way you get rewarded. You know, I don't think Joe's politics were too much of a problem. He sure was kept over in Panama because he was good and all that sort of thing.

HACKMAN: You had mentioned efforts to get General Carter's successor to make some efforts with solving the Panamanian problem. Was General Carter at all amenable to making efforts in this direction, or did you ever discuss that with him?

AILES: He certainly wasn't averse to it. He's an immensely able guy, immensely able fellow. This was just more sort of a transitional proposition, and I really don't believe that I had gotten as convinced that certain things had to be done while Bill was still active as I became later on. He was not, however, like Potter [W. E. Potter], who was down there way before my day, always had the reputation of having been real tough--although I ran

[-20-]

into him once, and he said, "We don't have time to talk. I just want to tell you most of that stuff you hear about me is a damn lie." But he had a reputation for being brusque and tough. But the problem of how you deal with the Panamanians, I must say, is a terribly tough one. Here with, Bob Fleming, who just knocked himself out in many, many, many ways, the damn thing explodes. So who's to say that that's the way you solve the problem, you know.

HACKMAN: You talked about the congressional problem. Did you spend any time on the Hill on this, on trying to improve the situation, or was there anything you could do?

AILES: Sure. Yes, I testified up there lots of time, went up and talked to people a great deal, but that's just a terribly tough situation. You know, there's a fellow named Zincke [Bernard J. Zincke], who is a clerk or something for the subcommittee, the House Merchant Marine and Fisheries Committee, who is just an impossible guy. The only time I've ever really lost my temper on the Hill is with Zincke, who, geez, is just determined that no concessions will ever be made by the Panama Canal Company toward Panama. And Zincke has a sinister influence on members of that Committee and whatnot.

There is a whole group of people who are interested in keeping the tolls down, who feel that any concessions that are made, anything that is done to ameliorate the situation with Panama may result in an increase in tolls. They're against them for that reason, a terribly shortsighted policy.

Then you have Dan Flood [Daniel J. Flood], who has someone in his office who used to be in Panama; Dan is a spokesman for the Zonian. And you get all that stuff, and you

couple that with the fact that most Americans think of the canal in the same way they think about Washington Monument. That's what makes the thing so tough on the Hill. I better break up and go and check with my friend here if I'm going to....

[-20-]

[END OF INTERVIEW]

Steven Ailes Oral History Transcript  
Name List

President Kennedy	Kennedy, John F.
Powell	Pierpoint, Powell
Johnson	Johnson, Louis
Elvis	Stahr, Elvis
Frank	Pace, Frank
Paul	Warnke, Paul
Harold	Leventhal, Harold
Bill	Schaub, William F.
Dick	Morse, Richard S.
Paul	Ignatius, Paul
Tom	Morris, Thomas D.
Finn	Larsen, Finn
John	Bailey, John
Dick	Donahue, Richard K.
Dorothy	Davies, Dorothy
Cy	Vance, Cyrus R.
Stan	Resor, Stanley R.
Adam	Yarmolinsky, Adam
Bob	McNamara, Robert S.
Roy	Davenport, Roy K.
Al	Fitt, Alfred B.
President Johnson	Johnson, Lyndon B.
Ros	Gilpatric, Roswell L.
Gene	Zuckert, Eugene M.
Ed	Pratt, Edmund T. Jr.
Charlie	Hitch, Charles J.
Bob	Anthony, Robert
Jack	Fitch, John H.
Tyler	Port, Tyler
John	Macy, John
James	Cook, James
Robert	Willey, Robert
General Johnson	Johnson, Harold K.
Joe	Farland, Joseph S.
Barney	Koren, Henry L. T.
Eisenhower	Eisenhower, Dwight D.
Bob	Fleming, Robert J. Jr.
Phil	Leber, Walter P.
Elihu	Root, Elihu
Chiari	Chiari, Roberto F.
Mac	Bundy, McGeorge
Rusk	Rusk, Dean
Dicky	Arias, Ricardo M.
Ed	Martin, Edwin M
Gardner	Ackley, Gardner
Potter	Potter, W. E.
Zincke	Zincke, Bernard J.
Dan	Flood, Daniel J.
Don	McGowen, Donald W.
Jim	Cantwell, James F.

Joe	Peck, Merton J.
General Decker	Decker, George H.
Sterling	Wright, W. H. S.
Tom	Kenan, Thomas A.
Freddie	Weyland, Fred C.
Congressman O'Konski	O'Konski, Alvin E.
Ros	Gilpatric, Roswell L.
General Hamlett	Hamlett, Barksdale
Congressman Hebert	Hebert, F. Edward
Mendel	Rivers, L. Mendel
Bill	Bray, William G.
General Van Fleet	Van Fleet, James A.
Bill	Sutton, William F.
Max	Rich, Maxwell E.
Bo	Hearn, George A.
General Wheeler	Wheeler, Earle G.
Ignatius	Ignatius, Paul R.
Jerry	Ford, Gerald R.
Johnnie	Heintjes, John A.
Max	Taylor, Max
General Boyle	Boyle, Leo M.
Dave	Traub, David W.
Jack	Norton, John W.
Larry	Hoelcher, Leonard W.
Sol	Horwitz, Solis
Larry	O'Brien, Lawrence F.
Pittman	Pittman, Steuart
Ken	Hansen, Kenneth R.
Corbie	Truman, Corbie
Lou	Truman, Louis W.
Ed	McDermott, Edward A.
V.P. Johnson	Johnson, Lyndon B.
Tom	Powers, Tom
Gen. Westmoreland	Westmoreland, William C.
Gene	Salet, Eugene A.
Gene	Zuckert, Eugene M.
Tom	Morris, Thomas D.
Ribiciff	Ribbicoff, Abraham A.
McCloy	McCloy, John J.
Fisher	Fisher, Adrian S.
Ed	Gullion, Edmund A.
Harold	Brown, Harold
Lyle	Garlock, Lyle
Glenn	Seaborg, Glenn
Paul	Paul, Norman S.
Willis	Hawkins, Willis