

**William L. Batt, Oral History Interview – JFK#2, 11/16/1966**  
Administrative Information

**Creator:** William L. Batt  
**Interviewer:** Larry J. Hackman  
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**Biographical Note**

Batt, Secretary of the Pennsylvania Department of Labor and Industry from 1957 to 1961 and administrator of the Area Redevelopment Administration from 1961-1965, discusses issues and negotiations surrounding the 1963 expansion of the Area Redevelopment Act, and the Accelerated Public Works Program, among other issues.

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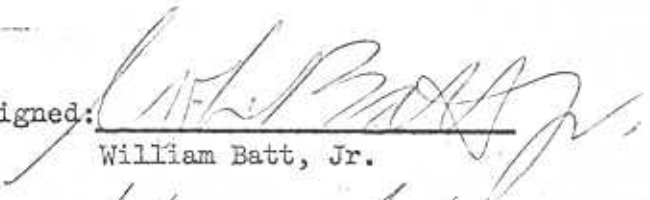
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with The Honorable William Batt, Jr.

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William Batt, Jr.

Date: March 6, 1971

William L. Batt – JFK#2

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Second of Three Oral History Interviews

with

William L. Batt

November 16, 1966  
Washington, D.C.

By Larry J. Hackman

For the John F. Kennedy Library

HACKMAN: Mr. Batt, could you explain how plans developed for the proposed expansion of ARA in 1963?

BATT: Yes. We had had enough experience with the act by then to see a couple of shortcomings in its operation. Also, we felt that it was quite clear that we would use up the authorization of funds before the end of the authorizing four years, and we were anxious to get our ceilings lifted to take care of that and perhaps get the act extended

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so we would not be in a bind when the final year of the act came long.

Several shortcomings had appeared in the act. It was to alleviate these shortcomings that most of the amendments were designed. In addition to increased authorizations, we wanted very badly to make changes which may have appeared on the surface technical changes, but they were problems in the legislation which really put a spoke in the wheels of a lot of potential projects to help depressed areas. One was the provision in the law which required hard hit communities to put up 10 percent of every project, 10 percent of the total financing from money raised locally. This 10 percent was inordinately difficult to reach for many of these hard hit communities. And what's more, when they tied this money

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up in last position as the act required, they were not able to use it again to bring additional employers. As a result, with their first loan they were out of business, but their problem wasn't solved. We wanted not only to change the percentage from 10 percent to 5 percent so that the total amount would be less, but we also wanted to make their loan repayable at the same rate as the government loan would be repayable so that the communities could get their money out and put it to work much sooner in financing additional concerns to come in and utilize their unemployed workers. Then we suggested at the same time that the entrepreneur, that is, the company coming in, his share be raised from 5 percent to 10 percent on the theory that requiring more of the entrepreneur simply meant he had a larger stake in the enterprise and the government input was no larger in the last analysis. Simply, we were getting

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more money from the business and less money from the community.

Another change that we badly needed to make was that under the law as it was written we became, in effect, a court of last appeal. If money could be obtained for a particular venture from any other source whatever, it had to come from that source before they came to us. This was obviously put in to assure the financial community that we wouldn't be competitive. The weakness of it was that it guaranteed that the weakest companies financially would be the only ones that we could help go into the weakest areas economically. Almost by definition, if the company was strong enough to get its money from any other source at all, it had to do so and we were not permitted by law to help out. We felt that there were a number of situations where, if our funds had been

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available to stronger companies, we would have been able to get these companies to go into depressed areas and strengthen the communities even more than the companies that we were assisting. So we wanted that language changed.

A third change we badly wanted was a change in what became known around the agency as the "bird in hand policy." The public works section of the act as it was written.... These public works funds would only be used when we had a private industry in hand, in effect, to go in and use these facilities. We felt that with more latitude we could build more in the public works line and things which were required, like sewer systems and water lines, before an industry would even consider a community. We felt we could do this more if we were not tied down so much to a firm commitment from a

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company to come in before we could make a commitment to extend the public works. As it happened, this became resolved by the Public Works Acceleration Act which required no showing of a company to use the public works but just that it would contribute to the

economic growth of the area, which makes a lot more sense. We got that through the Public Works Act, in effect through the back door.

These were some of the principal changes that we badly wanted in addition to increased authorizations to spend money. Our guesses in terms of demand had been wrong. We had not expected such a burgeoning of demand from rural areas, primarily in the South, for these funds, and they came in in very large amounts.

HACKMAN: Mr. Batt, who did you work closely with in developing the proposed changes in the ARA Act?

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BATT: Well, we first did a lot of staff work within the agency, then got the clearance of the Department and spent a lot of time working it over with the Budget Bureau because the Budget Bureau from the first took a very real interest in this ARA legislation. We worked with a legislative group over there to get their blessing on what we wanted to put in the act. They had some very strong views on what we could go for and what we should not attempt to go for. Then, of course, we worked with the committee staff. That was the Housing Subcommittee of the House Banking and Currency Committee. Mr. Rains [Albert M. Rains] of Alabama was the chairman of that subcommittee. He had always been a moving spirit in our legislation, he and the chairman of the full committee, Mr. Wright Patman [John William Wright Patman] of Texas. John Barriere [John E. Barriere]

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was the head of the staff for Mr. Rains on the House side. On the Senate side Senator Douglas [Paul H. Douglas], of course, we consulted at length and also John Lindley, his staff man on this legislation in the committee.

By and large both the House and Senate people went along with the proposals that we made. There was some debate with the House committee staff on whether we should go after an expansion of the training funds. Under Sections 16 and 17 of the act we only had authority for something in the area of fifteen million dollars in training funds, five million dollars of which was for tuition, ten million dollars of which was for subsistence. We found that we did not need all the subsistence money, and we wanted to take the fence down between the two headings of

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training costs, tuition costs and subsistence, so that we could use more of this money for training and, obviously, train more people. We were counseled against raising this issue by the House committee staff very strongly because they were afraid if the training issues were raised at all that the House would want to take this training out of our act altogether and put it in the Manpower Development and Training Act which had been passed the year after ARA was passed. So, if my recollection serves me, we went along with this



advice and did not insist on this very minor change because we didn't want to direct attention to the training section of the act. I might say parenthetically that in 1965, I believe it was, when the Manpower Act came up for renewal, the Budget Bureau and the Labor Department made a very strong

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bid for taking over the training sections of the ARA Act into the Manpower Act. This was done at the initiation of the Administration despite my strong opposition. I might say that I think the experience we've had since then has proven this move to have been of questionable wisdom because the depressed area section, which is now Section 241 of the Manpower Act, is generally lost in the much larger Manpower Development and Training Act.

HACKMAN: Do you recall who you worked with in the Budget Bureau most of the time? Was there someone specific with the ARA?

BATT: Yes, most of our work in the Budget Bureau was with the present director of the Budget, Charlie Schultze [Charles L. Schultze], who was then the number two or three man in the Budget Bureau.

HACKMAN: Did Secretary Hodges [Luther H. Hodges] support these proposed changes in '63?

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BATT: The Secretary was very reluctant to support the reduction of the community 10 percent simply because he felt that the community should have a large stake in the enterprise and that the size of the stake in the enterprise by the community largely determined whether or not the town would stand behind it and give it the kind of support that it needed. However, this meant so much to the communities in question that we insisted strongly upon this amendment, and the Secretary, I think reluctantly, went along with it when the Budget Bureau obviously favored it. The way we sold it to the Secretary was that we felt that the businessmen ought to be required to put up a larger amount than they were putting up. This was more acceptable to him.

HACKMAN: Did the replacement of Undersecretary

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Gudeman [Edward Gudeman] by Franklin Delano Roosevelt, Jr., have any effect on departmental support of the Area Redevelopment Administration or did this problem....

BATT: No. I must say we got equal and good support from Under Secretary Gudeman and Frank Roosevelt and Governor Collins [LeRoy Collins]

when he became Under Secretary--perhaps most of all from Governor Collins.

HACKMAN: Could you talk about the legislative development of the ARA amendments in 1963, the failure of the amendments to pass?

BATT: Oh, yes. This was most important. We did something that we'd never done before. We took it to the House first. This, I believe, was on the urging of the majority leader in the Senate who that year had seen a lot of Senate originated legislation

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die in the House, or at least have very tough sledding in the House. So he resolved as a matter of policy to require the House to act wherever possible before the Senate put itself out. It's too bad we did this. I think if we'd done it the other way around, we might have won because in the past--and Lord knows we'd had enough experience with this legislation before President Kennedy [John F. Kennedy] got in; we'd had it through the Senate three times and the House twice--we'd always done it in an election year, and we'd always done it in the Senate first. We really ignored our own experience in '63, and this proved to be unwise. We started hearings in both sides fairly early, but it was clear from the outset that the House was going to be the big battle. It always has been the big battle, and I think always will

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be the big battle on any innovative legislation because, too, in the Senate there were a number of independent Republicans who would break party loyalty, party directives, and come across the aisle in order to support ARA because it was of such demonstrated usefulness to their states. Also, they felt greater independence of the leadership; they were in for six years and so forth. In the House party lines held much more rigidly, and it was terribly difficult for us to persuade Republicans to come across. Oh, one other thing. ARA was able to show results in a state at large which would be meaningful to a senator. We might only have one or two or three projects in a state. It was quite clear to the senator that these were doing his state substantial good. As a matter of fact, he very probably had been involved in these projects, in helping

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persuade us to approve them, and he knew about them, and he knew that without ARA they would have been impossible, and he knew that if they were a success, they were employing a lot of people. I think, for example, of a place like Dunkirk, New York.

In New York we had very few projects (They had very few depressed areas), but we had one up in Dunkirk, New York. When the American Locomotive Company plant had folded up, it was a tremendous blow to the community. We had to come up with a rather creative type of loan permitting the community, if effect, to buy the whole plant and then

lease it out to entrepreneurs who came in to set up businesses in parts of a multi-unit facility, which was what the American Locomotive Company plant was like. Okay.

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In a situation like this the Republican senator, Jack Javits [Jacob K. Javits], had been very much involved. The prime movers of the whole enterprise were the Chamber of Commerce people from Dunkirk, New York, who, I'm sure, were 99 percent Republican. So we knew all about this and knew what help we'd been able to be. Now this only affected one congressman from upstate New York, a Republican congressman--I don't recall whether he voted for us or against us. Anyway, we were able to get the support of a number of middle of the road Republican senators and even some not so middle of the road if they saw the utility to their state. In the case of any particular project it only fell within one congressman's district so that particular congressman might come around and support us. Also, the discipline in the House was

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much more strict.

The hearings went through on both sides, the House and the Senate side, without great moment. We were, of course, opposed by the United States Chamber of Commerce and the forces of the right generally. What's that newspaper put out by the arch-conservatives?

HACKMAN: International?

BATT: No, nationally. It's a little sheet of some kind. *Human Events*. They made an issue of it. The *Readers' Digest* had two men on the road for a year digging up a muckraking story on ARA, most of which was wrong but which was part of the debate. It was obviously a conscious attempt on the part of the Chamber of Commerce and its allies to make this an issue because we were one of the first New Frontier issues of the Kennedy Administration, and we were getting into loans to businesses

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and decisions on locations of industry. Management felt that this was strictly a management prerogative.

HACKMAN: Mr. Batt, did the civil rights issue play any role in the review of this legislation in 1963? I know you had issued some regulations against discrimination in any of the ARA programs. I wondered if this led to problems with the Southerners.

BATT: Oh, yes. The civil rights issue probably was the thing that licked us in that House vote. It was one of those things that it would be impossible

to predict. We had a nose count which showed us winning by twenty votes the day before, in fact the morning of the vote. The day before, or two days before--I'm not sure which--had been the confrontation at the schoolhouse door between Mr. Wallace [George C. Wallace] and the present Under Secretary of State.

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HACKMAN: Katzenbach.

BATT: Nick Katzenbach [Nicholas deB. Katzenbach]. The President had sent troops or come within an ace of sending troops. Did he send troops?

HACKMAN: He sent troops.

BATT: He sent troops onto that campus of the University of Alabama. Apparently the President had crossed his Rubicon and the night before our vote, the eve of our vote, went on coast-to-coast television with his proposals for a comprehensive civil rights program. This completely.... What shall I say? This routed our efforts to get Southern support for the bill. We thought we had the entire Georgia delegation. We had bits of the Alabama delegation and bits and pieces of Southern support all around except Mississippi. Then that morning with the help of some misrepresentation—

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very calculated misrepresentation--by the Southern opponents of the act in the lobbies, helped to panic our Southern supporters. One of them told me, for example, that he had had a communication--he showed it to me--from one county in his district, this was an Alabama district, which was signed by every white person in the county saying that if he supported anything that President Kennedy proposed, except for defense appropriations, he would be voted out of office as far as they were concerned. So he was in a state of panic, and he was Congressman Selden [Armistead Inge Selden, Jr.] who had promised me that he would support the act. This pattern was repeated all across the South.

Now when it appeared to Mr. Halleck [Charles A. Halleck] that.... As the vote progressed,

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he saw he could beat the Administration. This was not clear until the vote. The Speaker turned his office over to me where I spent the entire afternoon. We had nose counts coming in. We thought until the vote--and I think perhaps Mr. Halleck thought, unless his intelligence was better--that we had the votes. Then as the defection became clear on a few test votes, Mr. Halleck applied the necessary pressure on some of the Republicans who had originally voted for us so that they came down to the well and asked to have their votes changed. These were Republicans who for local reasons would like to support us because

we'd done a lot for their communities but who for national reasons--rather, because of Mr. Halleck cracking the whip--when he needed their votes, they switched. So the civil rights

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issue was absolutely critical in that vote.

HACKMAN: Had you seen the Pennsylvania Republicans who had originally supported the bill in 1961, I guess, as people who would possibly switch? I know some of the people who had supported it in '61, I believe, didn't support the changes in '63.

BATT: Only one.

HACKMAN: Only one?

BATT: This doesn't show up from the totals. This is a very good point. The greatest single backbone of Republican support was the Pennsylvania Republican delegation. This was for two reasons: one, because of the economics of Pennsylvania. We had more area unemployment in Pennsylvania than any other state in the union. Statistically, about 20 percent of the depressed area unemployed were in Pennsylvania. Now the

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act was written so that no one state could get more than 10 percent of the benefits, but still Pennsylvania got about 10 percent--not because I was from Pennsylvania. It was because both the problem was the greatest in Pennsylvania, and Pennsylvania communities had the greatest sophistication in making use of the act. In fact the act was based in large part on the Pennsylvania experience. We'd been in the business in the state for a long time and had a state act on which this act in some part was framed. Now what happened to that delegation: It had radically changed in character between '61 and '63. First of all, Bill Scranton [William Warren Scranton] was no longer in it. He was the intellectual leader of much of the delegation and was on the committee and had made a thorough study of the act, did his homework well and

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was a very ardent supporter of it. Losing Bill to state government also meant that we lost his leadership with people like Lindsay [John V. Lindsay] of New York. He'd brought along a lot of his fellow "young Turks" whom he knew. Some of them he'd known in college and others he'd known coming along, and he'd brought them with us. Without Scranton we lost those. He tried to get some of them on the telephone, but it never was the same as being a member of the House. Jimmy Van Zandt [James E. Van Zandt] had left. He had been redistricted out of the House seat and run for the Senate and been beaten by Joe Clark [Joseph S. Clark]. So

Jimmy was not available. Now Jimmy was a very influential member of that delegation and a passionate supporter of this act. He still helped us as much as he could lobbying on the sidelines, but

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this was not the same as being a member. A couple of seats had changed hands. Doc Fenton [Ivor D. Fenton] had been beaten. Doc was the dean of the delegation and had always been a great supporter of the act and brought along some of the other older members of the delegation. He'd been beaten in a redistricting arrangement, and a Democrat had replaced him. So that we lost really the leadership that we'd had. Scranton, Fenton and Van Zandt had been the three leaders of the delegation. They were all wiped out, and the delegation did not stay as solid as it had been. We only actually got one switch. He was the congressman from Clearfield who died shortly thereafter. He switched on this, and I must say that the Chambers of Commerce and the newspapers in his area were terribly upset about it and got him

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to promise to reverse himself the next time he got a chance. Then he died, but the Republican congressman who replaced him came in pledged to support ARA and did.

HACKMAN: Who were you working with on your legislative contacts to get support? Did the Commerce Department have a regular legislative liaison office which you worked through?

BATT: The Commerce Department was of no help. We had our own. We had our own legislative liaison office. I did the contacts with the Pennsylvania delegation myself and a few other key people. We got most help from the labor lobbyists and really reconstituted that little outside lobby that I'd helped organize back in the 50's in order to develop support for it. We got a lot of help from the Rural Electrification people who are crackerjack with rural

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congressmen. We got help from them in the rural areas. We got help from the Indian lobby on the Indian areas. We got help from all the different lobbies that we had put together for the fight over the fifties. But of the groups, like the Conference of Mayors, Municipal Association, and the Counties Association, the greatest were the AFL-CIO, the Steelworkers and the Mine Workers and the Automobile Workers--these were the old dependables.

HACKMAN: Did the White House legislative office help?

BATT: Oh yes, they were a great help. Of course, they sat in on many of these sessions and used such leverage as they could, usually on key men in delegations.

HACKMAN: After the bill had failed in the House and then passed the Senate, I believe, there were further efforts again to revise the bill for the amendments in the House.

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Do you recall that development?

BATT: Yes. We passed the Senate two to one. It was fantastic that you would lose the House and then a month later, or less, pass the Senate with exactly the same bill by a two to one margin. This indicated to me that the defeat had been more an accident of history rather than any fundamental dissatisfaction with the way the act was going; because it was one of the greatest victories we ever had in the Senate, if not the greatest, and these men were from the same states. Again, the civil rights thing by that time had settled a little and they were not in such a state of panic, and we got tremendous support for it. Then we took it back to the House. Then what happened?

HACKMAN: I believe it came from the committee and then got stuck in the Rules Committee. I

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recall some mention of a possible attempt to work out a deal with Southern Democrats in the House in exchange for votes on the cotton subsidies bill. Do you recall that development?

BATT: Well, I heard about that deal in the newspapers. Everybody that I ever talked to about it swore that it didn't exist.

HACKMAN: Mr. Batt, you recall we had talked a little last time about the failure of back door financing for ARA when the bill had originally passed in 1961. What implications did the failure of this provision have for the operation of the Area Redevelopment Administration?

BATT: Very substantial ones because it meant that we had to finance all our loans out of appropriations. In point of fact, the appropriations were always large enough to take care of the loans, but it made

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us a lot more cautious, perhaps, about committing out funds, particularly near the end of the fiscal year. I must say this for the Appropriations Committee, which always gave us a hard time--that is, that they usually came through with what we requested. The first year, since we had the problem of getting organized and getting started and getting our procedures set up,

we received from the Appropriations Committee a good deal more than we could obligate. So that I can't honestly say that the lack of the back door financing forced us to turn down viable loan applications which we otherwise would have honored. In point of fact, our problem with business loans always was not money, not appropriations, so much as getting the communities concerned to come in with applications which made

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sense and on which we could under the terms of the act loan money for. We were the most--what shall I say?--promotionally-minded loan agency that ever came down the pike in our desire to invest the government's money in these areas, but it was proved terribly difficult to find enterprises with a reasonable enough prospect of success so that we could, in good conscience, loan the government's money. It was not shortage of money that impeded us so much as shortage of sound applications.

Now on the public works side of the game our problem again was quite the reverse. We always had more applications than we could possibly fund--not at first when we had the requirement of a bird in hand simply because the birds weren't in hand in large enough quantities--but much more truly later on when we got into the Public Works Acceleration program

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where we always had ten requests for every one dollar that we had available. No, I can't say that the lack of back door financing ever really impeded the program. Others might differ on that, but I don't think it did. It was clear that it would have been a more businesslike operation if we'd been able to run it that way. We discussed going after it in the '63 amendments but then dismissed it very quickly because it was clear that the Budget Bureau and the Administration did not want to make that fight any more with Congress.

HACKMAN: You talked a little bit last time about a jurisdictional dispute with the Agriculture Department on the program in rural areas. Were there any other jurisdictional disputes or other kinds of disputes that were settled by the Budget Bureau?

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BATT: We had a long-standing dispute. I suppose the most critical one was the dispute we had with the Community Facilities Administration of HHFA [Housing and Home Finance Administration] on public facility loans and grants. This really was never resolved until the Public Works Act came along and, really based on this experience, changed the terms of reference. Then the new act, the EDA Act [Economic Development Act], again was based on the success we'd had with the Public Works Act. In the sense that we learn from our mistakes, this was a very important argument we had with the CFA.



HACKMAN: I remember you talked about that last time.

BATT: We talked about that last time. But it was never settled until Congress settled it. We had an argument also with SBA

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[Small Business Administration] on loan policy, and this was settled by appeal to the Budget Bureau who set up a working group to study the problem out and came up with a recommendation to which all concerned agreed. Other than that, although we had a continual certain amount of tension in our relations with the other agencies--we were generally on the liberal side of loans; wanted to make loans more than the SBA; always were out of patience with the time it took both CFA and SBA to do their processing of loan applications--we got along quite amicably among the three agencies, among all the agencies concerned in the act. We were helped in some part by the act providing this inter-agency coordinating committee. We met regularly, at least once or twice a month, and tried to exchange information and iron out differences of opinion.

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BACKMAN: Could we go on then and talk about the Accelerated Public Works program? Could you talk about your role in the development of this legislation?

BATT: I don't know whether I expanded on this last time, but we did evolve the theory that public administrators are generally bewitched by the idea of using existing agencies to carry out new programs. I think this is a myth. I think that this is a myth that ought to be blasted. It only works when your old agency is wholly committed to the same or parallel aims. So we worked exceedingly well with the Bureau of Indian Affairs where we were, in effect, trying to do the same darn thing they've been trying to do for years, but we brought a lot more muscle to bear. We worked very well with the sewage disposal people of HEW's [Health

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Education and Welfare] Public Health Service on the Accelerated Public Works program because, in effect, we did exactly what they were doing, but we brought a lot more money into the picture. But we were completely at odds--or in large part often at odds--with agencies like SBA. Where they were interested in promoting small business and making safe loans with a minimum of exposure to the government, we didn't give a hoot about small business, as such. We were interested in *jobs* in depressed areas, and we were willing to take much longer risks than SBA. We had conflicting objectives, and if SBA people carried them out and there was a conflict between the two agencies, obviously they would be biased towards the people on whom they depended for appropriations and advancement. Obviously, they would

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be biased towards that agency rather than the agency for which they were temporarily detached to do special work paid for with ARA money. And it doesn't save a nickel. I think, if anything, it costs more to try and do these things through existing agencies. They charge you for everything they put out and probably some more. I think the government loses money, and what's more important, loses an enormous amount of time and effort in trying to get an existing agency to change its way of thinking entirely and for four hours of every day think down one line and for another four hours of the day think down a contradictory line. Human beings cannot work that way. I think here that the public administrators are all wrong, and I see that they're busily making the same mistake in the discussions on OEO [Office of Economic Opportunity].

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HACKMAN:            Would you want to comment, then, on your role in the development of the Accelerated Public Works program?

BATT:                 Well, yes, because it was a helpful role. We'd been, after all, in the public works business in depressed areas. The Accelerated Public Works Act started out, you will recall, as an effort to give the President stand-by authority to put heavy expenditures into public works in time of a national recession. I still think this is a fine idea. It started, I think, with the Council of Economic Advisors. It's a fine idea, and I think it ought to be pursued. But it was launched without adequate preliminary consultation with the Hill. As a result, it ran smack-dab into the feeling of the House of Representatives that they have got to be the originating agency on expenditures and that this is a

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right allocated to them by the Constitution and you don't fuss with it. When we went up to testify on this act the very first day.... No, I'm sorry. A lot of work was done on this before it went up to the Hill. I believe it was before it went up to the Hill, or possibly it was afterwards, when this fact became apparent. I remember Mr. Walter Heller [Walter Wolfgang Heller] was the first one to testify, and I remember I testified after him. We had been among the principal proponents of public works acceleration because it was quite clear to us that the kind of unemployment that the nation was suffering from, these people were not going to be put back to work fast enough by ARA because of the tremendous lead time involved in the financial decisions, in the businesses making their minds up, in the plants getting built, and the

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machinery ordered and delivered--all had to happen before the people could be trained and hired. So what they felt was badly needed was some fast employment opportunities helping make up the backlog of useful public works.

Now critical people involved in getting the President to make up his mind to go ahead with this, beside the Council of Economic Advisors and ourselves, were Senator Clark, who had been the sponsor of a public works bill in the Senate, and Mr. Meany [George Meany] and Mr. Reuther [Walter P. Reuther], who felt the hot breath of unemployment breathing down their backs. I think Senator Clark with John Blatnik [John A. Blatnik] had written the President, and Mr. Meany had either written the President or visited with him or both on this subject. The labor movement was riding it pretty hard--riding the Administration to do something

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in the public works field. So these were the large political facts of life. On the staff side, Mr. Heller and the Council of Economic Advisors were urging public works, as we were over at ARA.

HACKMAN: Was this throughout 1961?

BATT: No this mostly arose in early '62. In 1961, you see, we didn't get our appropriation until October. We weren't involved in much....

HACKMAN: I recall that some suggestion was made in the task force report to this effect and I thought....

BATT: Oh, I'm sorry. But very little had been done about it, I don't think, in '61. At least we weren't active. And it was too early to see the time lag problems that we'd be facing.

I remember a decisive meeting in the President's office when the shape of this

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legislation was finally decided upon. I remember being called over by Ted Sorensen [Theodore C. Sorensen] without being told we were to see the President. Oh, I might say the Secretary of Labor was very active in pushing for this legislation, Mr. Goldberg [Arthur J. Goldberg], again prompted in part because of his knowledge of the labor market--the fact that unemployment was still heavy and particularly heavy in depressed areas--that he was getting through BES [Bureau of Employment Security] and also, of course, as a spokesman for the labor movement. So he was a principal proponent of doing something in the public works field. We were all called over to Ted's office. I remember a very interesting session there with Mike Feldman [Myer Feldman], with Secretary Goldberg, who I believe was the only Cabinet member there, with Walter Heller,

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with Dave Bell [David E. Bell], who was then Director of the Budget. Oh, Kermit Gordon, who was then a member of the Council of Economic Advisors. Kermit had been head of a little working group within the Administration to put together ideas on this, and we'd had a couple of meetings under Kermit's auspices in the attic of the Executive Office Building. But this was obviously the decision-making time. Ted went around and got peoples' ideas and wanted to précis them to present them to the President. We must have spent the better part of half an hour or forty-five minutes in there. We'd had some analyses made of the areas that would be affected. The principal policy problem that we had to decide was: Should it be made available just to depressed areas which were so classified under the Area Redevelopment

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Act as chronic areas of unemployment or should we extend the eligibility to those areas which had temporarily heavy unemployment, which were surplus labor areas as defined by the Department of Labor? This would have brought in a far larger universe. I argued for keeping to the smaller number, the chronically depressed areas, on the theory that the money would go further. Arthur Goldberg argued on including the larger number of areas. I'd worked up some figures as to what it would mean, with the help of my staff people and BES people, and presented it to the group. Well, that was all Ted wanted. He simply wanted to know what were the issues we had to place before the President. I had maps made up with just depressed areas and then depressed areas plus surplus areas, and I stuck them with scotch tape on the

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wall of Ted's office, I remember. Then the call came to come into the President's office. I remember taking these down and then going into the President's office and sitting down on the sofas and so forth. He was in the rocking chair. He wanted to know what the issues were. I got the feeling then that his mind was already fairly clear, fairly well made up that he wanted a bill, but there were obviously some basic differences. He wanted to know what the issues were that had to be decided. One was the amount; the other was to whom it would apply. On the to whom issue I remember sticking up on the wall of the President's office again these maps that we'd had made up. Then I gave him statistically what it amounted to. It would double the size of the problem although it would not bring in very many more areas in number.

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It brought in cities. The principal difference was: if you went the road that Arthur Goldberg was recommending, you would include cities, larger cities. If you went just the depressed area road, you'd only have Detroit and Pittsburgh and Providence. They were the only big cities in the act. If you went the surplus areas road, you'd bring in Philadelphia and you'd bring in a number of other large cities--Cleveland, I know, Toledo--half a dozen other large

cities across the country. Now the President decided very quickly that "Let's go the generous route and include the surplus areas." I argued for the smaller number; Goldberg argued for the larger number. The President sustained Goldberg's viewpoint. Then on amounts; figures were mentioned all the way from three hundred million dollars up to six

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hundred million dollars. The President mentioned something like five or six hundred million dollars, but this was not clear at all. I remember having some discussion in the hall outside with Dave Bell and Walter Heller. Dave said, in effect, "We'll sort that out." I think the President wanted a larger figure. I think his feeling was that we should have a larger figure. I think he mentioned the figure of four hundred and fifty or five hundred and fifty million dollars. Then the bill that went up to the Hill--I don't remember what that figure was.

HACKMAN: It was six.

BATT: Was it six hundred?

HACKMAN: It went up as six, and then the eventual bill to evolve was nine.

BATT: That's right. The bill that eventually evolved was nine. Adding the additional

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three was Johnny Barriere's idea.

HACKMAN: This was after...

BATT: That was when it went up there to the House committee. It was done in the House committee.

HACKMAN: After the stand-by allotment had been refused, then they increased the amount that would go for immediate public works.

BATT: That's right. He increased the immediate to nine, but the three hundred million was ticketed for rural areas. This was a conscious play to attract rural support.

HACKMAN: When you say he, you mean?

BATT: Barriere.

HACKMAN: Barriere.

BATT: It was his idea and it was accepted by the Administration. He got himself loaned at my urgent recommendation and John Blatnik's feeling, too. John Blatnik asked that he

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be loaned over to the Public Works Committee to do the staff work on this bill because he'd done the staff work on our bill, and in my judgment he was the most competent person in this kind of work in any of the House committees. So it was John's idea to tack on that extra three hundred million. The committee had no sympathy with the idea of a stand-by program at all. Now, did the stand-by program have any dollar figure? Was it two billion dollars?

HACKMAN: Two billion, yes.

BATT: Again, this was a question of prerogative. Congress figured that they could act fast enough if there was a recession and you didn't have to give the President an undated check. There was so much discussion in the testimony about triggers and about different levels--at what point should

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the trigger go off? But from the very beginning the committee members and the committee staff told me that that stand-by proposal was sunk. We argued for it manfully. Did Secretary Hodges testify?

HACKMAN: No, I don't think he did. I was going to ask you this, if anyone else in the Commerce Department gave strong support for this outside of ARA.

BATT: I have a feeling I testified. Oh, no, nobody cared a damn about it. But I'm not sure whether Secretary Hodges made an opening statement and then turned it over to me. I'm not sure.

[END OF INTERVIEW #2]

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