Louis F. Oberdorfer Oral History Interview – JFK#1, 5/14-15/1964 Administrative Information

Creator: Louis F. Oberdorfer

Interviewer: Francis J. Hunt DeRosa **Date of Interview:** May 14-15, 1964 **Place of Interview:** Washington D.C.

Length: 34 pages

Biographical Note

Louis F. Oberdorfer (1919- 2013) was the Assistant Attorney General in charge of the Tax Division of the Department of Justice from 1961 to 1965. This interview focuses on the Kennedy administration's efforts to convince companies to donate goods to secure the release of Cuban prisoners and Robert F. Kennedy's involvement in this project, among other topics.

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CUBAN PRISONERS RELEASE PROJECT

Interviewee: Mr. Louis F. Oberdorfer

Assistant Attorney General

Tax Division

Department of Justice

Interviewer:

Mr. Francis J. Hunt DeRosa

Place:

Mr. Oberdorfer's Office

Date:

May 14, 1964

Mr. Oberdorfer: My name is Louis F. Oberdorfer. I am
Assistant Attorney General in charge of the Tax Division of the
Department of Justice. I first became involved in the transaction for
the rescue of the Cuban prisoners, as I recall it, on the morning of
November 30, 1962, when I received a call from Deputy Attorney
General Katzenbach. He asked me about the tax consequences of the
contributions of money, goods, and services to the Cuban Families
Committee. I checked my recollection of the Tax Services and also
chatted with Moxley Featherston. Featherston at that time was
Chief of Review Section of the Tax Division. I recalled, in the course
of responding to Katzenbach's inquiry, a case that had been in my

Interviewee

Interviewer

office, or the office with which I was associated back in the late 40's, involving the tax consequences of a gift by a farmer of wheat to the Freedom Train. He had deducted the market value of the wheat on the day of the gift. The Internal Revenue Service had assessed a deficiency against him on the theory that he could only deduct the cost of the wheat. The farmer paid the tax, sued for refund, and recovered in the District Court in Iowa; and, as I recalled it then, I am not sure this is accurate, but my recollection was that that established a principle that a gift of property to charity created a deduction in the donor equal to the market value rather than the cost of the property. In any event, I reported this to Katzenbach.

Mr. Oberdorfer: Later that morning I was invited with
Ramsey Clark, Assistant Attorney General, Lands Division, Department
of Justice, to lunch at the Attorney General's home. As I remember,
it was a bright, sunny, really quite warm day for November 30, and
we sat outside in back of the Attorney General's house and had lunch,
and the conversation turned to the Cuban prisoner problem. I can't
remember now for sure, but my impression is that the Attorney
General knew of a meeting scheduled in the Deputy's office that
afternoon, and he knew that I had been invited to attend it. He outlined
to Clark and to me some rather sketchy, but dramatic, reasons why
it was important to him, important to the President, and important
to the country that these men in Cuba be released.

Could you list the reasons that he gave?

Mr. Oberdorfer: Well, the reasons are fused in my mind with several other statements that I heard him make thereafter about this. Maybe I can come back to this. My vivid impression of the Attorney General's description of these men, their courage, their sacrifice, and the interest of the United States relates to the meeting that the Attorney General had with members of the drug industry which, I believe, was on December 7. At this meeting in my presence and in the presence of the head of the Pharmaceutical Manufacturers Association and a number of other people the Attorney General stated the reasons why it was in the interest of the United States to do this and at the same time why the United States could not become directly involved in a most moving and impressive way. I must say that whatever he said that afternoon on his back terrace was most moving and impressive to me.

Mr. Oberdorfer: Having stated the occasion of my involvement, I first want to identify the particular incidents which to my knowledge involved contact with or direct influence of President Kennedy.

Bridging some of the events of that weekend and the meeting of the afternoon of 30 November, suffice it to say that this resulted in an undertaking over the weekend to draft a memorandum stating in more detail the authorities and the policy considerations which justified, or would fail to justify, a decision on the part of the Government and

on the part of the private interests concerned, to attempt to raise the contributions of drugs and food by gifts in kind. A memorandum to this effect was prepared jointly by Messrs. Mitchell Rogovin, Assistant to the Commissioner, Internal Revenue Service; Crane Hauser, Chief Counsel of the Internal Revenue Service; Stanley S. Surrey, Assistant Secretary of the Treasury for Taxation; Mortimer M. Caplin, Commissioner of Internal Revenue; and myself, with staff assistance from the Internal Revenue Service and was completed Sunday afternoon, 2 December. During the evening of December 2 we dictated a memorandum to the Attorney General, a brief one or one and one-quarter pages, stating merely the conclusion that those of us responsible for the administration of the tax laws had concluded that the tax law was as we had surmised, that contributions would be deductible at market value; that if the costs were substantially less than the market value the donor would be able to make the gift without being out of pocket after taxes. On the morning of December 3 the Attorney General was at the White House. I went to present the memorandum to the Deputy Attorney General. He called and arranged for me to take the memorandum to the Attorney General at the White House, and I went with the memorandum to Mrs. Lincoln's office right outside the President's office. The Attorney General came out of the President's office, took the memorandum; we chatted a few minutes about it, a very few minutes, just standing there, and then

he went back in to see the President. I came back to my office, and about noon - just before noon - the Attorney General called and told me to go ahead with doing whatever was needed to be done as outlined in this memo to try to accomplish what the memo said might be feasible, namely, arrangements whereby private companies would contribute food and drugs to the Cuban Families Committee in sufficient amounts, namely, \$53,000,000 worth, and in sufficient time, namely, before Christmas, so that these prisoners could be released by Christmas. He directed me to suspend any further effort until I Edwin could talk to Assistant Secretary of State Edward Martin and advise him of the plan and really just touch base with him.

Did the Attorney General indicate that the President had approved this?

Mr. Oberdorfer: The Attorney General did not identify the President. He didn't mention the President. I inferred from the circumstances and from the facts I just stated that he had discussed this with the President. I don't know who else the Attorney General may have consulted at that time.

Mr. DeRosa: Was any time spent on the reasons for the decision to go ahead at this point - more than just the legal reason that they could deduct the market value?

Mr. Oberdorfer: Well, this memo, which is in the Archives now, a memo bearing my initials, dated December 2 or December 3,

and it also developed - if you want to go back to this - over the weekend with the prior approval of the Deputy, I had begun discussions of nontax aspects of this project with Lloyd Cutler, who was a former partner of mine and who happened to be at my house for dinner on the night of November 30. I had learned from the meeting on the afternoon of 30 November that in the previous consideration of contributions or purchases of drugs Cutler had been involved and consulted; and part of the memo to the Attorney General reflected Cutler's reaction at that dinner and, I think, some conversations I had with him on Saturday and Sunday to the effect that in addition to the tax ruling the drug industry would be concerned about antitrust consequences if they had to take this catalog and divide up contributions. They would want some kind of fairly firm commitment that they would not be exposed to a lawsuit on account of it. He also indicated that the drug industry, being at the moment under the gun so far as Senator Kefauver was concerned, just having been the subject of some new legislation which was very much in the public mind, would need assurances at some point and I think at that point he said probably from the President - that participation in this project would be in the national interest. He also indicated that he would want some public statement made to this effect. I believe he said that at that time. In any event, the sense of Cutler's request was reflected in the memo.

Mr. Oberdorfer: Now, as far as the reasons for the project, this memorandum related to the feasibility, not to the advisability - feasibility, you might say, from a legal standpoint and, so far as the contributors were concerned, from a political standpoint. There was no consideration of the advisability of this project by me, and I was not responsible for such at any time. I was certainly more than convinced from my limited knowledge and from what I was told by the Attorney General and others that as a citizen this was in the best interests of the United States and a proper, right, and useful thing to do. I don't remember having to debate that with anyone in the Government. There was no argument about that I heard.

Mr. Oberdorfer: Just to enumerate this in case we get sidetracked, I can now recall, in addition to these inferences of presidential participation, consideration from time to time of the circumstances under which and when the President would express publicly his support for the project. My recollection is that shortly after the December 11 meeting, which will later be described, with PMA in New York, the President made a public statement to the effect that there was a private effort underway to raise drugs and foods for the Cuban prisoners and he thought it was a good idea, a fairly bland statement so far as the public was concerned, but nevertheless, I am sure, reasuring to the contributors. It wasn't all that they asked. They were asking for a specific statement that

participation would be in the national interest, and the President didn't say that, but by hindsight what he said was sufficient.

Mr. Oberdorfer: My recollection is that on December 15, 1962 (at any event, to reproduce the time, it was on a Saturday when Deputy Attorney General Katzenbach and I were in New York with Robert Knight working on the letter of credit and the bond and Red Cross commitment) while we were in New York the Attorney General and John Jones, of my office, were meeting with the Secretary of Agriculture, Orville Freeman, to consider the legality, feasibility, and political advisability of a contribution of surplus agricultural products. I believe at that time the focus had come around to skim milk. This was the culmination of study and discussion between ourselves, the Department of Agriculture officials, and originally representatives of Bordens Company, manufacturers of milk products. The skim milk contribution came to a head at this particular moment because it was necessary, we thought, to put the Red Cross in possession of at least a pledge of property which would be an asset against which some sort of jackleg credit documents could be issued. These documents are also available in the Archives. That afternoon Secretary Freeman signed a letter to the Red Cross pledging \$10,000,000 worth of skim milk, as I recall the figure.

I think that is right.

Mr. Oberdorfer: Later that night, I believe I was told by the Attorney General - I was told by somebody - that the Attorney General went by the White House to advise the President and really to clear with the President the commitment of the skim milk. I learned that the Attorney General had cleared the skim milk transaction with the President. On the Sunday following the Saturday that I just identified, the date of the Secretary of Agriculture's commitment, I was still in New York with Mr. Katzenbach and Mr. Knight.

I think we left that night back to Washington - very late that night. I remember Nick got on the plane at the last minute. It was the last shuttle out of New York.

Mr. Oberdorfer: Then it was later on this same Saturday.

This was a kaleidoscopic day. Later on this same Saturday Mr.

Henry Harfield of Shearman & Sterling and I went with the New York

Vice President of the Bank of America in his car to International

Airport. He was leaving for a meeting of the Board of the Bank of

America. This was the only opportunity we had to meet with him.

I can't remember now how we were put in touch with him. In the

car going to the airport we explained the problem - Mr. Harfield

and I - the problem then being that the Royal Bank of Canada would

issue a \$53,000,000 letter of credit only if it were backed up by

letters of credit issued by U.S. banks equal to \$53,000,000. By

this time the transaction had been formed to a degree. The bonding company, the chairman or president, which is that wonderful Victor Herd, had committed itself I believe to issue a bond in favor of the bank or banks - U.S. banks - that would issue a letter of credit. But in any event, we explained this to the gentleman from the Bank of America, whose name we will have to develop. And after we put him on the plane, I went to a phone booth at the airport and called the Attorney General. I told the Attorney General of the jelling of the letter of credit transaction, the problems about it; and I remember that I suggested to the Attorney General that he call the president of the Bank of America, a Mr. Beise, avoiding - and we did this so many times - any suggestion of coercion or arm twisting to tell Beise of the conversation that Mr. Harfield, who is a private attorney, and I had had with this New York vice president and impress on Mr. Beise the national interest considerations that were riding on this transaction. I believe that when I spoke to the Attorney General he was at the White House. I believe, though I am not certain because I am sure that we also recapitulated the milk transaction, which was, of course, very important, but I believe in this conversation the Attorney General told me that he had cleared the milk transaction with President Kennedy.

Mr. Oberdorfer: I am going to skip now as I am trying to identify my recollections of President Kennedy's contact with this

project. I don't recall now any further contact with the President until after the return of the prisoners. On December 26, 1962, the day after Christmas, I was in the office again about shortly after noon. My secretary buzzed me and said, "The President is on the phone." Of course, I recall the brief conversation very vividly. He came on and said something to the effect that "you fellows did a great job putting that whole thing together in thirty days." I said, "Well, Mr. President, we were well led." He said, "Well, I will see you back in Washington." At that time he was down at Palm Springs, and that was the conversation.

Mr. Oberdorfer: On the evening before the day on which
President Kennedy spoke to the Cuban Brigade in the Orange Bowl,
the Attorney General called me and asked if I would like to the
Orange Bowl and take some of the people who worked on the prisoner
project to hear President Kennedy. I, of course, said I would and
arranged through the Deputy Attorney General and through the
Presidential Air Force Aide General McHugh for Air Force transportation.
It was the Attorney General's desire and conceivably the President's
desire that we take along the people who had worked down the line on
this project, both in and out of the Government. We started about
eight o'clock at night. We got together about forty people from New
York and Washington and left on a plane that had already been to
New York and had picked up Harfield and his wife and Knight and his

wife, and a few others in New York in their office. I remember that Guy Tadlock and Don Coppock were also along. As we approached Miami, we realized that we were late. There were head winds, and we were cussing the Air Force for giving us a Convair instead of a jet. Coppock had arranged for the Border Patrol of the Immigration Service, of which he is Assistant Director, to have a convoy of cars meet us at the airport. I forget what airport it was. It may have been Miami International. Coppock radioed ahead and found out how many seats there were in each car, and then he and Tadlock went through the plane and arranged a passenger list for each car so we wouldn't waste time getting to the Orange Bowl. It was really sort of the last ride; we got out of the plane, and everybody walked directly to the number of car that he was supposed to get in and drove with a police escort to the Orange Bowl. We arrived and were seated sort of out in left field, The President was in the middle of his speech and we couldn't really hear him, but General McHugh came over and greeted us. The Secret Service people came over and greeted us, and then when the President finished his speech, his convoy had to go out the gate right next to the little grandstand that our group was sitting in. As his car approached the gate, it stopped and he got out and walked towards us. Joe Dolan and I got up and walked out to meet him, and the President said, 'Who is in

charge here?" (It was a melee; everybody was wandering around.)

Joe told him I was, and I shook hands with him. Then he walked

over to the grandstand where our group was and shook hands with

as many people as he could and got back in his car and drove off.

I don't remember any particular words from him except, "Who is
in charge here?" Joe Dolan might remember.

Mr. Oberdorfer: The other conversation with the President about this is very personal and very dear to me. It occurred on the night of Wednesday, November 20, 1963. This was the occasion of the Judiciary Reception at the White House. All of us at the Department are invited to that each year at about this time. Incidentally, the previous year I had been invited to the Judiciary Reception. It was in December in the middle of the quiet phase of the prisoner exchange transactions. I got to the White House late and didn't even get to see the President. Of course, the purpose of going was for people to meet the President. But on this occasion we were in the West Room. I was over by the food, and my wife and John Nolan, Confidential Assistant to the Attorney General, and his wife Joan were talking sort of out in the middle of the room. The President and Mrs. Kennedy came by, and my wife and Mrs. Nolan and John shook hands with him. My wife stated her name, and the President took a double take and said, "Oh, you are Lou Oberdorfer's wife." She said, "Yes." He then called Mrs. Kennedy over and introduced

Mrs. Kennedy to my wife saying, "You remember, Mrs. Oberdorfer's husband is the fellow that brought the prisoners out of Cuba, " or words to that effect. John Nolan was standing there witnessing this; and also Captain Shepard, the Naval Aide, was standing there too. John later wrote this up for my wife and had it framed with a very lovely picture taken that same night - the President and Mrs. Kennedy standing with the Chief Justice and Mrs. Warren and the Marine carrying the President's flag and other members of the Supreme Court standing behind. I was told by one of the Justices of the Supreme Court who was in that picture that if you look at it you will see the President and Mrs. Warren and the Chief Justice and Mrs. Kennedy and a space. I was told that the space was there for the Attorney General, who didn't quite make it at that moment to have his picture taken. I guess that was one of the last conversations the President had with anybody in the White House. That concludes my recollection of my direct contacts and conversations with the President related to this matter.

Mr. Oberdorfer: I want to respond now to your suggestion that I try to identify again, not only in a chronological order - and perhaps out of context - but identify some of the highlights that I recall of the Attorney General's role in directing this project.

This will be done in the form of a catalog and will not be an adequate qualitative appraisal. I think it is relative just to catalog at least

that at the time of the missile crisis the Attorney General asked me to get involved in this project. He called me and told me that he and the Deputy were going to be consumed full time. I don't remember now whether I knew what the problem was; I certainly didn't know with any precision. Whatever I knew, I was not a party to what they were doing in any respect. He called me and asked me whether in the absence of himself and the Deputy I would in effect act as Attorney General, and an order memorandum was cut to this effect. It didn't amount to much. I just went up to look at his in-basket every day.

Mr. Oberdorfer: I have previously mentioned the circumstances of November 30, which was the day of my first contact with the Attorney General about the Cuban prisoner exchange. Since reciting some parts of the contact, I have had occasion to chat briefly with Ramsey Clark, Assistan Attorney General, who, as I stated, was at this informal luncheon with me at the Attorney General's home. His recollection and mine refreshed is that the Cuban prisoner transaction was certainly not the only matter discussed at that luncheon. It is not even clear to us now, and it certainly was not then whether he originally set up the luncheon in order to start work on the Cuban prisoner project. It is conceivable that, having been consumed in the way he was with the missile crisis and out of touch in the way I just described with the operation of the operating divisions in the Department, he was

just pulling the reins back into his hands and checking us out on what we had been doing. Clark recalls talking to the Attorney General about his case load and particular cases. I recall vaguely talking to him about some of my Tax Division operating problems. I remember also talking to him about antitrust cases, some of which I had had occasion to consider during this period when I was acting, and after which I continued to have some chats with the Deputy and the Attorney General about. Clark also recalls this and several other occasions on which the Attorney General spoke to him about the deteriorating physical condition of the Cuban prisoners, the opportunity afforded for their release by the lull in the contest between the United States and Russia and the United States and Cuba as a result of the missile detente.

Lou, did the Attorney General know of the meeting that you were going to have in the afternoon?

Mr. Oberdorfer: Yes, he knew that there was a meeting; and he knew, I guess, that I was going to it before lunch. At any event, it is conceivable that I told him about the meeting, but my recollection is that he told me about it independently. I remember telling him of the legal theory that we, the Deputy and I, had discussed during the morning; and I remember his saying, not casually certainly, but with some deep feeling, "Anything you can work out about this thing is certainly of vital importance." He was very concerned about this.

I can just corroborate what is spread all over the history of this period of his commitment of conscience. It is clear to me - at least it is

my recollection that, although the conversation did, as I am reminded. cover other subjects and the luncheon may or may not have been originally organized for purposes of the Cuban prisoners transaction, that was the thing that was in the foremost of his attention. Clark suggested that it may be at that point the Attorney General was thinking in terms of staffing this operation in the Department and trying to decide as between Clark and me which one he wanted to throw into it. You know he has done this all the time we have been here. Each of us has a responsibility for a division, but on antitrust problems, criminal division problems, and most significantly civil rights problems he concentrates his people at the critical point and is not wedded to the idea of specialists doing just their specialty. He has run this thing like a good law firm. The partners, considering the Assistant Attorney Generals as partners, are consulted and used as the situations develop and as concentration of effort is indicated. I think I have also related in some degree the really quite critical contact - if we can use that word - with the Attorney General on the morning of December 3 when he authorized us to begin work on this matter.

Had you been in touch with him between the meeting on the 30th of November and the time you gave him the memo?

Mr. Oberdorfer: I went from the Attorney General's house to the Deputy's office. The Deputy was then in charge, and he was going away for the weekend. I think it was the weekend of the Army

Navy football game, as a matter of fact. He asked me - I think he was reflecting the direction of the Attorney General, but I don't know - to go ahead and concentrate on this thing as if I were they. My point of contact on Monday morning was the Deputy, and it was he who authorized me to go over to the White House and arranged for me to meet the Attorney General there. My conversation with the Attorney General in Mrs. Lincoln's reception room is something about which I have vivid recollections. It was brief. I recited to him in a crisp sort of way the conclusions of this group, and he asked me some questions about it. I remember his asking, "What can we lose if we start trying?" I don't remember what my answer was, but I got the impression from him, just from that colloquy, that what was expected was that we would try this. Nobody knew whether it would work or not, and that the worse thing that would happen was that it wouldn't work, and that would be too bad. It was not going to cost the Government money, and it wasn't going to risk any lives, and hopefully it wouldn't commit the Government, so that the Government wouldn't be particularly embarrassed if it didn't work at least at the outset. I am sorry now that I can't reconstruct the words, but the policy that was communicated to me in that very short exchange was, "Let's try it, and we will keep checking to see how it goes, and you can do a lot of things at several stages at which you

can cut it off if it is not working." Thereafter the Attorney General called me periodically on this project, sometimes once or twice a day; and the conversation would go something like this: "How are you coming?" And I would say, "Well, we haven't been shot down yet." And the reply would be something along the line of, "Well, keep going." This went on like a piano - the right hand was playing the melody, but every now and then he would also run this little thing through. I don't know how many times he called but it must have been innumberable conversations about that long.

As I recall, they were very short. He would call and say a few words. My impression is that he was very, very interested in this project.

Mr. Oberdorfer: I also had the feeling all the way through this project - and I suppose this is important - part of the chemistry of it - that I was expected, and the other people working on this thing were expected, to try every conceivable way to accomplish this mission within the frame of reference, which was nongovernmental and without coercion and without use of the Government power to promise rewards to those who participated, but within those limits to use all the energy and ingenuity that everybody possessed with the understanding and expectation that if at any given moment, particularly when the Attorney General called to inquire, there was any problem that

required their assistance - I mean by that the Attorney General's or the President's, although I really wasn't thinking too much about the President - such as the circumstances we got into on the letter of credit where we ended up at the Treasury Department or the skim milk, as I have related, or transportation, that all you had to do was to ask them for help. You were invited to ask for help if you needed it. Also, if at any given moment you became convinced - you shouldn't "holler" too soon - but if you became convinced that the project ought to be collapsed, there would be no recriminations and no fear of anyone later saying you should have done this or that. They wanted to know whenever it was going to fold up or prove infeasible, but I just never had the feeling that if it had collapsed that I would have been pilloried or that anybody else would have been left out on the limb. I suppose very frankly - I don't know that this ever occurred to me before, but my recollection of the speech that the President made after the Bay of Pigs invasion may have affected my feeling and my judgment. We watched that on television in the Attorney General's conference room. I was watching the President on television with one eye and the Attorney General with the other. I recall now quite vividly, and I am sure it affected, shall I say, my self-confidence in this operation. I remember the President saying "the responsibility is mine" - whatever he said. I remember the look on the Attorney General's face when he said it. It seemed to express the thought, "That is the way to stand up for your

people." I just feel that it was things like that I had in mind when the President called me and I said I thought we were well led - the kind of leadership that the Attorney General provided in this thing. It was extraordinary in that respect. I am sure he brought out the very best in everybody that participated in this. Everybody was playing over their heads, and that is a function of leadership.

Mr. Oberdorfer: Now, another particular contact with the Attorney General related to the meeting on December 7 attended in his office by the President, the Chairman, and representatives of the Pharmaceutical Manufacturers Association.

Mr. Oberdorfer: One thing I would like to notice for anybody who tries in a scholarly way to reconstruct this project. I have here the telephone log for this period. I notice that it does not have recorded too many of my calls to the Attorney General or to the Deputy Attorney General. The reason for that is my practice has always been when I call the Attorney General or the Deputy to dial them myself so that the girls would not be placing the calls and they wouldn't know that I made the calls. As I started to say from the outset, Mr. Lloyd Cutler, of Wilmer, Cutler & Pickering, and later Mr. Edward Foley, who was the co-counsel of the Pharmaceutical Manufacturers Association, had asked me in prior conversations and at a meeting in my office on the afternoon of December 3 or 4 to have an officer of Cabinet rank

meet with representatives of the Pharmaceutical Manufacturers Association to assure them that their role in making contributions for the release of the prisoners was in the national interest and that at a proper time the public would be so advised. This would allow the companies to protect themselves from any loss of good will on the part of the public for trading with Cuba. The Attorney General was out of town, I think, on Tuesday and Wednesday of that week, although I know I spoke to him on the telephone during those days. I have a log entry that he called at 5:12 in the afternoon on December 5. I also spoke from time to time with Ed Guthman, Director of Public Information, Department of Justice, who was traveling with him, to keep him informed. Everybody recognized that the meeting between the Attorney General and the drug manufacturers would be of critical importance. The substance of the meeting, the tone of it, couldn't be coercive. The Attorney General couldn't commit himself with his responsibilities for enforcement of the laws, by word or gesture, or inflection, to any policy of special favor or reward for participation in this project or by the same token by any gesture or inflection or word that he would "get" Senator Kefauver after them or that he would treat them less well than any other citizens or potential defendants if it came to that. Also these were people who were not politically sympathetic with the Administration. One of the principal drug manufacturers, a leader in the industry, was the Eli Lilly Company

of Indianapolis. Senator Capehart had just finished a political campaign in Indiana attacking the Administration for its Cuban policy. My recollection was that he had the support of the owners of the Lilly Company. This was a hot issue in Indiana. Also, mere token and passive corporate bureaucratic response by these drug companies to the problem would have obviously been unsatisfactory. They were required, if the thing was to succeed, to be caught up in the spirit of it and to be inspired. One of the sine qua non to the success of this project was the impact of the Attorney General on these leaders of the drug industry at a meeting in his office on December 7, 1962. This was preceded by a meeting between myself and Stanley Surrey, Assistant Secretary of the Treasury for Taxation, as I recall. Messrs. Cutler and Foley worked up an agenda for the meeting and tried to find the places where these people needed reassurance and where there might be a misunderstanding. Then the Attorney General asked us up on the same morning that we had the meeting for about an hour before, and he went through a dry run. I believe that at the meeting out at his house on the 3rd, and at other times, I had heard him say why this project was important - it was a matter of conscience and should be a matter of conscience for all the people of the country and not just the responsibility of this Administration as a political administration but rather an undertaking that deserved bipartisan effort. This meeting on December 7 is recounted fairly well in Haynes Johnson's chapter on the release in his book, The Bay of Pigs.

As I recall, we went in to talk to the Attorney General before the meeting. He had some doubts as to his role in this project in terms of speaking to the drug manufacturers. He wanted to make it clear in his own mind just what role he ought to play here, recognizing that it was political dynamite. He was getting it clear in his mind so that he should not give the wrong impression to those people and at the same time trying to show them the important aspects of this exercise keeping in mind that nobody else could do the job except the drug manufacturers.

Mr. Oberdorfer: An important aid was that just before the meeting with the Attorney General we were advised by John Wilson, the Executive Vice President of the American Red Cross, that the Red Cross was committed to participating and at that point participating in the sense of being willing to be the done of the contributions. The Attorney General was able to tell the drug manufacturers this, which was an item of great reassurance to them.

Mr. Oberdorfer: Present at this meeting with the Attorney

General were a Mr. Beesley, who was then the President of the

Pharmaceutical Manufacturers Association, Mr. Penick, who was
another official of the Pharmaceutical Manufacturers Association
and, like Mr. Beesley, a pharmaceutical manufacturer. Beesley
was in addition the President of the Eli Lilly Company. Mr. William

Graham, President of Baxter Laboratories, was also there.

According to my notes at least, Lloyd Cutler asked that he be invited. Messrs. Surrey, Assistant Secretary of the Treasury for Taxation; Rogovin, Assistant to the Commissioner of Internal Revenue; Cutler, of Wilmer, Cutler & Pickering; Foley, Mr. Cutler's cocounsel in representing the Pharmaceutical Manufacturers Association; and Lynch, Mr. Foley's partner were there.

Mr. Oberdorfer: No matter how you reconstruct the words used by the Attorney General, and as I say, they have been reconstructed consistently with my recollection in the Haynes Johnson chapter, the atmosphere, the tone, and the dignity were the important things.

I agree. I have never heard a better discussion of this problem; and emotional as it was, it almost came out unemotional because it was so clear as to the objective that the Attorney General was driving at.

Mr. Oberdorfer: The point that is so vivid to me and always will be was that a very strong west wind was blowing. The Attorney General's office runs east to west, and therefore this wind had stood the flag behind his window out like a picture. From where I was sitting (he was between me and the bristling flag) it just was an extremely dramatic experience to see and hear him talking about the responsibility of both the United States and the people of the United

States for the rescue of these prisoners who had risked their lives in what was, of course, they thought, in their interests, but also in an effort to protect and safeguard all of us. He told about the physical condition of these men in prison. He told about the courage and tenacity of those who had come back in an open boat. He told about the wounded prisoners that had been brought out during the summer for promises of a cash reward. He explained Donovan's role. He explained in a clear way why the United States Government couldn't write a Treasury check for this money. He explained that the items in the catalog were things that the people who were supposed to know about such things had determined were not of strategic value and would not increase the Cuban war potential and that such goods were for sick people. He emphasized the humanitarian aspect of the project. He pointed out the need to get this done by Christmas, both from the point of view of the health and safety of the prisoners, which he had been advised was perilous and also from the point of view of the concern of the drug manufacturers about the public reaction to their involvement. He clearly anticipated the picture that everybody saw in the paper on December 25th of families being reunited, and as he said to them, there would be some political risks, but he couldn't imagine that either the business risk or the political risk would survive the picture of people being brought home to their wives and

children on Christmas day. By manner and by word he left no misunderstanding in anybody's mind about his determination to see to it that whether these people participated in this project or not the Department of Justice and the Government were going to discharge their responsibilities for law enforcement with respect to those companies completely unaffected by their participation or failure to participate. Although a lot of people could say this, that is, just recite it to make a record (although there was no record of this meeting) the way the Attorney General said it there was no doubt about it. It was the way it was going to be. In other words, there was no winking or double meaning. There was nothing more than a straightforward declaration by a man who was obviously a man of massive integrity. The later press accounts that suggested that there was some looseness in the Government's stance in the sense that there were unreasonable or under-the-table concessions made either in the tax field or the antitrust field or some other field were so offensive to me, having been at the meeting, as to appear almost obscene. Such accounts, besides their factual errors, are also based on a complete misappraisal of the character of the Attorney General.

Mr. Oberdorfer: The meeting was a very dignified affair, and it had a tremendous impact on these businessmen. They came back to my office with red eyes, and they went back to their offices, and

they really got busy. They were on the phone with me the next afternoon talking about inventory that they were stacking up and getting ready to move. This meeting really launched the project.

Joseph 9, Blashopa Interviewee

Interviewer

CUBAN PRISONERS RELEASE PROJECT

Interviewee: M

Mr. Louis F. Oberdorfer

Assistant Attorney General

Tax Division

Department of Justice

Interviewer:

Mr. Francis J. Hunt DeRosa

Place:

Mr. Oberdorfer's Office

Date:

May 15, 1964

Mr. Oberdorfer: Another vivid recollection of mine is a meeting conducted on Sunday, which must have been December 9.

In any event, it was the Sunday following the meeting with the drug people; and this meeting, like the one with the drug people, communicated the national interest, the humanitarian aspects, and the neutrality of the Department of Justice with respect to contributions, that is, no favor and no reprisal.

Mr. Oberdorfer: In my diary of this period, there are, as I have indicated, repeated evidences of the Attorney General's inquiry,

Interviewee

Interviewer

appearance, and constant interest and attention. On December 13,

I remember the Attorney General and Mr. Ed Guthman, Director of

Public Information, Department of Justice, came down to my office.

By that time we had a lot of telephones in, a lot of extra people, and
a beehive atmosphere. He came in and talked to everybody and
inquired what they were doing and interested himself in the details of
the operation. I remember during this same time conversations with
the Attorney General relative to his helping obtain the support for the
project of various people.

Mr. Oberdorfer: One of the most vital matters in the project was the participation of the American Red Cross in the first instance as a donee, but ultimately as the financial guarantor of a \$53,000,000 letter of credit. The letter of credit ran to the Cuban Government from the Royal Bank of Canada. It was supported by two letters of credit, one each from the Morgan Cuaranty Trust Company and from the Bank of America. They, in turn, were supported by a bond. That bond was the ultimate responsibility of the American Red Cross. When it became apparent that the American Red Cross was going to have to accept responsibility if the transaction was to go through, it became necessary to approach the American Red Cross and request that they accept the responsibility. The Deputy Attorney General was designated as the person to visit Mr. E. Roland Harriman, Chairman of the American Red Cross; but while Mr.

Katzenbach was on his way to see Mr. Harriman, the Attorney

Ceneral called him on the phone. I don't know what he said, but I do

know that it didn't take Mr. Katzenbach very long with Mr. Harriman

to learn that Mr. Harriman was willing, on his own responsibility,

in the first instance, to commit the Red Cross to ultimate responsibility

for a \$53,000,000 obligation.

Mr. Oberdorfer: Another critical aspect related to the role and work of James Donovan, who, of course, had the personal contact with Fidel Castro. He had been to Cuba before and had been receiving communications from Mrs. Berta Barreto, a resident of Havana well connected with the Cuban government and contact for the Cuban Families Committee. After we began the effort to accummulate this material, there was a continuing problem requiring the most delicate timing as to when Mr. Donovan would tell the Cubans about the progress of the effort. The Attorney General felt very strongly that it was necessary for Mr. Donovan to go to Cuba as early as possible, and at the same time Mr. Donovan was reluctant to go to Cuba until the contributions had accummulated in some considerable depth and actually, as I recall it, until he could give unequivocable assurance that the letter of credit was inextricably on the track.

Mr. DeRosa: Mr. Donovan also needed bills of lading, warehouse receipts, and the like.

Mr. Oberdorfer: He didn't want to start something he couldn't finish and, on the other hand, he may have been overanxious about the ultimate ability of the group that had been organized to produce what was asked of them. I remember a conversation that the Attorney General had over the telephone with Mr. Donovan while another fellow and I were at Donovan's home, in which the Attorney General very vigorously impressed on Donovan the necessity that he get down there and start talking even if he had to do a little bit with jawbone. The Attorney General felt that he had to have faith and that he had to assume that this was going to be developed and told him that it was necessary that there be communications with Castro so that there wasn't any loss of momentum or any backing out by the Cubans.

Mr. Oberdorfer: At the same time on that same day in a conversation with the Attorney General we discussed the differences that had developed between the Cubans and Donovan about the value of the goods and whether they were what the list had called for. The Attorney General kept saying, "We just can't get ourselves in a position of bargaining and counterbargaining with these people." He told Donovan to tell the Cubans to take the goods and cut out all this conversation, that there is nothing to talk about - here is what we have, and it is all there is, and you have got the prisoners, now lets go."

Mr. Oberdorfer: My personal recollections also include my now Administrative meeting John Nolan, Confidential Assistant to the Attorney General,

when he returned to Homestead from Havana in the middle of the night. Nolan came back, and we went into the operations office which had been set up there by Colonel Donovan. Then, I guess, we went into the office of the Commanding General and called the Attorney General and spoke to him. Nolan did the reporting; I was also on the phone. Nolan!'s judgment was that no more prisoners would be moved unless the \$2,900,000 was produced. Nolan was supposed to go back to Havana. The Attorney General never promised at that time - this was four or five o'clock in the morning of, I guess, December 24 that this money would be forthcoming, and he tried very hard, as I remember, several times to establish that they were just pressing and probing and searching for some way to get around this commitment for the moment, trying to urge Mr. Nolan and to urge Nolan to urge Donovan to work something out. There were suggestions back and forth, and finally the debate ended with sort of a dogfall. It was apparent that the Attorney General was not promising any result; and, on the other hand, Nolan was making it clear that their producing that money was a sine qua non.

Mr. Oberdorfer: Another thing that I remember during that period, particularly from the Attorney General. He impressed me and others about it. He was very concerned during this period that Donovan continue to try to secure the release of the Americans

being held prisoner by the Cubans. Time and time again in these telephone conversations that I remember, only less precisely than I should perhaps, many times driving and driving and driving to get Donovan to get the Americans out. I think I had the duty of telling him that they did not come out or weren't coming out with the Brigade. I felt really sort of apologetic that this hadn't been accomplished. It was so clear to me that he wanted so badly to kick this extra point.

Interviewee

Interviewer