

Paul Rand Dixon Oral History Interview – 8/7/1968
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Biographical Note

Dixon, Associate of Senator Estes Kefauver (1957-1961) and Chairman of Federal Trade Commission (1961-1969), discusses the Federal Trade Commission's (FTC) relationship with the White House, the FTC's reorganization, and the anti-business image of the John F. Kennedy Administration, among other issues.

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Page two

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PAUL RAND DIXON

Table of Contents

<u>Page</u>	<u>Topic</u>
1	First meeting with President John F. Kennedy
2	Senator Estes Kefauver and Senator John F. Kennedy
5	Tennessee politics
5	Selection and confirmation process of Dixon to Federal Trade Commission (FTC)
10	State of the FTC
12, 21, 41, 47	FTC's relationship with the White House
13	Landis Report
16, 25	Re-organization of FTC
26	Anti-Business image of Kennedy Administration
31	Budget of FTC
33	Relationship with the Justice Department
34	Reporting Act
36	FTC's Relationship with the Council of Economic Advisers
37	White House Committee on Small Business
43	Drug Investigation during Kennedy Administration
44	DuPont and General Motors
45	Senator Estes Kefauver and Rand Dixon
49	President Kennedy's visit to Tennessee

Oral History Interview

with

PAUL RAND DIXON

By John F. Stewart

August 7, 1968
Washington, D.C.

For the John F. Kennedy Library

STEWART: Let me start by asking you if you recall when you first met John Kennedy. I assume it was before 1961, when you were either at FTC (Federal Trade Commission) or working for Senator Kefauver [Estes Kefauver].

DIXON: To the best of my recollection, I believe the first time I met the late President was when I was up on Capitol Hill with Senator Estes Kefauver as the counsel and staff director of the Senate antitrust and monopoly subcommittee. I was in law school at the University of Florida with Senator George Smathers, who was a close personal friend of President Kennedy's, and I may have met him through George. I'm not sure. But it was during that period of time when I first came in contact with him.

STEWART: Did you recall if Senator Kennedy had any dealings or any interest in Senator Kefauver's antitrust and monopoly subcommittee?

[-1-]

DIXON: Not specifically. I had the general understanding and belief that he was compatible and sympathetic to the objectives of the investigation; certainly this later developed to be true.

STEWART: There had never been any--you hadn't met him when you were still at FTC on any matters relating to. . . .

DIXON: I have no recollection of it. No sir, I don't.

STEWART: Do you recall generally what Senator Kefauver's opinions of Senator, later President Kennedy were?

DIXON: Well, I have this feeling, of course, that--you see, Estes had run twice for the nomination and had in 1956, in an actual floor fight, wrested the vice presidency away from John Kennedy, Jack Kennedy. I have a funny recollection of something that happened with respect to this. I remember in 1960, when the late President was in pre-campaign appearances around the country and appeared in my hometown, Nashville, Tennessee. I was down there at the time with Senator Kefauver. I remember sitting at the dinner table, the head table, and in the light banter that he was capable of, among other things, he turned to old Estes and he said he wanted to thank Estes Kefauver for doing him a great favor. He said the people would remember they had a little contest for the vice presidency and Estes won, and he said he wanted to thank Estes for having won that contest because had he won the contest, Estes might very well be where he was campaigning, and he might be very well where Estes was -- meaning, purely and simply, that, I guess, it doesn't do very well to be number two on a losing ticket. And I think it was very well said because I know that Estes was quite disappointed that his reelection for the Senate came in 1960, and he had to face the choice of running for the Presidency, seeking the nomination, or seeking to be reelected as a Senator, or he could have possibly tried both of them, but it didn't look very inviting. And I'm satisfied that he might have been defeated as a senator, had he sought both of them.

[-2 -]

STEWART: That's interesting. Did he seriously consider running in 1960, and if so what...

DIXON: I'm satisfied Estes Kefauver went to his grave disappointed, sorely disappointed, that he'd never had been successful in his ambition to at least get a chance to run for the Presidency. And I remember being in Tennessee in the middle of that Senate campaign with Kefauver the night of the nomination of President Kennedy, and old Estes was fit to be tied. I'm satisfied that he thought there was a possibility that they might have a Mexican standoff and go to voting and several days might pass and they might even send for him. But it was wishful thinking.

STEWART: Was he disappointed in Kennedy as a candidate?

DIXON: No, I don't think so because he saw in Kennedy a man that was running somewhat the same way he had to run.

STEWART: Yes, with the primary route.

DIXON: If you remember, President Kennedy took on the Establishment and whipped them. Estes had tried this twice and lost.

STEWART: Yeah. So there was this affinity, at least. . . .

DIXON: I think at least they were approaching the problem somewhat in the same manner. The difference was that, I believe, that Kennedy had—I'm firmly convinced that he'd studied the tactics that Kefauver had used, and I think he chose the best and improved on some of the worst.

[-3-]

STEWART: Just one more question before we get to 1961: what work did you do during the campaign, if any, in 1960?

DIXON: In 1960, of course, I was principally in the state of Tennessee with Senator Kefauver – when I could get away from this committee up here and after Estes was nominated he, as I recall, did a bit of stumping around the country. I think they used him principally as they do other members of the party in hotly contested districts and states and what have you. The only work I did at all was in the state of Tennessee.

STEWART: Relating to the national...

DIXON: It was related to the attempt, of course, to carry the national ticket along with Estes Kefauver. Of course, they were one and the same. In the state of Tennessee the Democratic nominee is obviously like everywhere else: once a man's nominated they're banging for the whole ticket. Although, we were successful in the state of Tennessee. We lost the state of Tennessee; we lost it, and it was the fifth straight time we had lost it, and that was a great disappointment. I think the state of Tennessee didn't go for John F. Kennedy for one reason: I think that much of religious fundamentalism is right in the state of Tennessee, and I don't think he could ever get over it. In our presidential elections, which we had had up to that time, we lost the state to the Republicans four straight times. It's a very close state in national elections, but historically up until 1960 it had been, within the state confines, a Democratic state. But it's changing; it was changing right then.

[-4-]

STEWART: Weren't there some problems as to exactly who was in charge of this national campaign in Tennessee campaigning?

DIXON: Always there had been in the past years. This was one of the disappointments I have heard Kefauver speak about. I don't know whether this is too far different from other states, but each of our Senators walks his separate way with his separate organizations, and most of the Congressmen do, and our State officials, the

State House. The Governor is something else. The internal Democratic machinery was controlled by the Governor, and the money was controlled by the Governor. This always causes an argument as to how the, campaign committee for a Senator and the committee of the state Democratic committee for the Governor are going to get along.

STEWART: Right. But it worked out as far as the national campaign was concerned, wasn't it?

DIXON: Well, now, for instance, the other Senator at that time (and still is) is Albert Gore. Now Albert Gore, to my knowledge, was pretty close to President Kennedy – to Senator Kennedy at that time. And I'll always remember how terribly disappointed Senator Gore was the night that the final returns were coming in – we were in Nashville – and it was becoming evident that Kennedy was going to win but we were going to lose Tennessee after all the effort that had been put into it. And a lot of effort was put into this attempt.

STEWART: Moving on, exactly how did your appointment to the chairmanship of the FTC come about? Do you know or did you talk about how it was initiated?

[-5-]

DIXON: Well, quite frankly, when I left the Commission and went up with Kefauver, I had a conversation with Kefauver at the time and told him that I was willing to stay there at least four years, at the end of which time I thought that the Democrats were going to return to power and that if they did, if I was going to stay in the government, I wished to have his support for a federal judgeship or as Chairman of the Federal Trade Commission. And it was just that simple. When the cards turned up that way and President Kennedy was elected, I chose the Commission believing that I could do a better job there. I didn't want to become a federal judge at that time because I wanted to be a little more free than I felt judges were. I was pretty young at the time, although now it might be considered old. You know, I thought I was young at the time, and when everybody was called the New Frontier, I was right up on the upper edge of the Frontier.

You know, I had a great deal of respect for Estes Kefauver. I thought he had, in his own committee there, had done so much of the work that was necessary to the election of President Kennedy that Senator Kefauver was entitled to something in the Administration. And, frankly, I was the one that was used as the trial balloon. I would have been just as happy to have stayed up there and gone right on with the committee work. But I didn't seek any wide support. I sought Kefauver. Of course, I had clearance of my other senator and congressmen from Tennessee. George Smathers did speak to the President for me. But that's about the sum total. I didn't try any great big political push toward the President. I knew he knew what I had done, and I thought that the sponsorship of Kefauver was enough. If Kefauver couldn't get me appointed, I told him I should go back to Tennessee. I was sincere about it. If a Democratic President didn't recognize Kefauver that much, then I was ready to go back to Tennessee.

[-6-]

STEWART: You mentioned the contributions that Senator Kefauver's committee had made to the whole campaign. Could you be more specific? Are there any examples of that you can think of, or just the whole matter of . . .

DIXON: Just the general whole thing. I think that Kefauver had the most active committee on Capitol Hill for four years. We had investigated the steel, the automobile, the oil, the food industry, and drug industry. And, of course, in the middle of this there was a great deal of education coming from it.

We were constantly attempting to persuade the Justice Department, then under the Eisenhower [Dwight D. Eisenhower] Administration, to be more active. People speak a great deal about the Eisenhower Administration's activities; they point to it with pride – for instance, in the electrical equipment cases. Those cases came right smack out of the Kefauver committee. I read the paper one day and talked to Kefauver and went to Tennessee, developed the evidence and sent it to justice. And they had a grand jury, and there was the case. I think they had to because, if they had not had that grand jury after what we had run into, there would have been another investigation up on the Hill. I think this is good government; I think that the sum total of the two added up to good government. I think that the need for the protection of the small businessman – which is always a very vital plank in the Democratic platform, meaning that the antitrust laws and the restraint-of-trade laws have to be vigorously enforced – this was very much a part of President Kennedy.

[-7-]

STEWART: Was there any opposition that you know of to your candidacy as Chairman from any of the senators?

DIXON: Oh, I'm quite sure there were a lot of alternatives. I heard a whole lot of names. This is an important position; it's tremendously sensitive to the business community. I'm quite sure that the President must have had an opportunity to pick from a hell of a lot of other different people.

STEWART: But there's nothing specific. There was no one else particularly that you recall?

DIXON: No, not anybody of any great consequence. I heard some names at the time, but they kind of fade-into – you never know whether they've real or not. Through Kefauver I was told quite early that the President was quite receptive to the suggestion and to tell me not to worry, that it would be worked out.

STEWART: Was this pretty much Senator Kefauver's main appointment, or were there any others that...

DIXON: It was at that time. What's funny, no sooner than my name was mentioned, before I was actually appointed by the President, he'd appointed Joe Swidler [Joseph C. Swidler]. I never heard of Joe Swidler. Kefauver didn't even know him except rather casually, but he was charged to the state of Tennessee. At the moment that it happened, both Kefauver and I thought that's what he was going to get. Well, of course, that wasn't so. Swidler had other sponsorship; he just was charged to the state of Tennessee. Now, also, very soon after that – I don't know long it was before Newt Minow [Newton N. Minow] left here, but he appointed the third Tennessean, a man from Memphis named Bill Henry [E. William Henry]. So there was at one time from the state of Tennessee three of the important independent agency chairmanships – most unusual. But frankly, the other two were not the sponsorship of our Senators;

[-8-]

they came from the Administration. Of course, no Senator in his right mind is going to oppose an appointee in his state unless he's personally obnoxious, and these were two fine men.

STEWART: Did you anticipate any serious problems in your confirmation? There were some Senator Cotton [Norris Cotton], I think, raised some objections.

DIXON: No, what I really thought was that it would be kind of like a meeting with friends, but I got up there after the President had made his State of the Union message and talked about regulatory lag and the need for change. I know that it's the better part of wisdom when you're before the confirmation committee not to get into a whole lot of long-winded philosophical discussions because you may meet it coming back. But somebody was waiting for me up there that day, and the question that was put to me: "Well, now, your President has said all these things, and what are you going to do about it? Now, we've been waiting for you a long time. You've been down there; you can't plead ignorance. Now, what are you going to do?" I knew when I started talking that it was going to be a lengthy conversation. It was; it ran the better part of two mornings. I didn't mind it because I wanted them to know what I thought should be done here because I came down here and did what I told them I proposed to do.

There was one point in it where Senator Cotton made an issue of my coming down here and reorganizing the Commission (the way I had outlined it) and asked was I going to inform the President of this or any of the people or was I going to do it and then inform. And I told him I didn't see any reason why I shouldn't inform him as well as I was informing the Congress. I thought, the President was sworn to see that the laws were faithfully enforced, and I saw nothing wrong with that. Well, I guess it was the right answer. It disturbed Senator Cotton at the moment, but I was reported out and confirmed.

[-9-]

STEWART: Let me follow this up by asking you about other appointments. To what extent were you involved in the appointments, first, of – Elman [Philip Elman] was appointed the same time you were, wasn't he?

DIXON: I had nothing to do with Mr. Elman. I don't know where he came from. He was over here at the Justice Department on the Solicitor's staff and had been there. I was told one day – in fact by Elman – that he was called up and was told that there was Republican vacancy on the Federal Trade Commission. Of course, he wasn't a Republican. He said, well, he was an independent. And so they, according to him, called him back and offered it to him as an independent, and with that he showed up over here.

STEWART: Yes. The other two appointments, I believe, during the Kennedy Administration were Everette MacIntyre . . .

DIXON: Now, Everette MacIntyre was practically announced simultaneously with my appointment. He was up there on the Hill with Wright Patman [Patman, J.W. Wright]. And I know that Everette MacIntyre wanted to be chairman; I know that. It didn't turn out that way. He came here as a commissioner to succeed Bob Secrest [Robert T. Secrest], and Secrest stayed here until his term ran out in September. My term was already running, so to speak. Our law provides that a man serves until his successor is qualified, and a fellow named Earl Kintner was still serving. I came here in March, I think about March the 21st or something.

STEWART: What about Higginbotham [A. Leon Higginbotham, Jr.]?

[-10-]

DIXON: Well, now, Higginbotham was just as quick a surprise coming here, or was to me. Let's see, now.

STEWART: He came in '63.

DIXON: He succeeded Kern [William C. Kern], and his term was running out. I heard that the President was thinking about appointing John Reilly [John F. Reilly], who later came. And Reilly told me one time that he was certain that he was going to be reappointed, and then right out of the clear blue sky they sent Higginbotham here. Higginbotham came here, in my opinion, because he was a young man and had no experience, and I'm sure they wanted to give him some experience. So he came here that fall, and, of course, stayed here until Johnson [Lyndon B. Johnson] made him a federal judge. But I think he was on the way to the bench when he came here, if you want to know the truth. I think that, frankly, from talking to him, they realized he had to have some experience. And he got a year of it here, and it made him look better going towards the bench. And he's on the bench. And, you know, he's an extremely capable fellow. This is my first experience ever working with a Negro at this level. I accepted him as a man, as he accepted me. He's

extremely well-educated, and I think great things will come from that fellow. I told him when he left here I thought that some day he'd sit on the Supreme Court, and I still think so.

STEWART: But you had no real...

DIXON: I'd never even knew his name before-he was appointed.

[-11-]

STEWART: Well, on any of those appointments...

DIXON: Neither one of them, that's true.

STEWART: Let me ask you some questions about your general relationships with the White House. First, did you have any kind of an understanding, either before your appointment or early, on the type of or the degree of independence that you'd have in running the Commission?

DIXON: President Kennedy never had a single conversation with me in any way inferring what he would desire, except, or – so to speak, of interference. Of course, you remember he had this fellow Landis [James M. Landis] make this study and write this paper, which got him into some degree of trouble. I went over to see Landis to tell him I didn't agree with him, and we met and talked all-morning. I told him the things that I thought. This was before I came here, and not afterwards.

So I came here with a full knowledge that it would be a mistake for anybody under the Executive branch to interfere with the internal operations of this Commission. In the first place, this is what got Mr. Adams [Sherman Adams] in trouble. Mr. Adams interfered right here in this agency on a vicuna coat or something and left this town. The scheme of setting up these independent agencies was to keep them out from under the Executive branch and out from under the Judicial branch. They were considered, very jealously, as an arm of the Congress. Now, this didn't mean that anybody coming here as chairman or as a member of a commission is not obligated to attempt to understand the administration's viewpoint and objectives, but so far as interfering with whom you should investigate or whom you should sue or how you should decide something, that sacrosanct area was honored.

[-12-]

I'm very proud to tell anybody I've never had anybody twist my arms on one of them because the instant anyone would have tried that with me, I would have chopped off real quick and have given them some pretty good advice because if you're ever called up and it's put to you, you've had it, and you'd better be able to answer truthfully, in my opinion.

STEWART: Getting into this Landis report, you say that his study was actually completed by the time you came to Washington?

DIXON:. Oh, yes. You know he'd completed this report by the time that the President...

STEWART: During the transition period.

DIXON: During the transition period, you see. He had made some vary pertinent observations in here, but he inferred that perhaps there should be some strong overseer type of an office set up to oversee these agencies. Well, that was a mistake, and when the Congress started knapping at him, well, the President obviously, I guess, realized that Landis had done him no favor in this respect.

STEWART: Some of the other...

DIXON: You know what's unique: Landis served on this Commission back in the early thirties, just for a short month or so. When they whittled out SEC [Securities and Exchange Commission], this was a division of this agency, and, set it over there.

[-13-]

STEWART: Some of the other members or members of some of the other regulatory agencies have commented on the lack of time they had to review the Landis report before it became public. Was this your point of view?

DIXON: This was no problem to me because I was. living what he was doing; in other words, I think I knew more about it than he did. I'd investigated these various agencies; I had been here; and there's no more typical agency in all the government than this one right here. As I told him, I thought that most of his conversation was about the Federal Trade Commission – all these people that have these things. This is a unique agency here. It's not a regulatory agency in the sense of a licenser and then actual regulation. This agency is here to guide and prosecute, using cease and desist orders – the administrative way back into the court. This Landis is familiar with.

STEWART: So you had no problems about...

DIXON: I had none at all. In fact, I never heard one of them tell me that. We'd occasionally meet and talk about things. We had some kind of little organization we called the "Tightrope Club" where we would occasionally, each one of us, sponsor the meeting. And we'd sit around and, oh, we'd get our appropriation committee chairman down here from the Hill to try to understand our problems and to get somebody up from the – well, we'd get the Civil Service Commissioner in there to talk about some of our problems. We were all trying to help each other in those places. I never heard this kind of conversation in any of these meetings.

[-14-]

STEWART: To what extent, if at all, did you sense the influence of Ambassador Kennedy in all of the work that Landis . . .

DIXON: None at all. I frankly never felt it at all. I'm sure I was not far enough in the inner circles to feel it.

STEWART: I was referring to the work that Landis had done.

DIXON: That's what I am, too. I had none at all.

STEWART: Then you had no reservations other than the implications of the coordinator that was in Landis's study. You had no objection to...

DIXON: No. I found nothing there that was terribly noxious about it. Certainly these agencies, these so-called regulatory agencies, are the focal points in the government that really touch people's lives, the businessman and the individual. This is where it happens. And because of that, there's a constant abrasive action between business, the public and what have you. And there's always grounds for improvement as far as I am concerned.

STEWART: Did the reorganization plan that resulted from Landis's study go as far as you would have wanted?

DIXON: Well, I had an advantage over Mr. Landis. I had been up there on the Hill working with the senators, and obviously I got to know a great number of them. I knew how jealous the Senate is of its powers. The Senate isn't just going to give away its power to the Executive willy-nilly. I knew and could have anticipated if he'd ever talked to me in advance. I would have advised him certainly not to give the impression that all the President would have to do is just send up a bunch of a re-organizational plans and the Senate would play dead for him; because just the opposite happened.

[-15-]

When they started feeding those plans up there they were turning them down bang, bang, bang, and I got a call here one day--I don't know whether it was from Ken O'Donnell [Kenneth P. O'Donnell] or someone down at the White House – and he said, "Well, we're in trouble. It's embarrassing to the President now. In other words, here, everything the President asks for is being knocked down. We've got to win one, and you're it." And I had already been up there on the so-called reorganization plan number four, and that was the Federal Trade Commission, and it was before Senator McClellan [John L. McClellan]. Under the re-organizational plan, hell, with three votes on this Commission, we could delegate any power we had to anybody, see. And this disturbed him because he made it perfectly plain that he thought the men that had this ultimate power certainly should be appointed by the President and approved by the Senate; they shouldn't be hired hands, so to speak. And I agreed with

him. I was assuring him he wouldn't have to worry about that; certainly as long as I was down here and as we had a solid working majority it wasn't going to happen. Well, we left it that way, and then I got the call, and I didn't know whether it could be salvaged or not. Then I went to see Senator McClellan. And I told him that this situation had come about, at least, and I could understand it; that if anybody had had a great deal to do with electing President Jack Kennedy, it had been him; and as far as I could see – whether it was fortunate or unfortunate – the situation had developed to where prestige was on the line, and he had to win something; and the least obnoxious of all the plans was the plan that I was talking about, the one that affected the Federal Trade Commission, and wouldn't he reverse himself. And he said he'd do it. I asked him to give me enough time to try to get some other people to help him when it came up, and we had a few hours there to do it. The next day when it came up, it just, pffft, went right on through, and it was going so fast I think the CAB [Civil Aeronautics Board] got on the tail and got right in behind it.

[-16-]

STEWART: The only thing, I thought there was another one...

DIXON: There was one more, but it came because it got right in behind this one. Actually this proved that the President could get some reorganization. I had a feeling that what Senator McClellan and the subcommittee he had to go through – the committee had to go through – his notion was that the way to have done this was just to call him up and tell him what they wanted and they'd pass the law instead of coming back the other way, see . . .

STEWART: Through the reorganization.

DIXON: . . . through the reorganization. This proved out because this is the way FCC [Federal Communications Commission], eventually, and several more things were passed. But the resentment was that they had to turn it over down there to let them do anything they wanted to unless they vetoed it. They didn't like the approach, and my impression was they blamed it pretty much upon Landis, that is, Landis's inability to understand the delicate relationship between the President and the Congress.

STEWART: Was, in fact, Landis the one to blame for the poor handling of the whole business?

DIXON: I don't know. He's in charge of it. You know, when you're in charge of a shop, then you'll get the credit and the discredit. I don't know. Of course, he must have had some of these smart youngsters working with him, and people coming down here can be just smart as hell, but I'll tell you, if you don't understand the working of this government, they'll teach you a new lesson.

[-17-]

STEWART: Was there ever any criticism of the way that you handled your part of this whole thing?

DIXON: I never heard any more of it. I mean – I don't recall any. Of course, this is saying I don't know whether any speeches were made about it or...

STEWART: No, I mean criticism, for example, from the White House, as I think there were of other agencies, that the people weren't pushing the reorganizations as hard as they might have, or . . .

DIXON: Well, all I know was, as I say to you, "Here, this is the one for the Federal Trade Commission. See if you can get it through there. Do what you can." And I knew what it meant to me; all I could do was to go there. It's been helpful; it was helpful.

Let us just take an example here: We get about ten, eleven thousand complaints a year from the business community and the public at large. Now, that's an awful lot of mail. Now, if you could imagine five commissioners sitting around a table opening that mail and directing whether you're going to close this or investigate this or start an investigation or start it this way or that way, you see, this would be ideal, except you simply can't run a railroad this way. Prior to the time I came here, by an internal grant, this had been delegated principally to one man in this agency, and I wasn't going to be a part of it. So I came here with a definite thought that we should reorganize and quit playing bureaus against bureaus—centralize it, see. So through this reorganization plan four we were able, frankly, with authority of law, to delegate to the operating bureaus of this agency not only the right but also this responsibility to open and close cases, but only to close with Commission approval. I tied it back up here on a five day notice so that we have the responsibility and the oversight, see, but it was reorganization plan four that gave us this right.

[-18-]

We also, early, adopted a so-called certiorari type rule which would have left the hearing examiner's initial decision, unless for good cause shown of a party—we would take it. We've reversed that since we did that because we actually, instead of doing something about a lag, we created it ourselves. So we abolished that, and we take them on just as a matter of fact now.

STEWART: Did these in. . . . You went through a major internal reorganization during 1961 . . .

DIXON: Well, I remember I was here when the Eisenhower Administration turned over, and they spent an ungodly sum of money to some outfit called Booz Allen [Booz, Allen, and Hamilton] or somebody like that. They came in here; they studied and studied and made all kind of recommendations; and it ended up in dismissing about fifty employees, saying they didn't have enough money. Then, after they got them all cut off, they hired about that many back, which to me was – this is the difference

between a Republican and a Democrat, in my opinion, right here inside a government. It was a little bit disgraceful, in my opinion.

When I came down here, I reorganized this Commission with the . . . [Interruption]

So I reorganized the Commission with the help of, obviously, the other members on the Commission---I have to have a majority to do this. I did this within a period of two months. We had changed the whole structure of the Commission by basically centralizing the authority and responsibility of a matter. If it was a consumer matter, deception, it went to the deceptive practice bureau; if it was a restraint of trade, antitrust, it went to another one; if it was in the broad consumer area of the textiles, fur, and flammable products, I created a new bureau and

[-19-]

put it there. These were the action bureaus.. And then to go back where the Commission was, I thought, was intended to do its principal job, we turned to the emphasis of guidance, advice and guidance, and for the first time in the history of the Commission we offered to give binding advisory opinions to the businessman if he came and asked for it. We created new rule proceedings where we could act across-the-board instead of the squirrel gun approach, one at a time. We were trying to do our join, but do it in the American way as fairly as possible. These were all new approaches.

Of course, I told the Republican members that were confirming me that when I came down here I intended fully to see to it that the so-called Schedule C Jobs—these were the principal policy jobs of these bureaus – were going to be filled by Democrats. I was going to pick them, and they were going to be my people because if I didn't have my people I couldn't reflect the new change in the Administration and if they didn't like it they didn't have to vote for me. They said they approved of it. I said, "I want to tell you that under your Administration, the Eisenhower, that came down here and put one or two people that were called Democrats in those jobs and used it as an alibi, I'm not going to do that. If we're up to bat, we're going to have to carry the ball and be responsible for it." So I did that.

I had to take to the table for approval the appointments of these Schedule C jobs, and when I left Schedule C it was my responsibility to fill those jobs with everybody else. This is a sizeable assignment. I did not fill all those jobs with known Democrats down below there, but I filled them with people that I was sure weren't going to work against me, at least I thought they weren't. They wouldn't be bull-headed. It's awful-hard to change someone who has been doing something for thirty years; it's hard to pull him back this way, see.

[-20-]

STEWART: To what extent did the White House ever get involved in your hiring matters, your staffing below the commissioners level?

DIXON: You know, people would think that you just a get phone call and somebody says, "I got a man." I welcomed the opportunity to interview the lawyers – we're principally a legal agency, a professional agency – wherever they came from. And I got referred to me so some people from—they had an office set up over there—

and they referred some people down here to me. I hired very few of them because very few of them were qualified with respect to this agency. Those that were, and if we had vacancies, I welcomed the opportunity to find qualified people.

We were in a transition period. You know, every time a Democrat administration has come back into power, they never look behind themselves; they're looking ahead. It means that there's going to be a little expansion, and in that kind of a climate you're out looking for people. Salaries at that time were not too attractive, and there was not just an avalanche of people looking jobs. You had to go out to get qualified people. Damn, if I didn't have to work at it! I had to go send people and write letters to all the principal deans of the law schools in the United States. And I didn't want them just off the Eastern seaboard; I wanted them across this country. I've sent people to these various schools and tried to establish a relationship to where we could interview the boys that were interested. I've been able to pick the boys in the upper 50 percent of the class and have even had a backlog. I have furnished lists of the people that we didn't hire to other agencies here that didn't have applicants.

[-21-]

STEWART: But there were no serious problems as far as the White House or the Democratic National Committee were concerned about referring people?

DIXON: No, I never had one because I'm a Democrat, I believe in it. On the other hand, whenever I had one I always had the understanding that they not give me a pig in a poke, so to speak, because it's going to cripple me. I can't stand too much of that here. I never had anybody say, "Oh, you just got to take him anyway," and that's what you're talking about, that you have got to give a fellow a place to hang his hat. Of course, in hiring, over eight years since I've been here and three of those years under Kennedy, I hired several hundred people. I made some mistakes, but a surprisingly small number.

STEWART: Were all of your top jobs—your bureau chiefs, for example—that came out of the reorganization...

DIXON: Most of them were career people here; most of them were here, and had been here a long time. I believe in the career system; I'm probably one of the outstanding examples in this government. I know this work here at this Commission that even a top-flight lawyer from the outside can't come here and do a real top-flight job for a year or so and I don't care how smart you are or what you've been doing. If you've got the time, there's something to be said for letting a fellow grow up and feeding him the responsibility when he's ready. If you don't move him, you lose his interest. I tried a little of both. I tried to fill in the second job by bringing some new blood in the place, hoping that I would get him an education so that if something happened to the other guy he could move along. We've been quite successful at it, by and large, and although some of my new commissioners around here thing—Elman, for instance, thinks that there's a lot of political bums around here, but he's an arrogant, goddamned fellow anyway.

[-22-]

STEWART: Well, this has always been a charge of the Federal Trade Commission, isn't it, that it's sort of a dumping ground for political...

DIXON: I had heard that, and I think that it's the poorest substantiated thing because it would reflect on me. What I liked about the Federal Trade Commission—and I'll tell you that I quit coaching college football and came here for a twelve hundred dollar cut to this agency, and I came under a Democratic administration then. I don't think I would have stayed here if the country had not got into a war. I went away for four years and then came back, and I got interested in trying some big law cases. Then the administration changed, but even when the administration changed to Republicans down here, and I was known to be a Democrat, and a partisan Democrat--I was never denied the right to speak my peace, to say what I thought the law should be and the policy should be. And I rather liked that and I maintained that when I came back.

The one thing that would cause me to fall out with a staff man faster than anything is if he's holding a finger up in the air trying to tell you how to please me or one of these other commissioners. I don't see that you're getting any benefit out of a professional man unless you're getting his best judgment, and I tried to protect it and enforce it. Now that was always here, and the people that talked about this as a political haven were just about as full of as much prunes as you could be. I'm not so damn, sure, though, that it wouldn't run better if it was a political haven. I'm not a great admirer of the civil service system; you get all this mediocrity bored-into this thing, and you can't move one of these two-bit fellows for hell or high-water, and I don't like it. It protects mediocrity is what it does, and I've got enough of that. With all the rights that a man has when he comes in here, I like to put him on his merits, so if you don't cut the mustard, mister, we can't have you.

[-23-]

STEWART: That leads to another question. I was going to ask about getting rid of people. Was this ever a problem, and to what extent...

DIXON: Yes, it is a problem.

STEWART: ...during those first two or three years, to what extent, if at all, did the White House or the Civil Service Commission get involved?

DIXON: Well, it's something you learn by experience. If a man has veteran preference I guess he could nearly hold up a bank and you couldn't fire him. I told my bureau heads – you know, inside a government there are these periodic pay increases that people have – I threatened them that if they passed the buck on to me, saying his work is satisfactory, and I find the man isn't, I was going to hold them responsible and see if I couldn't move them, see. And I got some of my men actually doing this and then would withhold it. I don't know how many times that we've been challenged. But dad-burned if you

don't lose most of them when you're challenged. I won the first one recently; after eight years I won one.

STEWART: Not a very good record.

DIXON: You end up being – do you know what happens when you withhold a pay increase? Somebody will come in with an accusation of favoritism or denial of a civil right or something. And then you end up trying the man that's doing his job rather than the no-account person you're grading.

[-24-]

STEWART: It's up to you to prove your case, I guess.

DIXON: Now, I don't know any better way to run the government. If I did, I'd try to do something about it. I know that this is a long way of doing it and the old remain. But one thing that is not under civil service is the lawyer. I am principally a legal bureau, and I'll resist that until the day I die. They're still trying to put the lawyer in there. You put the lawyer in there and every man in there will come right down this Eastern seaboard. And we'll have these bleeding hearts in this government; we'll have them this deep, and you won't be male to move them. And I'll tell you, a staff has a lot of influence upon these agencies.

STEWART: Did this reorganization – what arrangements did you have with the White House or the Bureau of the Budget as far as approving it before it actually went into effect, or did they?

DIXON: They had none.

STEWART: They had none at all.

DIXON: None at all. No. What I told Cotton when he put the question to me, "Are you going to tell the President before you do this, or are you going to do it and then tell him?" I said, "I'm going to notify him of it before I do it, and then do it." I said, "I want you to know that I'm going to do it before we do it." Well, he rather resented that. He thought this was a degree of interference, but it was not. It was my – what I thought – responsibility to report to the President as well as to the Congress, and this is the way I approached it, and I told him this. But I never had anyone suggest that it was good, bad, or indifferent – what we were attempting to do.

STEWART: Who was the person at the White House whom you had the most contact with? Myer Feldman?

[-25-]

DIXON: Well, you know Myer Feldman was on the desk that would, in effect, cover the legislative and the various things that would come into the orbit of where the Federal Trade Commission would get within the orbit. I couldn't say it was all Feldman; Feldman was certainly very much a part of it. I remember the food committee – oh, but hell, that came, under Johnson, didn't it? Feldman, Kenny O'Donnell, and Ted Sorensen [Theodore C. Sorensen] – I've attended meetings with Ted – I couldn't say that Feldman was my principal source of information, or contacts from there, but certainly one of them.

STEWART: The Federal Trade Commission has always, I assume, been bothered by its image as far as the general public is concerned in this whole matter of the anti-business image, which the Kennedy Administration struggled with. To what extent were you consciously aware of the image of the Administration and how it related to the FTC?

DIXON: I think what I was doing for the Administration was to give the Administration the image that I thought the President was seeking. This was the "go away from the damn lawsuit" and this business and try to settle these things by guides and by opinions as far as you could. We were well on the way when that steel situation arose, if you remember. I think that this was unfortunate, but my little part in it was that I was asked to come to the White House the next morning after Blough [Roger M. Blough] had gone down the night before, and be there at 8 o'clock, and I was there. Before I got there, I had a very definite notion of what the President should do—different from what he did. The Federal Trade Commission had an outstanding cease and desist order against this whole industry for price-fixing, and here was another lock-step movement.

[-26-]

Our basic law provides that the President can call upon us for a study and an investigation. and a report. I knew how complex it was because I had just come from a Senate subcommittee and the books are full of that steel study over there. So I tried to go to Bobby [Robert F. Kennedy] and talk to him before we went to the meeting, and, of course, he was down with the President. I got Nick Katzenbach [Nicholas deB. Katzenbach] and told him I thought that the President would be better advised if the most he could do would be to call upon the Federal Trade Commission using – we've got the broadest powers of any agency in town, including the Justice Department; we've got broader powers than they have – that he could call upon us, and put the burden right on our back, to study this. We'd give him the report – it'd be honest, and it would be factual. Then this thing could go one of two ways.

When I got to the meeting, of course, Bobby had already sent the FBI [Federal Bureau of Investigation] out, and the President came into the room, the Cabinet Room, and I remember as he came in he asked where was Rand Dixon, and I said, "Here I am, Mr. President." He said, "Do you have any power or any law that you can stay this announcement immediately?" And I had to say, no, we had none; there were none. He said he thought so, and then he went. around the table. Of course, among other things, Bobby reported to him what he was doing and the intention of looking towards a grand jury. Well, when you say

grand jury, you're talking about putting people in jail. Then that splashed. And then the President was reported to have made the statement he made. And from that time on, suddenly and only suddenly, was this so-called expression of animosity between the Kennedy Administration and the business community.

[-27-]

I don't have any thought that history should record President Kennedy as being antagonistic toward the business community here because, if ever a man impressed me as a knowledgeable man who knew that this country wouldn't be any better or any sounder than the business community, he knew it. Now, I could understand a President that would react to a man like Roger Blough, who says, "I'm going to teach you who's boss. I'm going to do this, you see." I could understand that. In my opinion, he had no choice but to do what he did. Freedom sure will be a mocking thing when some business tycoon can tie this country into a knot. He might be wrong, you understand he might be wrong.

I think that was unfortunate, but it happened. I don't think it was well-deserved, because, in the areas of where the Antitrust Division of the Department of Justice and the Federal Trade Commission operate, you can talk about relationships with business. All the rest of them negotiated: How much of the pie does business get out of government procurement and what have you. Over here is: Do you play by the rules of the road? Is there any price-fixing going on? Is there any conspiracy or price-gouging? We live in this area. When we ask these questions, well, then, very often somebody will have a slick sheet written or make a speech and say, "The only thing wrong with the Administration is the Federal Trade Commission or the antitrust program." To me they are nothing but expressions of the moment.

STEWART: Do you ever recall any criticisms of any speeches you gave that, perhaps, to someone's idea gave the Administration, gave the wrong image to the Administration?

[-28-]

DIXON: I certainly hope not. There's several hundred speeches over there that I made. I've reread and gone back through those speeches. I have seen speeches and programs announced in the Administration. I thought that I was certainly consistent with what I talked about before some of the things happened. I don't know of any.

I remember one speech I made. I went to Detroit early and made a speech about joint venture at the Detroit Economic Club, which is the group of big tycoons out there. I think this one disturbed them a little bit, but it was the problem that was coming, it was the merger problem, plus running around the left end and doing it by a venture. We've had law suits since then, and now we're going to study that problem this fall, principally the conglomerate merger, which, whether people like it or not, it's another way to lose freedom by just letting concentration keep going unabated.

STEWART: Did the White House ever suggest that you speak to various audiences or speak on particular subjects?

DIXON: No. I do have some recollection of having been requested by various business groups to come and make a speech, and I would feel that I couldn't fit it in. Then I had a phone call saying it would be considered really very, very wise and would be appreciated if you could possibly go down and make a speech, but not to tell me what to speak on. I do remember things like that.

STEWART: Getting back to the steel price thing, were you as surprised as presumably the President and the Administration were that U.S. Steel raised their prices at the time they did?

[-30-]

DIXON: I must say I was surprised for the moment. Having studied the steel pricing pattern as we had studied it several years prior to this happening, on reflection I could say, well, I wasn't too surprised. But at that moment I was surprised. I had read in the paper about the progress of the negotiation and the urging of the President upon both sides to stay within productivity increases and to quit feeding the fires of inflation. and the jubilation which was reported when the contract was signed, expecting that this would be the end of it, and then suddenly right behind it – boom, the lever dropped, you see.

STEWART: From what you've said, would it be correct to conclude that you were basically in agreement with the way the Administration reacted to the whole thing?

DIXON: I don't have any doubt about it. I think the President was quite gentle, myself. If it's misunderstood, let it be misunderstood; but this is power, this is raw power. It was the power of an industry to say, "We make the determination that it's going to be. We just thought you should know it." The knowledge of the industry was obvious: it's an oligopolistic industry; it has very little evidence of structure which is classical competition; and usually in lock-step the industry goes up or does down. And there had been no going down since 1947; it had been up, up, up, up, up. The knowledge was documented in the hearings that we held that it is the bellweather industry. And when there's such a price rise of this magnitude, it snowballs down through all other industries, and it ends up with the consumer, the customer, picking the bill up. And the cost of living index goes up; the cost of everything goes up. And unless it's justified, then it's inflationary.

[-30-]

We had learned that there was a 3 to 4 percent productivity increase out of the technological advancements in the industry and there was that much room to operate in. This was what it was all about. The hope was that they would stay in there. Well, they didn't stay in there, but it was such an industry that if any major party refused to follow, the other guys had to come

back. And growing out of that meeting the President had – and due to the influence of individuals that knew people in this industry – as I recall, this fellow with Inland, this fellow Block [Joseph L. Block], announced he'd hold the line with Kaiser [Edgar F. Kaiser] and two or three, and they rolled back. They rolled back temporarily, but it wasn't long until, by selection, they had raised those prices. I want to point that out to you.

STEWART: What role, if any, did you have resulting from that meeting?

DIXON: We were assigned no role other than the role – obviously with the Antitrust Division working toward and looking toward the possible ability of a grand jury – to offer the full support of our files and our ability and our know-how to support that effort. And that's where we left it.

STEWART: Let me just turn over the,

[BEGIN SIDE II TAPE I]

STEWART: William Carey, in the book he wrote on politics in the regulatory agencies, mentions the whole matter of controlling regulatory agencies through their budgets. Generally, did you have much of a problem with your budget? Did you ever feel that the White House or the Bureau of the Budget was attempting to, in effect, control your programs through their passing of the budgets?

[-31-]

DIXON: They very definitely play an important part. During the first two years and most of the time when Kennedy was alive--part of his Administration--this Commission, by the support of the Bureau of the Budget, grew about 30 percent, so actually the principal growth we've had occurred during this particular time. Of course, we've had a little bit of money here and there with the pay raises and this, that, and the other thing. But since that time the war situation has got tougher and tougher, and here we've purposely tried to do more with what we had than to seek large sums of money because there was very little chance of getting it and we knew it. I have been recommended by the Bureau of the Budget for increases, sizeable increases, but we didn't get them out of the Congress. We got a little bit, but not all of it.

But as to the general observation – yes, I agree a hundred percent with Carey: we get reconstituted every year with money. The Congress itself forced upon the President, under President Roosevelt [Franklin D. Roosevelt], this budget bureau, and the Congress wanted through the budget bureau, the expression of what they recommended. And, then, it's within that confine that they go to operating up here, but nothing keeps the Congress from adding money to it. The traditional pattern is, as has always been, they don't add, they take away. The most you could expect would be to get what's recommended. A busy chairman of one of these agencies and a man like Bill Carey who come in here not being steeped in what I am, may wear this a little bit harder than I would wear it. I understand this; I understand it fully. If the President should suggest that the budget of the Federal Trade Commission be cut so

much, then I would say that the Congress would then look at him and, probably, we may have a serious question.

[-32-]

STEWART: But, to your recollection, this didn't happen during the Kennedy Administration...

DIXON: No, I...

STEWART: ...you got whatever increases you felt . . .

DIXON: I got the increases that I thought I could absorb. At one time I was asked to project a program for five years. I had suggested that because of the tremendous growth in the country that was happening – the Commission was about the same size when I came here in '61 that it was when I came here in '38, and great changes happened in America – I suggested that we ought to be allowed to double our size and be given the money to pay it but to do it slowly because I would have to absorb the additional employees into this organization and be able to use them. I thought over a five year period that would be a good objective. I haven't changed that even now. We would be able to do a hell of a lot more effective job if we had been allowed to get that size.

STEWART: What about your relationship with the Justice Department, and more particularly with the Antitrust Division under Judge Loevinger [Lee Loevinger], during that time?

DIXON: Well now, Loevinger is one of three guys that I've had to live with over there, because our basic jurisdiction in a sense overlap, especially in the merger work. They enforce the Sherman Act, and we enforce the Federal Trade Commission Act. They're different. The courts just held that, at least in the civil standpoint, the Federal Trade Commission Act is so broad it encompasses not only what they do, except the criminal side of it, but goes way beyond, you see. Now, this makes it necessary that in good government we have a daily liaison. We do this, and it works exceedingly well. The reason it works well is a practical matter, as we both are so short-handed and have such a tremendous job

[-33-]

to do that what we try to do – under Loevinger as well as under Orrick [William H. Orrick, Jr.] and then under Turner [Donald F. Turner] and now under Zimmerman [Edwin M. Zimmerman] (hell, this is the fourth one, isn't it?)--what we try to do is to get the agency involved that has the most expertise, so to speak. And it has worked, in my opinion, very well. We've had differences, as you would expect, but it's worked exceedingly well.

STEWART: Do you recall any serious differences that, for example, involved the Attorney General or Katzenbach during those three years or Byron White?

DIXON: We had a – yes, we had one that started developing quite early. The 1942 Reporting Act – that's the law passed by the Congress that, in effect, says if you're going to send out a questionnaire to ten or more parties you've got to get clearance from the Bureau of the Budget. Now, when I came here I thought that we could do a whole lot better work by using a section of our law called "section six," where we can call upon any corporation for any type information we want, and especially in the merger work when we're trying to locate what the universe is or what a market is--this involves more than ten people. But it is for law enforcement purposes; it isn't just for general fact-finding information. And I ran into the problem of where they began to insist that I clear these with them, and I bucked and said no.

STEWART: Clear these with the justice...

[-34-]

DIXON: No, Bureau of the Budget, Bureau of the Budget.

STEWART: ...or the Bureau of the Budget?

DIXON: Now, how does the Bureau of the Budget operate? They have a bunch of businessmen, experts, that come and assist them in defining what questions should be asked, and the people that they'd have helping them would be the people I'm trying to investigate to enforce the law on. And I said, "No, sir. No, sir, we won't do that. But when we're in an investigational study, yes." We tried to force it up for the Attorney General's opinion, and there was a reluctance to give it. We finally worked it out. Bell [David E. Bell] then was the Budget Bureau Director, and we finally worked it out to where it's fairly satisfactory because there is a law on the book. I just said that if they went that far, I was going to take it to the Congress.

STEWART: Weren't some questions raised? I was reading over some of the appropriations hearings, and I think some questions were raised by Congress on this whole matter.

DIXON: Yes. You see, the Congress raised the devil with me because I set out here to resurrect a real fine economics staff. I was fortunate enough to get Willard Mueller to come here. With him, we built this up into a fine working staff. The Federal Trade Commission, uniquely enough, in this area and with its powers, ought to be one of the chief reservoirs of business information – for instance, to the Council of Economic Advisers that's supposed to advise the President on fiscal, monetary matters, and what have you. Early in the game we decided that it would be a worthwhile project to seek some basic information from at least the

thousand largest corporations. The Budget Bureau approved it. And when I got up to the Congress, they were standing in line to disapprove it. They put a whippersnapper in my appropriations that I couldn't use any of the money for such purposes. This is true; this is where that came from. They wouldn't interfere if we had reason to believe that somebody was violating the law, but they didn't want us, so to speak, to just go ask a lot of questions.

Now, this lasted a long time. I remember shortly after Kennedy died – at one of the first meetings with President Johnson when he had us all down there and said he wanted to make it plain that he didn't want just meddling around with business for the sake of meddling. I think he was addressing himself to me principally.

STEWART: You mentioned your relationships with the Council of Economic Advisers, Did this develop at all?

DIXON: This has always been a good relationship. We've tried to be helpful when called upon, and each one of those fellows – you see, Heller [Walter W. Heller]; now was Heller the first one?

STEWART: Right.

DIXON: I knew Heller, and I knew Kermit [Gordon].

STEWART: Gordon.

DIXON: Who was the third one, then? I don't know well, anyway...

STEWART: Tobin [James Tobin].

DIXON: Tobin. I knew every one of them before then. So when some problems that we were capable of doing would come up – for instance, together with the SEC, we put out here a quarterly report on the financial returns, and we do most of the work because much of that which we gather isn't public. To make those things meaningful, they have to be done rather scientifically by selecting from across the board, and we do this. These are very basic to the fellow that has to turn out what's considered the gross national product. It makes this agency unpopular as the devil, because we do it for the good of the nation, and make little or no use of it. I've offered many times to turn that over to somebody else, but they don't want to do it. If we pick out a small man, say, down in the state of Tennessee, and immediately he writes the Senator and says, "This is oppressive; it costs me a lot of time and effort to do this." We have to threaten to sue him if he doesn't do it because we must have this in order to make it meaningful. And it makes us unpopular around the country. Much of this unpopularity business of which you are speaking comes from right

here, of our saying, "Look, we want to know what you did." If we didn't do it, we wouldn't know what the gross national product or anything else was.

STEWART: The Kennedy Administration created a White House committee on small business, which I believe you people were the...

[-37-]

DIXON: Yes, I was a member of it. I was a member of it. John Horne was the chairman. We met several times and made some recommendations to the President, which he sent up. One of the early recommendations was to give this agency the power to issue temporary cease and desist orders pending litigation. Now this stirred the fear of the business community.

When you talk about business – one thing people do a whole lot in this country is talk about the free competitive enterprise system. But when you bore in on one man and you begin to question him, I'm not so sure all of them are so enthusiastic about the system. We very definitely needed this type of legislation because one of the laws we enforce is the Robinson-Patman Amendment to the Clayton Act. This law, in effect, says not only must you be competitive but when you go out to sell your product, you've got to treat your customers fairly, meaning don't discriminate if it has bad results. We had strong evidence, and we constantly have had this experience of where a great big national company in a given area would lower the boom on a little fellow. He would call it one thing--let him call it promotion or whatever he wants to call it--but while it's going on, the little fellow is losing everything he's got, and he doesn't have much longevity. It's better than nothing that, after this man goes out of business or is driven out of business, you sue the fellow and tell him not to do it again, but you can't dig that fellow back up and put him back in business. And what we were talking about, where we could make a record showing re-viewable in the courts, just as a district court can do it, which this five-man Commission ought to be able to do since we were created because the district courts had broken down. We have much more expertise than a district judge. But the business community opposed this very vigorously, and it has just kind of tailed off.

[-38-]

STEWART: Did this committee on small business...

DIXON: This is one of the things they recommended.

STEWART: ...do anything else of any great significance?

DIXON: You know, we haven't met in so long. We, I think, were instrumental – I don't know whether it antagonized Secretary [Robert S.] McNamara or not—but certainly we did a lot about discussing the place of the small businessman and his share, for, instance, in the tremendous procurement program, the set-asides,

so to speak. Now, I think that whether we had anything to do with it or not, I think the program jelled up to where it was fairly well-handled. This was one of the principal things that came out of that.

STEWART: There was a certain amount of criticism, I think, of the--as there probably always is--of the SBA [Small Business Administration], and John Horne left or was transferred, I think in 1962, during the Kennedy Administration.

DIXON: Well, if you would talk to John Horne -- I've known John Horne ever since I've been here and I have no reason to doubt that the President had another situation over here where he sent him. The President had indicated that he might very well ask the fellow he was appointing to make shifts. If he would have lived, he might have asked me; I don't know. But if the President asked you, "I want you now to go somewhere else," I don't know that anyone would question his motives; I think you would follow his direction. I've listened to John Horne. I think you can get John Horne to tell you his understanding of it. I don't think that it was any real displeasure. There may have been some displeasure from some of the politicians that John Horne had said no to. That Small Business Administration down there is a bank and can make loans, so to speak, and they're there to make loans when banks don't make loans themselves. If you're

[-39-]

just giving away money, it could be a disgraceful thing; there must be some kind of a rule of thumb to go by. And I'm quite sure that John, being the Administration, had nobody down below who could ever say no more politely than he could to some people. I think John is a tremendous administrator. I think he's done a hell of a good job wherever he's gone.

STEWART: In general, how did your relations with Congress and your individual dealings with Congress tie in at all with Larry O'Brien's [Lawrence F. O'Brien] operation? Did you, for example, continually keep him informed of things you were doing on the Hill, or what was your relationship?

DIXON: We never had enough legislation where I would have been tied in to Larry. I think you'll find this mostly in the Executive branch, where this is expected. Certainly, if the Administration was backing a piece of legislation that affected this, I had to testify. I spend about half my time, it seems, testifying on legislation that the Administration is sponsoring. Now, so far as trying to get the votes for it, I do little or none of that; I never have.

STEWART: I guess the major piece of legislation you were concerned with was this pre-merger notification?

DIXON: Well, that's one. It had been there a long time; the temporary cease and desist, but the pre-merger notification thing has constantly been there. This is under

the Kennedy Administration. And just at the moment – I'm not sure that I recall any more at the moment.

[-40-]

STEWART: You said earlier that the White House never, absolutely never, got into any matters that you people were considering investigating or suggested that you hold off or not go into any area. It's come up on this whole matter of cigarette advertising.

DIXON: Yeah.

STEWART: The White House was extremely upset or extremely reluctant to get into this area.

DIXON: Now, you see, Kennedy was dead when I really blew – when we really blew the whistle, because this was '65 when we did it.

STEWART: Right, but hadn't it been...

DIXON: But it had – what happened was the President had named Luther Terry as Surgeon General. This was Kennedy's appointment. Now, because we have the responsibility of deceptive advertising and deception can be failure to disclose something material, this question of danger was being written about and complained about. Knowing full well that we can't do anything unless there is the opinion evidence and the overwhelming support, the scientific support, we couldn't challenge. I had written to the Surgeon General requesting that he at least do something to advise us so I could be guided as to how we could answer the complaint. Now, that was pending. And the committee was formed, and they were studying, but for over-two years or more this had gone on. I know a great deal about it; I had to learn something about it because I knew the ultimate decision that they were going to reach was going to affect us.

[-41-]

STEWART: But there was no delay in the whole thing caused by any suggestions by the White House?

DIXON: In fact, I would have a hard time figuring how there could have been a delay because they undertook a hell of a mammoth job. They looked at seven or eight thousand documents and went all over the world, interviewed everybody, listened to everybody, and then sat down and wrote that report with those conclusions. I believe it came out in '65 . . .

STEWART: Right, right, right, but...

DIXON: . . . but it had been planted way back here in probably '62, '63, somewhere.

STEWART: But there were never any suggestions that you not get into?

DIXON: No, sir.

STEWART: The whole thing...

DIXON: Not to me, certainly. Now, I don't know what problems the Surgeon General or those down at HEW [Department of Health, Education, and Welfare] may have run into. I don't know of any.

STEWART: Then there were absolutely no areas or problems that you people were going to get into that the White House ever suggested you not get into.. .

DIXON: No.

STEWART: ...or ever suggested, that you do get into?

[-42-]

DIXON: No. Even after we acted – we had the new President – I never had a call or any influence, and I'm sure we may have disappointed some people by acting. But I'll tell you, we went ahead and did our job.

STEWART: To what extent were you involved in the whole drug investigation and the drug legislation during the Kennedy Administration?

DIXON: Well, there would have never been any of these bills that have later developed in the consumer field, in my opinion, except for the hearings that were held on Capitol Hill under Kefauver. Now, these were held right up to his election, and they were very much a part of his reelection, in my opinion. Of course, I was appointed soon thereafter. Before I had left up there, I had worked with the staff there on the bill that Kefauver introduced that in large measure ultimately became the bill that was passed in 1962. When they passed the bill they pretty well stripped the Federal Trade Commission out of it. I think they knew where I was. But so far as what happened thereafter, of course, the Kennedy Administration, to my knowledge, started supporting and pouring money into Food and Drug and resurrecting it and making it a very active agency. Lots has happened since then, but this is right during that '62 before the bill passed, you see, and you only had the one near in here. And that has brought some great changes.

STEWART: But as far as the long story – and, of course, there's been a book written on this – of the drug legislation during the Kennedy Administration and their reluctance to get into it and so forth, you had no direct involvement in that?

[-43-]

DIXON: If there was ever any reluctance to support or get involved into the squabble that led to the passage of it, I don't know anything about it. The legislation was pretty well beaten, as you remember, until the thalidomide occurrence. Then all of those people that were in opposition to it in my opinion saw the handwriting on the wall and reversed themselves and passed a pretty good bill.

STEWART: Were you in general agreement with the Administration's handling of the whole matter of the General Motors stock and the Du Pont business?

DIXON: Yes. Yes, I wasn't involved in it, but I have no hesitancy in saying that because we have the law. Now, the law questioned the stock ownership where the requirements test could be met. Of course, that was challenged in the law suit. Now, if your question means the bill that was passed that kept them from dissipating part of that stock by having to pay income on it, you see, that's another question. On that question there was a wide difference of opinion. I myself never visualized section seven as a punitive statute, and that would have been rather punitive. It would have meant that whoever was holding this stock, if they would have had to declare it as income – and, God, it had appreciated so tremendously I don't know what that would have been, but it would have been a capital gain. Whatever it is, if they would have had to have paid, that much less ownership would have been out of there. There would have been a sense – the Congress passed the law in order to allow that to pass through. I was not asked to testify on it. I would have had to say that it was in the spirit of the law – at least, if I had to testify – not to be punitive, and that would have been punitive.

[-44-]

STEWART: Just one last...

DIXON: I think I'd have made my friend Kefauver mad at me because I think he took the opposite view. He and I talked about it, and some of the others. I could never find anything punitive in the history of the anti-merger law.

STEWART: Speaking of Senator Kefauver, it seems to me I've heard charges or rumors regarding your associations with him during the Kennedy Administration, the fact that some people didn't really like the close association you had with him. Did you ever hear that?

DIXON: No, I never heard that. The truth of the matter is that Estes and I saw very little of each other. I think, if Estes had lived, he'd have investigated me, too.

STEWART: Really?

DIXON: Oh, yes. Estes is a great public servant, and he'd want to know how you're doing your job and want to know whether you're doing it well enough. And if he thought you weren't, he'd scratch your tail is what he would do. There was one – let's see, now, Estes died in...

STEWART: '62, no...

DIXON: '63.

STEWART: '63, yeah.

[-45-]

DIXON: Soon after I came here it was becoming evident that the Common Market countries were developing, and it was believed that it would be well that a committee of experts on restraints should go there to the OECD [Organization for Economic Cooperation and Development] body and participate. I was told that they desired me to go in that group, and I went. I went several times. We'd go twice a year, so this would be at least twice in '61 and '62.

And after I had gone there, it began to occur to me there were some changes. They looked encouraging, but I began to wonder how the American businessman was going to fare over there in that section, because even though they were trying to live competitively, their traditions and folklore were cartels, and as they grew, if they could get together they'd be a tougher block than they'd ever been before. So I suggested that the – I suggested it to both Senator Kefauver and Manny Celler [Emanuel Celler] – that I thought they ought to put their staff in there and go themselves because, as these questions were going to be presented to the Congress, it seemed to me that some of the committees up there that live with the business community ought to become more expert. Well, they did this and sent their staff and got all ready to go. And then, as I recall it – of course, they used counterpart funds—this fellow Powell [Adam Clayton Powell, Jr.], this mess came up about him in the papers and what not, and guys like Dirksen [Everett M. Dirksen] and Hruska [Roman L. Hruska], and some of the other fellows that were going, decided not to go.

Well, here they had all this work committed, and Estes was committed to go with nobody to go with him. So one day he called me and said that he wanted me to go. And I said, "I can't go. I'm Chairman of the Federal Trade Commission. I can't go anywhere on a thing like this without permission of the President, in my opinion." And he said he didn't feel well and he had to have somebody go over there and help him with the hearings and the meetings and he was going to get Loevinger, at least, and me. I said, "Well, it's up to you."

[-46-]

Well, the next thing I got was a call that they thought that it would look worse if the Executive and the Legislative went but it wouldn't look as bad if I went because we're an arm of the Congress. So I was nominated, and I went with Estes. And we went over there for

about two weeks or so. We'd just come back about a month when old Estes up and died; we were about a month or so away from that. But I think that was a great eye-opener to him.

STEWART: One final general question: Would it be possible to compare your relationship with the White House during the two Administrations, the Kennedy and the Johnson Administrations? Were there any major differences?

DIXON: I don't think so. I think that because of the Landis question that, as an individual or as a group, President Kennedy decided early to let us alone pretty well. Then with his death, Johnson had one meeting with us where we were all there. We had all submitted our resignations to him as chairmen. Now, I'm appointed at the pleasure of the President; he picks one of the five members as Chairman. This was true of most everybody in the room. He came in and told us that we could all forget about our resignations, that he didn't think he could pick any better people than President Kennedy had picked, and he wanted our support and help. This is where that little remark was made about his wanting us to do our job, that he would back us fully to do your job, insist upon us doing our job, but he just didn't want any harassment of the business community. Well, that got out somewhere in the papers after that, and we never were called back down there to any more meetings. I would say that, of course, there's a different staff down there.

STEWART: Yeah.

DIXON: It's about the same general type of contacts that I would have had before. I've had no interference there with what I'm sworn to do. I'm brought in on things that I think are meet and proper, as I was before.

STEWART: But there's no essential difference as far as how they view your people?

DIXON: You remember we were starting to move into the consumer field at the time that Kennedy was assassinated. And then Johnson comes in, and he gets elected. As this Administration has progressed, we've gone very much into the consumer field. I have a feeling that I have some little part in that because I've always felt this is a wise place for an administration to go; this is where the people are. And, as the President began to say – this is Johnson, now – these are things that can be done without great expenditures of money. This has been quite an active consumer administration.. I think Kennedy would have been a natural for this, also; I have no doubt about it. Of course, one can only wonder what would happen.

STEWART: Okay, unless there's anything you want to say in conclusion?

DIXON: I have nothing. I . . . [Interruption]

STEWART: Let me just ask a question, when you last saw President Kennedy?

DIXON: I'm not sure, but shortly before he was assassinated – and I may be wrong on my dates, but you can check it – he went to Tennessee; he went into Nashville...

STEWART: That's right; he took a trip to TVA [Tennessee Valley Authority]...

DIXON: That's it. And he made a speech in the stadium in my old university, at Vanderbilt, and then he went down to the tri-city area and over to Huntsville. I went with him on that trip.

STEWART: Oh, really?

DIXON: Nashville is my home, and Vanderbilt is my university. Of course, I was in the group. After it was all over and we came back, we were speaking of the danger and what not. I know he was scheduled to go down the streets in the tri-city area, and there was a change in plans. I think the Secret Service must have said no. We flew to Nashville, got in the helicopter and went down to Muscle Shoals. He made a speech there, and then we went on over by helicopter to Huntsville and . . .

STEWART: Governor Wallace [George C. Wallace]...

DIXON: Yes, Wallace was a problem here. He put Wallace in the helicopter with him and several others, and they stayed up in the air quite a little while. We were already on the ground waiting when he got over there. He came off, and, in my opinion, did not wish to be photographed or anything with him. He came off first and immediately started looking around. This fellow von Braun [Wernher von Braun], the scientist, was stargazing, and he comes up and taps him on the shoulder and gets him engaged in a conversation. And they lead Wallace off another way.

[-49-]

He made his speech there, and I will always remember what he did afterwards, because as soon as he made the speech – either out of pure devilment or something – he comes right down off the platform and right out into the center of that tremendous throng, you see. Now, there was a lot of tension and . . .

STEWART: This was at Huntsville now?

DIXON: This was over at the arsenal. It was the Huntsville airport that serves the arsenal. We didn't go into town there; we stayed out at the airport. And then, of course, I saw him on the plane and back to Washington, see. I must have seen him after that, but this stands out vividly in my mind, this trip.

STEWART: Well, that was in late summer, I think, of '63.

DIXON: I would think it was somewhere right in there.

STEWART: Okay. Very good.

[END OF INTERVIEW]

[-50-]

Paul Rand Dixon Oral History Transcript
Name List

A

Adams, Sherman, 12

B

Bell, David E., 35
Block, Joseph L., 31
Blough, Roger M., 26, 28

C

Carey, William, 31-32
Celler, Emanuel, 46
Cotton, Norris, 9, 25

D

Dirksen, Everett M., 46

E

Eisenhower, Dwight D., 7, 19
Elman, Philip, 10, 22

F

Feldman, Myer, 25-26

G

Gordon, Kermit, 36
Gore, Albert, Sr., 5

H

Heller, Walter W., 36
Henry, William E., 8
Higginbotham, A. Leon, Jr., 10, 11
Horne, John, 38, 40-41
Hruska, Roman L., 46

J

Johnson, Lyndon B., 11, 26, 30, 48

K

Kaiser, Edgar F., 31
Katzenbach, Nicholas deB., 27, 34
Kefauver, Estes, 1-8, 43, 45-47
Kennedy, John F., 1-9, 12-13, 16-17, 22, 27-32, 36,
38, 41, 43, 48-50
Kennedy, Joseph P., 15
Kennedy, Robert F., 27, 34
Kern, William C., 11
Kintner, Earl, 10

L

Landis, James M., 12-15, 17, 48
Loevinger, Lee, 33, 46

M

MacIntyre, Everette, 10
McClellan, John L., 16-17
McNamara, Robert S., 39
Minow, Newton N., 8

O

O'Brien, Lawrence F., 40
O'Donnell, Kenneth P., 16, 26
Orrick, William H., 34

P

Patman, Wright, 10
Powell, Adam Clayton, Jr., 46

R

Reilly, John F., 11
Roosevelt, Franklin D., 32

S

Secret, Robert T., 10
Smathers, George, 1, 6
Sorensen, Theodore C., 26
Swidler, Joseph C., 8

T

Terry, Luther, 41
Tobin, James, 36-37
Turner, Donald F., 34

V

von Braun, Werner, 49

W

Wallace, George, 49
White, Byron R., 34

Z

Zimmerman, Edwin M., 34