

**Eugene P. Foley Oral History Interview –JFK #1, 6/16/1966**  
Administrative Information

**Creator:** Eugene P. Foley  
**Interviewer:** Ronald J. Grele  
**Date of Interview:** June 16, 1966  
**Place of Interview:** Washington, D.C.  
**Length:** 20 pp.

**Biographical Note**

Foley was Administrator, Small Business Administration (1963 - 1966); Deputy Assistant Secretary, Domestic Affairs, United States Department of Commerce (1961 - 1962), Deputy to the Secretary (1962 - 1963). Foley discusses his campaign work for Hubert Humphrey including the 1960 Wisconsin and West Virginia primaries, the anti-Catholic religious issues, his appointment to the Department of Commerce and Small Business Administration, among other issues.

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**Suggested Citation**

Eugene P. Foley, recorded interview by Ronald J. Grele, June 16, 1966, (page number),  
John F. Kennedy Oral History Program.



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Eugene P. Foley – JFK #1

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Oral History Interview

with

EUGENE P. FOLEY

June 16, 1966  
Washington, D.C.

By Ronald J. Grele

For the John F. Kennedy Library

GRELE: Mr. Foley, was the Wisconsin primary of 1960 your first contact with John Kennedy or the Kennedy organization, in a historical sense?

FOLEY: Yes, it was. I had only met then Senator Kennedy in long lines of people, but very informally, not in any personal way.

GRELE: How did you personally become involved in the 1960 primary in Wisconsin?

FOLEY: At that time I was legal counsel for the Senate Small Business Committee in Washington, and working primarily for the Senator Hubert H. Humphrey of Minnesota. And he asked me in the latter part of January 1960, to go, as soon as I could, to Milwaukee to participate in the primary. I had about ten days notice, seven days notice.

GRELE: Were you a part of the initial planning of the Humphrey Campaign in 1960?

FOLEY: No, I wasn't. I had not been a part. Actually the Humphrey planning started, I believe, possibly in 1958, but more precisely in 1959, that is the campaign

specifics. But I was not a part of it at all in 1959, as a matter of fact I really did not become a part of it until I was told, as I indicated, to seven or ten days before I went to Wisconsin, that the Senator would like to have me out there for the campaign.

GRELE: At the time when you joined Senator Humphrey's campaign in Wisconsin, what was your impression of the way that the Humphrey organization had assessed John Kennedy and his chances in Wisconsin? i.e., what did they think of Kennedy?

FOLEY: It's a little bit hard for me to answer that because I wasn't in on the preplanning of the Wisconsin campaign. I am under the impression however, that it was more or less taken for granted that because Wisconsin was a neighboring state to Minnesota, that Senator Humphrey would probably win in Wisconsin. That is, I think, this was the 1959 thinking. Unfortunately from the Humphrey stand point, the campaign plans were not carefully thought out, and organization not carefully organized. So that by the time I arrived, which was roughly about February 1, 1960, or shortly thereafter, it was kind of presumed that Senator Kennedy would win in Wisconsin. The presumption of a Kennedy victory grew and grew until really about two weeks before the election, I remember Sam Lubell, the pollster, had an article in one of the Chicago newspapers indicating that Senator Kennedy would win certainly eight of the ten district votes, and probably nine of the ten. You can check that in the Lubell article of the *Chicago Daily News*, about two weeks before the election, primary election. I presume you know that the delegates from Wisconsin were elected on state-wide then by district. So there was a rapid change as the campaign started, because the Humphrey organization was in very poor straits from the organization stand point. Although I do think during the campaign we straightened a lot of things out, and it became a fairly close race at the end.

GRELE: When you say you were organizationally in bad straits exactly what does this mean in terms of Wisconsin?

FOLEY: Oh, it meant that the knowledgeable political people of Wisconsin, with a few exception I might add, had not been involved to the extent they should, if they were working -- if they were -- supporting Senator Humphrey. In many cases the knowledgeable people were not supporting Senator Humphrey. And you know, just the campaign organization, the machinery, had not been set up by February 1. There was a kind of a naivete among the Humphrey workers in Wisconsin. They were not quite certain what to do, or whether to do anything, kind of a tendency to let things go until two or three weeks before the election. It's poor operation.

GRELE: At the time there was some dispute as to the role that the national leadership of the labor movement played in obtaining, or keeping support from various candidates. Did you have any contact with this kind of problem?

FOLEY: Well I personally did not become involved in the maneuvers that were going

on. There is no doubt that the national leadership of UAW, the automobile workers, and the United Steel Workers were torn between Kennedy and Humphrey. And it was finally decided that individual labor leaders at the local level could select one of the two. It turned out that, probably by predesign, that an equal number of automobile worker leaders supported Kennedy as supported Humphrey, the same with steel workers, the same with machinists I might add. They were the three principal unions there.

GRELE: You say you were not necessarily connected to this kind of organizational work, what were your duties?

FOLEY: My duties, originally as I went into Wisconsin, were to provide some liaison between the people in Wisconsin and those in Washington, and with those in Minnesota who were coming in to work in the campaign. But after two or three weeks, it became apparent that there had to be some order brought into affairs. And so we held a general staff session, called by Philleo Nash then the Lieutenant Governor of Wisconsin, and it was finally decided that I got to take over the actual operations of the Humphrey office in Milwaukee which is the central campaign office, and also keep an eye over the operations of the Madison office. This did not make me the campaign manager, but it did assign specific responsibility to one individual for the assigning of people, for the getting done of tasks, and for general decision-making as matters came up hour by hour, day by day, in the campaign office. So I was more or less operations officer in the central office.

GRELE: Did you concentrate most of your attention on Milwaukee?

FOLEY: Well, no. I was concerned statewide: where speakers were going to, where materials were being distributed to, Humphrey's campaign schedule statewide, so in that sense I had statewide responsibilities. I did also work directly with Milwaukee groups. So in that case I had special responsibilities in the city of Milwaukee.

GRELE: I have been told that in Milwaukee the majority of the party leaders did support Senator Humphrey.

FOLEY: I think that's probably true that the majority of party leaders in Milwaukee did.

GRELE: Was there any particular reason why this should be so?

FOLEY: Well, I think during the years Senator Humphrey had been coming in and out of Wisconsin, and had established a following in Wisconsin, and I think that's one reason. And the other reason was there was a personality dispute within the Wisconsin democratic party between the group headed by Pat Lucey [Patrick J. Lucey] on the one hand, and then a group in Milwaukee. And so there was a kind of personality dispute that played into this.

GRELE: How much of a factor was money in that campaign?

FOLEY: Oh, I think money was overplayed in the Wisconsin campaign. I don't think money was a factor at all. I think we spent an awful lot of money, although I don't know how much we spent. I never thought that the Wisconsin campaign had anything to do with money. You might check elsewhere, but I suspect that the Humphrey campaign spent as much as the Kennedy campaign in Wisconsin.

GRELE: In general, what was the Humphrey strategy? What people did you rely on, what groups, what areas?

FOLEY: Well I wouldn't really say there was a great strategy. It was simply an effort to get Humphrey exposed to as many people as possible, to work intensely with labor unions, with farm groups, to some extent with small business groups, and with university and college groups, and with the regular party groups in each of the cities and counties of the state. But during the campaign I became aware that the Senator's early speeches attacking the Republicans and more particularly on stimulating the economic growth rate, were not really very effective even though he himself, of course, is a very effective speaker. And it became very apparent to me that whenever he spoke on Medicare, that this made a big reaction on his crowd, so during the campaign in terms of strategy, we did change the contents of the Senator's speeches, and he spoke more on bread and butter issues as the campaign went on, more particularly on Medicare and on education and on things that were a little bit more meaningful to the average person. But there was no really long range strategy.

GRELE: On March 19, 1960, you were quoted as saying that anti-Catholic literature was being mailed to Roman Catholic supporters of Senator Humphrey. What was the evidence that you had for this?

FOLEY: Well several of the people that worked for us brought it to us, brought the literature to us. It was a rather odd thing -- I think the literature was mailed from Hutchinson, Minnesota -- and the odd thing about it was that they apparently had a Catholic mailing list, they didn't have a non-Catholic one, so the anti-Catholic literature went only to Catholics, and not to non-Catholics. So this is was.... frankly I've always suspected the Kennedy campaign of doing this. But that blew over in a hurry. Probably because of the tactical mistake of sending it only to Catholics and the fact that somebody decided to cut it out.

GRELE: What was Senator Humphrey's response to this literature?

FOLEY: Well I was with him when he first heard about it. As a matter of fact I told him about it. And I don't recall any special response on his part. I think he felt it was going to be a touch campaign, and he wasn't surprised.

GRELE: He knew that this would undoubtedly become an issue?

FOLEY: Well, people always kind of suspected religion would be an issue, but we never tried to make it an issue.

GRELE: You also, on behalf of Senator Humphrey, repudiated an anti-Catholic pamphlet which was entitled, "A Square Deal For Humphrey." Was this put out through the auspices of the Humphrey organization, or was it a spontaneous kind of generation?

FOLEY: That was the ad that appeared in the weekly newspapers? Well, not to my knowledge it was not put out by the Humphrey organization. I think the common thinking since that time was that it was sponsored in some indirect way by Jim Hoffa and the Teamsters. I don't know if it's ever been definitely proved. That's an interesting article, that's an interesting episode, in any event, the article, because two weeks prior to that article, I started an effort to put Senator Kennedy on the defensive, to stop his momentum a bit, through a series of questions on the Senator's campaign record, pardon me, on the Senator's voting record. The actual preparation of the pamphlet was done by Herb Waters of our staff. And Herb and I went over the questions and answers and put it into a pamphlet form, and sent this all over the state, and alerted local leaders who were supporting Senator Humphrey as well as local editors, to ask Senator Kennedy about his voting record. And also to challenge Senator Kennedy to debate. Well for two weeks this did very effectively put the Senator on the defensive. And I think it made a major change in the whole campaign. We could feel a real growth in our following and support, which I think was in large part accountable to this change in tactics, and unfortunately this damned ad came on the Thursday before the election which stopped our drive, our momentum, and put us on the defensive at the crucial time of the campaign. The first I ever heard about that ad was Wednesday night, and I was working at the campaign headquarters about ten o'clock, and I got a call from Charles Taft from Cincinnati, who was the head of the Fair Campaign Practices Committee. And he asked me about this ad. I said I know every piece of literature, type of advertising going out of the Humphrey campaign, and there's just nothing to it. Well, he had been called by Larry O'Brien [Lawrence F. O'Brien], complaining about the ad. Of course, the next day it was in the paper and just caused a complete uproar in our office. We thought the Kennedys had done it again, as we had thought they had sent the anti-Catholic literature to the Catholics in Wisconsin, and the Kennedys of course, thought we did it. I don't know really who did it. I wouldn't put it past Hoffa but I just really haven't found any better information. We did have a fellow working in our campaign office by the name of Greene, I believe his name was Charlie Greene, who left the day that this ad appeared, and who subsequently we learned was involved with Hoffa associates in Florida. I think there was a fair amount of evidence to suspect that maybe it was Hoffa. In other words Greene was working in our headquarters and was also on the disclaimer at the bottom of the ad on the Fair Campaign for Humphrey Committee, or something like that.

GRELE: When you were tempted to put Senator Kennedy on the defensive by asking

him questions about his voting record, what parts of his voting record did you concentrate on?

FOLEY: I think it was his farm and labor voting record, and consumer voting record, but you'd better check the documents on that. I'm sure there must be some lying around here.

GRELE: You don't recall any of the discussions as to why you zeroed in on those particular topics?

FOLEY: Well I went down the Senator's voting record, and I selected some that I felt were meaningful to the types of voters that we were trying to appeal to in Wisconsin, and so we compiled that list.

GRELE: On the whole was the Humphrey campaign as disorganized Theodore White paints it in his book, *The Making of the President*?

FOLEY: Well it was in the beginning. But it wasn't -- I've always felt that the Kennedy organization was overrated in terms of its organizational efficiency. I've always thought ours was underrated from about a month before the election on. It was no model of efficiency let me say that, nor do I necessarily state that the Humphrey organization from the last month of the campaign was as efficient as the Kennedy organization; but I don't think that the disparities were as great as pictured by White, though they were to begin with. When I came out February 1, it was just horrendous, the Humphrey organization.

GRELE: Do you recall any of the specifics, or...

FOLEY: I'm not trying to say that I was the sole cause of trying to bring some efficiency into the organization, others came in. As the campaign grew we just learned to work with each other a lot better, and we had a better idea what to do. But it was very bad in February.

GRELE: Do you recall any of the specifics of the campaign that would lead you to argue that the Kennedy organization was not as efficient as it had been painted?

FOLEY: Well the Senator is very frequently very late for his appointments which I mentioned. Of course, Senator Humphrey was too. The Senator was often very very late for his appointments. And I just thought they missed sometimes on their press releases on effective points that they could have made which were either not played at all, or underplayed. Although, I can't recall any of the specifics now, I just had the general recollection of this from the time that we were campaigning.

GRELE: Did you have any personal contacts with John Kennedy during the campaign?

FOLEY: None, I did attend a Kennedy tea one day, and that was the only contact I had with Senator Kennedy.

GRELE: Were you recognized?

FOLEY: No. No, most people did not know me in the Kennedy operation.

GRELE: At the time do you recall your assessment of the results of that primary?

FOLEY: Well, I think the results were that Humphrey did a little better than expected in terms of the pollsters. Lubell had Humphrey winning at the most two districts, and probably only one. As it turned out, he did win four. And I do think, that without that ad, that Humphrey might have won probably the fifth and possibly a sixth. I think the results of the election in terms of the expectations of the one month preceding the election, resulted in a stalemate. The results of the election in terms of what had been expected the summer before were it would be a great Kennedy victory, because it was expected that Humphrey, in his neighboring state would win... the Midwest. But, as I indicated, by one month before the elections, it was presumed to be a Kennedy landslide. As it turned out it was indecisive for Kennedy. From the point of view of Humphrey, it was not very encouraging because if he couldn't win in his neighboring state, one wondered where he could win. So it didn't help either way particularly.

GRELE: At the time how much of a factor did you think religion was?

FOLEY: Well, I think religion was a factor. I think that a lot of Polish and Italian Catholics were impressed by Kennedy's religion. In the Western part of the state, I think, the Scandinavians were a little leery of it, but I think that vote was reflected then as it was in the fall campaign. I think religion was a factor, particularly when it was called attention to right there before the end of the campaign.

GRELE: Did you go to West Virginia?

FOLEY: Yes, I did go to West Virginia.

GRELE: Why did Senator Humphrey enter West Virginia?

FOLEY: I don't really know, I wasn't involved in that strategy. I tried to help clean up in Wisconsin headquarters, and headed back to Washington, and when I got to Washington, I was notified that instead of going back to my job in the Senate Small Business Committee, I was to take another leave of absence, and go to West Virginia where I had never been before in my life. And oh, about a week or ten days after the Wisconsin election, I flew into Charleston and met for the first time, and he asked me to set

up some offices in the Northern part of the state in Clarksburg, Parkersburg, and Wheeling, West Virginia.

GRELE: I had been told that some members of the Humphrey organization vigorously opposed the entry into the West Virginia primary. Do you recall that?

FOLEY: I just wasn't involved in that. You'd have to talk to people like Jim Rowe or Bob Barry, Max Kempleman, Joe Rauh [Joseph L. Rauh, Jr.], they'd know much more than I. I was not involved in any decision on that.

GRELE: When you got to West Virginia what did you think were your major problems?

FOLEY: Well there, money was a major problem. Everything that Humphrey had was spent in the Wisconsin primary. And money was the real problem in West Virginia, just to do organization work. We had a big television program in Wisconsin. There were a lot of pamphlets, a lot of advertising. We did very little of this; no advertising in the newspapers, I think only two half-hour television shows, and neither one of those were state wide. I think the thought probably was, though I've never heard it from Senator Humphrey or from those I have mentioned, that because there was such a low percentage of Catholics in the state, that somehow or other Humphrey could win there, even without much money. But I think the Kennedy campaign there was superb, in West Virginia, much better than it was in Wisconsin. And of course I think Senator Kennedy's own personal courage in making the religious issue an open issue was smart politics, was very effective politics. But apart from that, there was just no chance for Humphrey to establish a positive image. He was not known in West Virginia. Kennedy was not very well known in West Virginia. And people really didn't know him. It was a question of voting either for Kennedy or against Kennedy. Humphrey was just the other guy running. But nobody really had a positive image or identification of Humphrey. They didn't know what qualities to like or dislike. It was simply a pro-Kennedy or anti-Kennedy vote; and the reason for it was because we did not have the money to establish any kind of Humphrey image.

GRELE: This brings up two questions. Is there any truth to the claim that John Bailey put pressure on William Benton to withdraw national support from the Humphrey campaign?

FOLEY: I don't know.

GRELE: The second question is, in West Virginia, which organization made the best alliances with the local politicians; more active, or more involved or more powerful with the local politicians?

FOLEY: Well both groups tried to do that. The Humphreys and the Kennedys both tried to make alliances and in some cases the Kennedys were successful and in

some cases the Humphreys. In more cases, though, the Kennedys were successful.

GRELE: Was this because of money?

FOLEY: It was in large part because of money. The West Virginia style of campaigning recognizes the realities of financing a campaign. I think as far as the legend in a sense has come down, that the West Virginia election was bought, I don't think that holds up really under analysis. There is unquestionably a few counties in the South, Logan County and a few others, where the percentages of the Kennedy victory was unusually high. But if you compare the results county by county around the state, the Kennedy picture is fairly solid, irrespective of machine leverage, because not every county in the state is a political machine organization. The money was an important factor not so much in the buying out of the machine, although I don't want to underplay that, as though it wasn't a factor at all, because it was a very important factor; I was thinking that money was the biggest factor in terms of Humphrey's failing to establish any kind of positive image whatsoever. People just didn't know who he was, or what to think about him. The name was known of course, because of all the publicity; but there just was nothing to hang on Humphrey like there was in Wisconsin where he was much better known.

GRELE: What happened on that last television broadcast?

FOLEY: Was that the debate, or what?

GRELE: The one, the phone, the marathon.

FOLEY: I was in Northern Wisconsin -- pardon me, in Northern West Virginia during the entire campaign, and that was done out of Charleston. I ran these marathons in Wisconsin. They ran very well. I just don't know what happened. I'm not trying to suggest that it wasn't done properly in West Virginia. I don't know what happened, as a matter of fact I had kind of forgotten about it. I suspect what happened -- in Wisconsin we always had ads at least a day or two before indicating that this marathon was going to take place -- I don't think that was done in West Virginia -- so that there wasn't the deluge of phone calls. In Wisconsin we were just deluged by phone calls.

GRELE: In Wisconsin, did you screen the questions before giving them to the Senator?

FOLEY: Well, we kept at some screening.

GRELE: Cutting out the crackpots?

FOLEY: Yes, cutting out the crackpots. This whole idea by the way, originated with Jerry Heaney, not with me. Jerry Heaney was the campaign manager of the

Humphrey forces in Wisconsin. He was not in West Virginia. But we did kind of -- I screened the questions coming in. We had fifteen lines, I believe. In West Virginia they had only a few lines, and they weren't able to screen as well as we were in Wisconsin.

GRELE:        Alright, did you attend the 1960 Democratic National Convention?

FOLEY:        No, I did not.

GRELE:        During any of this time prior to the Convention had you had personal contact with John Kennedy or the Kennedy Organization?

FOLEY:        Well, I did with the Kennedy Organization. I went to Minnesota following the West Virginia defeat. The Minnesota Convention was about ten days after the West Virginia election. And I persuaded myself that not only that Kennedy would win, but that Kennedy should win. I was impressed by him personally. Although I was willing to follow whatever Senator Humphrey wanted to do. But I don't think he was -- he should not have taken himself out of the race at that time -- not because he had any chance to beat the President or to be the candidate, but simply that he did have an important following around the country that he should have used for some bargaining in terms of who the Vice President would be, or what the platform would be. So I was one of the few who, election night I was with Senator Humphrey when he conceded and walked with him to the Humphrey headquarters where Bob Kennedy [Robert F. Kennedy] came over and heard him concede, that he ought to be a little bit ambiguous about it, and try to corral his liberal support around the country, through that obtaining the Vice Presidency, or making some influence on the platform or the selection of the Vice Presidency. But Humphrey did drop out of the Presidential race.

GRELE:        Do you recall who argued the other position?

FOLEY:        Oh, just about everybody else. I believe Mrs. Humphrey was also anxious to get out of the campaign. Well, ten days after the West Virginia campaign, I went to Minnesota and the Minnesota party was all split down the middle about who they were going to support in Los Angeles. And I detected right away that this became... As a matter of fact, I detected more of a religious animus operating in Minnesota than I had really in the other states. And partly because of my own Irish Catholic background, and my own respect for what I had seen and read of the Senator I decided to go and to support Senator Kennedy at this time. So I contacted Pat Lucey, who was attending the Minnesota Convention. I personally contacted Pat, and Jerry Hainey and I filled Pat Lucey in on the Minnesota delegation and Minnesota politics. But after the Minnesota Convention, the Kennedy Organization never contacted me or did I make any effort to contact them. So I just got completely out of the Presidential sweepstakes by the Minnesota Convention.

GRELE:        Why do you suppose that they never made an attempt to contact you?

FOLEY: I don't know. I went back to the Senate Small Business Committee, and resumed my position there as legal counsel.

GRELE: When were you asked to work in the campaign?

FOLEY: Senator Humphrey and I had a little falling out there, from the Minnesota Convention until after the Los Angeles Convention.

GRELE: Why?

FOLEY: Oh, probably because he knew that I was swinging to Senator Kennedy. I suspect that's part of the reason why I wasn't asked to go out to Los Angeles.

GRELE: Did Governor Freeman also have a falling out with Senator Humphrey? He supported Senator Kennedy.

FOLEY: Well, but Governor Freeman wasn't working for Senator Humphrey like I was. So I heard from the Senator right before the Los Angeles Convention that he'd like to have me go out to Minnesota to help set up the Minnesota campaign for the Senate. He was running for re-election as a Senator. So the week before the Los Angeles Convention Bill Connell, his administrative assistant, and I drove out to Minnesota, and made the preliminary arrangements for his fall campaign reelection. And then sometime after the Convention, Humphrey and I became old friends again, and have been since.

GRELE: During the campaign did you pay exclusive attention to the Senatorial campaign, or did you also work for the National Party?

FOLEY: Well I paid primary attention to the Senatorial campaign, although I did make the arrangements for Senator Kennedy when he came to Minnesota as well as arrangements for Averell Harriman, and Adlai Stevenson and a few of the other people who were coming in from outside the state. That is I made some of the transportation arrangements, and speaking arrangements, and things of that nature. But most of my time was just spent working on the Humphrey reelection.

GRELE: Was there any attempt to coordinate the campaigns, or did you feel that you'd be better off running separately?

FOLEY: Oh no, the campaigns were very well-coordinated. The Kennedy campaign was run by Don Fraiser, which was only two or three doors from our own. And their campaign workers frequently worked for us if we needed people, or ours were sent down to his campaign headquarters. It worked very well. I must say that I thought Senator Humphrey really went out of his way in a sense to help Jack Kennedy. Kennedy only won in Minnesota by twenty-two thousand votes, and Humphrey was winning

by two hundred and eighty thousand, and Freeman was losing by about twenty thousand. And Hubert Humphrey really made extra efforts to go into those Scandinavian areas of the state and speak for Senator Kennedy, and he made a big pitch in terms of the Kennedy confrontation with Baptist ministers in Houston. He made certain that that got around the state. I think that the point ought to be really known because while Humphrey was very upset and disappointed after the West Virginia campaign, and until after the Los Angeles Convention, that that completely disappeared, and he worked very, very hard for Senator Kennedy. And as I said here he was up for reelection on his own. And even in the poll -- there was a poll ten days before the election indicating that Humphrey was only one percentage point ahead of his opponent -- even after that, Humphrey was facing the problem of his own reelection, Humphrey was still making extra efforts; every speech boosting Jack Kennedy for the Presidency, and saying marvelous things about him. And then privately encouraging Scandinavian -- farm leaders who were probably Scandinavians -- that they had nothing to fear about Jack Kenney and his religion.

GRELE: I had been told that Governor Freeman's defeat came as a result of a television program where they attacked anti-Catholicism. Was this...

FOLEY: Oh I don't think that's true at all. I don't think that's true at all. No, I think Freeman's defeat came from the fact that he'd been in three terms, and no Governor had ever been elected to a fourth term in Minnesota. The cumulative grievances that occur in a state, he had some experiences that did not fit well with the Minnesota voters, particularly a strike in Albert Lea, Minnesota, which I think he handled properly, but nevertheless, it was not received well by the typical Minnesota voter. And the iron range of Minnesota, a strong democratic vote was disenchanted because he had been in now six years, and they were still having economic problems. I don't think that had anything to do with Freeman's defeat, that speech on that subject.

GRELE: How did the Kennedy Organization work in this system of really volunteer politics?

FOLEY: Well I thought it worked very effectively, very very much so.

GRELE: Did they rely heavily on local people, or did they bring in outsiders?

FOLEY: Well, they relied heavily, mostly on local people, they brought in outsiders once in a while just to see how they were doing, and to offer some advice. But it was almost entirely local people.

GRELE: Did you have any personal contact at that time with John Kennedy or Robert Kennedy?

FOLEY: Well, I met Bob Kennedy a couple of times during the campaign, just to chat, and not very long. Jack Kennedy I had met, the only time really in my life to

have much of a conversation with him, and that wasn't very long -- it was kind of an amusing episode, and I guess it ought to be recorded. Saturday night in Minneapolis, around October 1, 1960, Senator Kennedy and I, and Governor Freeman were leaving his hotel suite to go over to his speaking site. We were followed by policemen from the Minnesota Crime Bureau, Mike Guinness. Mike had a picture of it, and I have the picture in my file which I'll show you. Governor Freeman turned to Senator Kennedy and said, "Senator, you know Gene Foley, who's handling your arrangements here?" And Senator Kennedy turned to me and said, "So you're Gene Foley; you're the fellow who told that Jesuit Priest down in Wheeling, West Virginia that you spent more years in a Catholic school than all the Kennedy boys put together." [laughs] That's a true story, both aspects of the story. And the funny thing about it is that the photographer took a picture just at the time that Senator Kennedy finished making that statement. And in the picture, I'm laughing and Freeman is roaring, and Mike McGuinness is following with a big smile, and Senator Kennedy is glaring at me, although he meant it in good humor of course, he wasn't. We chuckled going down in the elevator about it. But that was the only contact I had with Senator Kennedy.

GRELE: What was the story about telling the Jesuit Priest?

FOLEY: That's true. I did tell the Jesuit Priest that.

GRELE: In the debate over religion? [Laughter]

FOLEY: It's true [laughter].

GRELE: Minnesota proved to be a very key state in terms of the electoral victory. Why do you feel that Minnesota was won, when all of the states that ring Minnesota were lost?

FOLEY: Well really I think it was because of the Humphrey effort. Humphrey is very very popular; I still don't understand the poll that indicated he was only one percentage point ahead, about ten days before the election. But Humphrey campaigns vigorously. He's well-liked in his home state. By that time he knew how to run a good organization. He'd been through two campaigns and I must say that was a well-run operation that we had. And I must say that the Kennedy operation under Don Fraser was well-run. And even though in Freeman's case he wasn't successful, I think it was because of the effort that Humphrey personally put toward the Kennedy direction, that carried Kennedy in Minnesota.

GRELE: Was religion at all a factor?

FOLEY: I think so. Yes. In the Scandinavian districts of Minnesota there was some concern about the Kennedy religion. Although I had had some previous

experience in this, myself, I ran for Congress in a heavily Norwegian Lutheran district in 1958, and I lost by six hundred and two votes out of ninety thousand. In that district the percentage of Irish voters or the percentage of Catholics is maybe ten, fifteen percent, at the most. And yet I almost won that election. You know I've had some personal experiences there with respect to my own religion, and these were heightened by the importance of the Presidency for which Senator Kennedy was running. Religion was a factor. It's hard to measure. But Senator Humphrey recognized this and really confronted it.

GRELE: After the election when did you first learn that you were under consideration for appointment in the Kennedy Administration?

FOLEY: Well I initiated that. After the election I came back to Washington, and again resumed my position in the Senate Small Business Committee, and spent about a month figuring out what I wanted to do, whether I wanted to stay in Washington, go back to Minnesota, if I were to stay in Washington what would I do. I decided to try to get a job in the Administration. And I selected three positions that I thought that my background qualified me for, and I'd be interested in. So I wrote a letter to, I believe, Ralph Dungan, indicating the three positions I would like.

GRELE: Do you recall what the three positions were?

FOLEY: Yes, one was General Counsel of the Small Business Administration. Another was Executive Director of the Federal Trade Commission, and another one was Deputy Assistant Secretary of Commerce for Domestic Affairs. And Senator Humphrey wrote a letter and recommended me for any one of these. Then nothing happened over the next month. The Federal Trade Commission thing suddenly died out. We quit that. But John Horne [John E. Horne], selected head of the Small Business Administration, talked to me about becoming General Counsel. By that time interest had been expressed in me for the Deputy Assistant Secretary position, even though it was a lower grade, I was more interested in that because I thought that would broaden my experiences. And so I more or less concentrated on that rather than the SBA job.

GRELE: Did you have any contact with Secretary Hodges [Luther Hodges]?

FOLEY: Only to meet him for two or three minutes in January 1960 [1961?]

GRELE: Did you ever discuss with President Kennedy or Secretary Hodges or any member of the White House staff your proposal to seek an international accord to stabilize oil markets?

FOLEY: No, I forgot where that came from. On the oil business I was really on my own in that thing. The Commerce Department by law had to have a member of top staff on this Oil-Import Appeals Board, but nobody really paid much attention to that, other than myself. I can't remember anything on that. I think I proposed that

before Congressman Steed [Tom Steed] I forgot where I got that. I just can't remember. I'd have to search through my records. I don't know where we came up with that one.

GRELE: What was the reaction? Do you recall any reaction?

FOLEY: Well, no. I think it was mentioned and that was it.

GRELE: Do you recall any other proposals that you made at that time, in that position? Policy proposals?

FOLEY: I don't think so.

GRELE: Did you have any contact with the White House staff?

FOLEY: Only on personal matters.

GRELE: Why did you leave this position and go to the Business and Defense Services Administration?

FOLEY: Well actually I didn't leave the position, I added another, so that I held both titles. Oh, there's an internal shuffling in the Commerce Department and the head of the Business Defense Services Administration, was sent to Paris and I was asked to take over that position which is fine because there's an increase in grade for me and it gave me line responsibilities.

GRELE: In this capacity did you deal with the White House at all?

FOLEY: Very little. Once again only on the personal matters.

GRELE: But it did bring you closer to Secretary Hodges?

FOLEY: A little bit.

GRELE: How effective was Secretary Hodges as Secretary of Commerce?

FOLEY: I thought he did a good job of dramatizing the need for increased American exports. I thought he did an excellent job on that. I think the Commerce Department itself suffers from rooting out of the presence of Herbert Hoover. But it took an awful long time for Governor Hodges to generate any energy in the Commerce Department, I thought. He was probably as effective a Secretary of Commerce as Eddie Fisher who was generally regarded as a fairly effective Secretary of Commerce.

GRELE; As a much older man what were his relations like to the Kennedy staff?

FOLEY: They were not good.

GRELE: Not good, why? Age, ideology?

FOLEY: Well not only age, but just patterns of behavior, cultural patterns generally.

GRELE: In what sense?

FOLEY: Oh he was kind of a dignified Southerner, and he didn't quite understand the Boston Irish temperament, although he genuinely liked President Kennedy. One thing during that period of time when I was head of B.D.S.A., a little known thing not to be taken out of context, but I was an important part of a small group that made a major change in American barter of, bartering methods of surplus goods, surplus farm goods. Under the Eisenhower Administration, and continuing into the Kennedy Administration, American farm goods could be bartered overseas, that is not barter in the traditional sense of an exchange, it was only called barter. Actually it was a consignment where the American trader, American trading company, would bid for, let us say, a hundred thousand bushels of surplus corn. There is a list of commodities that this government wanted for a variety of reasons -- it might have been a mineral, it might have been a certain type of drug, or a certain type of instrument, or machine, mostly just minerals and drugs -- for storage in the stockpile. The trader bid a hundred thousand bushels of corn he would promise, he would make an arrangement for, so many tons of X mineral or pounds of X pharmaceutical. He had five years to repay that, without interest. And he'd take the hundred thousand bushels of corn and sell it on the international market, or he might trade it. He might trade the hundred thousand bushels for something, oh for pharmaceuticals in Italy, and in turn exchange the pharmaceuticals for some cotton in Egypt, and then take the cotton in Egypt and exchange it for diamonds in South Africa.

GRELE: Making a profit?

FOLEY: And each time making it a little bit along the way, as he had his foreign affiliate overseas. Well, this was really quite a well-organized thing amounting roughly four hundred and fifty million dollars a year as I recall. I stumbled into this thing. You know, it was such a maze of things and so complicated. I tried to understand it because I, the B.D.S.A., they had responsibility for the Office of Industrial Mobilization, how to mobilize industry in event of emergency; and in addition to that, they can allocate scarce commodities now if it's needed for the war effort, or the defense effort. So I kept trying to understand this thing and this was just a mystery to me. But the thing that really bothered me was that there was this interagency group, at about the GS-14, GS-15 level, that decided all these things. Although ostensibly it came to me for my decision. And I found out after about a couple of times that the trading companies knew about the decision before I knew about it. But I started investigating this thing, I removed the person who represented my organization from this interagency thing, and several others in other agencies also, about the same time, became aware of this thing. And we started to, just independently,

started to crack down on it, and eventually we made some major changes in the bartering method, we reduced it by about two thirds. I think we're bartering now -- it's about a hundred and fifty million dollars a year, and it's also limited. We found one transaction that made -- there was a transaction with Italy, then with Egypt, then with South Africa -- we found one of these that had nineteen different transactions. So there were some major changes. I've forgotten what they were, but it limited it to two or three transactions, cut down the list of commodities that could be bartered for, cut down the time from five years to every two years or eighteen months that it had to be completed, and it really affected the volume and activity of the trade in general. It's a small part of the total Kennedy story.

GRELE: In your attempt to spur American exports, did you coordinate your activities at all with Secretary Freeman [Orville Freeman] or people in the Agriculture Department who were attempting to do the same thing?

FOLEY: Well yes. Secretary Hodges was in frequent touch with Governor Freeman on these matters. Although he concentrated primarily on American industrial goods.

GRELE: When did you first find out that you were going to be appointed as the Small Business Administrator?

FOLEY: Well, I heard rumor of it, one Sunday, and then during the subsequent week, the newspaper articles indicated otherwise. Then about Wednesday, Ralph Dungan had called me and indicated that I would be getting this position.

GRELE: Did he tell you why?

FOLEY: No, and finally, I've forgotten the exact timetable, about Friday, or Saturday, it was official that I was going to get this. Larry O'Brien called me and Dick Donahue called me to tell me that the President had decided to nominate me for the position.

GRELE: This was a presidential appointment. Did you meet the President when you were appointed?

FOLEY: No, I did not.

GRELE: You weren't sworn in at the White House?

FOLEY: No, I was not.

GRELE: When you first went to the Small Business Administration, what were the problems you encountered as you saw them?

FOLEY: Oh, a major problem, the most immediate problem had to do with the Small Business Investment Company Program. This is an industry that had invested about five hundred million dollars of private money into the program. The Federal Government had invested about two hundred and fifty million dollars. The industry was completely demoralized. The stock of the publicly held companies was way down, and there was a real danger that the whole program would collapse. So my most immediate problem was to revive that program, if it had any merits for revival. So I concentrated my early attentions on that.

GRELE: Was it your impression that the Administration favored a policy to promote the health of small business?

FOLEY: Well there's no doubt about that. President Kennedy wanted to promote small business. The problem is that "small," in American culture, means insignificant. So the very name small business doesn't quite get the attention of the opinion-makers in the Budget Bureau, the Treasury Department, the Council of Economic Advisors. Even though the President himself had a strong pro-small business bias, in the day-to-day workings of the Administration or the Federal Government, the Small Business Administration's concerns were really in low priority. So the whole concept of Small Business Administration has never been, and is not now, favored by the Budget Bureau. Economists look upon this as kind of like the farm program, where it's an inefficient, wasteful allocation of natural resources. So they have never favored it, they've never encouraged it, they had to be pushed to do anything about it, and consequently, it was very difficult to get any of the problems of the Small Business to the White House level.

GRELE: Did you try? You were in only a short period of time before the assassination.

FOLEY: No, I really did not try prior to President Kennedy's death.

GRELE: In your years in Washington, did you have any contact with the President?

FOLEY: Very, very little. The lengthiest conversation I ever had with President Kennedy was the one going down the hotel corridor... Well, I went to Mass with him the next morning at St. Olaf's Church in Minneapolis. And the only other conversation I ever had with him went as follows: It was about March 1961, I had been in the Commerce Department about two weeks at that time, and I was sent over to the White House for a meeting on a subject that I've forgotten. And I was ushered into the Cabinet room. And President Kennedy came into the Cabinet room followed by the Vice President, Dean Rusk, Dean Acheson, Adlai Stevenson, and one or two others, and I stood up in front of the President and introduced myself, and he invited me to sit down immediately. And I said, "well, I'm here for a meeting called by Fred Dutton." "Oh," he said, "that's right. Fred did reserve this room." "Well," he said, "we'll go into this little room across the hall." It was the Fish room. "Well," I said, "Mr. President, I'll take care of this. You just go right ahead with your meeting, and I'll see that this thing's straightened out." So I did go outside and got

a hold of the guard, and explained to him the mixup. My conversations, my contacts with Senator Kennedy then were very few. He knew -- he had an idea who I was probably. But that would be all about the most.

GRELE: That's the end of my questioning, unless you can think of anything that we might have missed.

FOLEY: Well, I think in the Small Business field, you ought to talk to John Horne about this, because John Horne is the Administrator of the Small Business Administration, and he can give a much better picture of the Kennedy Administration's relationships to small business than I. A very important order was issued by President Kennedy in the early days of his Administration increasing the percentage of prime contract awards to small business by ten percent. This was very important. And if somebody were to compile a record of what he did in small business that certainly should be given a very important place.

GRELE: Do you have any final comment.

FOLEY: Well, yes, I guess, one last comment. I was in Houston the night before the President got killed. As a matter of fact, my personal administrative assistant, Mary Underwood, had handled the arrangements in Houston for President Kennedy. And I was on a trip on the West Coast into Texas.

[BEGIN SIDE TWO, TAPE ONE]

I flew into Houston at about the time that President Kennedy was flying into Houston. As a matter of fact our plane was held up because the President was landing about the time that we were landing. Marty Underwood had arranged for me to have a policeman take me into the Rice Hotel where President Kennedy was staying. So I landed shortly after President Kennedy did. I had police escort down to the Rice Hotel, and I was staying on a restricted floor, I believe, either one above or one below where President Kennedy was staying. Because Marty Underwood was in charge of his arrangements there, Marty accompanied the President and Mrs. Kennedy to a meeting of two Spanish speaking groups in Houston. And I got the President at the time. I went with him, or, or followed behind him I should say, to this meeting where the President spoke, and Mrs. Kennedy spoke a few words in Spanish, and again followed them back to their elevator, and that was the last I saw them there. But we were commenting at the time that we had never seen either one of them look so radiant as they had that particular evening. I caught a plane about one o'clock that morning to Atlanta, Georgia, and then chartered a plane that flew into Charleston, West Virginia about five-thirty or six o'clock in the morning, and slept a few hours. Then I had to give a speech to a bankers' group, and it was kind of funny that here in Charleston, West Virginia I was speaking on my birthday, like the night in the West Virginia campaign, and my speech was interrupted and was told that the President had been shot. And it made me feel like every American, maybe I may have been one of many many people who felt a little bit special

because of the relationships, even though not personal, I felt very very deeply hurt. But that's the last contact, I mean my contacts with President Kennedy were very few, but he left a lasting impression.

GRELE: When were you in Houston, did you notice anything particular about the atmosphere in Texas, or is this just a comment on Dallas, when people talk about it?

FOLEY: Well they had the biggest turnout in Houston, in Houston's history. I listened to, I did not attend the speech that the President made that night, but I watched it on television, and everybody was very very pleased at the response. It was a tremendous meeting- a tremendous reception for the President, and I just had no conception of it. I had no foreboding at all that anything would happen. I had been in Dallas, as a matter of fact, that same day, but I was not aware enough of Texas feelings to know or to detect....

GRELE: Thank you very much.

[END OF INTERVIEW]