

William L. Batt, Oral History Interview – JFK#3, 5/10/1967
Administrative Information

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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 the legislation authorizing the Accelerated Public Works Program and the Program itself, the Appalachian Program, and the Area Redevelopment Administration's relationship with various interest groups, among other issues.

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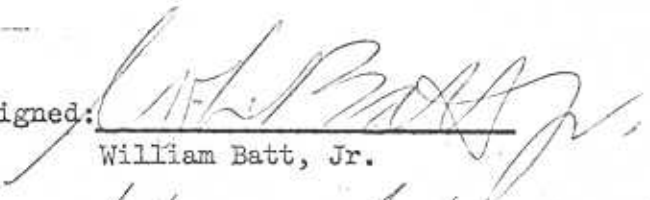
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with The Honorable William Batt, Jr.

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William Batt, Jr.

Date: March 6, 1971

William L. Batt – JFK#3

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Third of Three Oral History Interview

with

William L. Batt

May 10, 1967
Washington, D.C.

By Larry J. Hackman

For the John F. Kennedy Library

HACKMAN: Mr. Batt, we talked the last time about the initial development of the Accelerated Public Works legislation in 1962. Was Secretary Hodges [Luther H. Hodges] or the Commerce Department committed to the passage of this legislation? Did they provide legislative support for it?

BATT: On public works legislation my recollection is that the Secretary was not very strongly persuaded in favor of it or against it,

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but he did not object to my efforts to get such legislation and to persuade the White House to back such legislation. I remember when the Council of Economic Advisors, Mr. Kermit Gordon, was in charge of developing legislation along these lines, why, I went over and represented the Department. Somebody from the Secretary's office was there as well in discussions on how this legislation ought to be put together. But I would say that the Secretary's office was lukewarm: they weren't supporting it on the one hand, but they weren't opposing it on the other. We were active proponents of the idea, wanted to see it, as I told you, concentrated in depressed areas alone. We also wanted the

administration of it to be put in the Commerce Department rather than in the Department of what is now HUD [Housing and Urban Development].

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Why was that? Well, we felt--this was more than the usual bureaucratic hassle--our agency would be more concerned with the people than with jobs and would be more "people oriented", more economic necessity oriented, whereas HUD would be more concerned with bricks and mortar. Obviously, the job of coordinating the half dozen or so agencies had to be put somewhere. It could be, of course, put in the Budget Bureau, but the President didn't like the Budget Bureau having an operating kind of assignment. So to make a long story short, the President [John F. Kennedy] decided to put it in Commerce with the understanding that Secretary Hodges would redelegate it to ARA. I suspect this decision was made fairly early on because in this decisive meeting in the White House nobody from HUD was even invited.

HACKMAN: You say then after the legislation was

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passed the authority to run the program was immediately passed on to ARA?

BATT: The act was written so that all the authority went to the President, all the funds went to the President. Now this, you must remember, originally was part of an idea advanced by the Budget Bureau and the Council of Economic Advisors--in particular the Council of Economic Advisors and Mr. Heller [Walter Wolfgang Heller]--to give the President standby authority to put a lot of money into the economy in public works without any additional action by the Congress. Then it would be triggered by a certain level of unemployment, or some trigger or other which was agreed upon by the Congress. This idea of the standby authority was all that the Council was initially concerned about. I believe we were influential in getting

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tacked on the idea of some public works immediately for depressed areas which already had a tough economic problem. But this was tacked on to the Council's idea.

I remember Under Secretary Gudeman [Edward Gudeman], and I went up with Walter Heller and testified the first day before the House. Then I recall that the House Committee.... We ran into two points of view there. One was that the standby authority took away from Congress the right of the Congress to appropriate and authorize. They felt this was a very basic right which the Constitution gave to the House and couldn't be usurped by the Executive. Secondly, they thought that the part of the bill that was for public works now for depressed areas was too small to do much good. So, in effect, the action they took was to take out the automatic public works

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program triggered by a downturn in employment. They just removed that completely and added on substantially more money for depressed areas now.

HACKMAN: I think it came out nine hundred million...

BATT: Nine hundred million dollars. Now, as I told you--I believe I explained the last time around--the original amount that we'd agreed upon in the President's office was more like five or six hundred million, and this was what was passed up to the House Committee. And then the House Committee tacked on three hundred million additional; their rationale being that this would be ticketed for rural areas, and that this would give rural areas and rural congressmen an additional incentive to support the bill. This, I think, was the work of John Barriere [John E. Barriere] up with the House Committee staff.

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HACKMAN: Did you favor this change as a legislative necessity?

BATT: Well, it seemed to me that the more funds we had to put into the program, the more people we could put to work. And I knew that the funds we had were inadequate. As a matter of fact, the nine hundred million was probably inadequate to put the people to work that were there. I still think that we ought to have jobs for everyone in this country. Private employment in long term, decent paying jobs, to the extent possible; or in useful public employment; or in training for a good job in private or public employment; or in a work-experience program doing something useful with his time. I think the idea of subsidizing people to do nothing is nonsense because you're, among other things, ruining their morale and their feeling of usefulness,

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and you're paying an enormous price for it.

Meanwhile the usefulness of work experience, which we now see in programs like the Nelson Amendment to the Poverty Program.... Programs we've got going, we're activating, this summer in the slums are, in essence, many of them work experience to give a person who's out of the work habit the experience of going to work from eight to five everyday and getting paid for it and holding down a job. Well, this is the kind of thing which I think we got started there although this, of course, was primarily oriented in terms of public works. And we were building sewers, and we were building water lines, and we were building sewage disposal plants, and we were building public buildings and repairing roads--making up some of the tremendous

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backlog in this country. So either from the point of view of the people or from the point of view of the work to be done, there's an enormous backlog, and I think we ought to be working on it.

HACKMAN: You mentioned a minute ago Under Secretary Gudeman. What was his attitude toward the programs that ARA was involved in? Or was he....

BATT: Oh, I think cooperative. Cooperative and helpful. Eddie Gudeman was very helpful.

HACKMAN: After this legislation was passed, what types of problems came up in connection with getting the program off the ground as far as administering it?

BATT: Well, it went surprisingly well. It was one of the most popular programs I've ever seen in government. One of the reasons it went well, and got started fast was that we used other agencies almost entirely.

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That is, Forest Service was in charge of all the work in the forests; the National Park Service for the national parks, and so forth. Public works that went out to communities all went through what is now HUD. I think we put some work through the Corps of Engineers. These were agencies which were old hands; they were in the public works business; they had the contacts. In some cases they administered it directly, as is the case with the Forest Service. We had Forest Service projects which were put on foot and the first people hired within a week--in less than a week--of the President's signing off on the money, signing the bill that made the money available. The direct federal programs, of course, went the fastest. The potential for delay was, of course, in the projects which were submitted and proposed by communities.

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HACKMAN: Right.

BATT: I must say we were enormously indebted to Jack Conway [Jack T. Conway] who was then the Deputy Director of HUD--or what was that then?

HACKMAN: Housing and Home Finance Agency.

BATT: HHFA. Jack Conway set up, with Sid Woolner [Sidney H. Woolner] and with the CFA [Community Facilities Administration] organization

and his regional offices of HHFA, a very streamlined procedure of giving vast responsibility for approval of projects, or at least approval right up to the funding stage, to the regional offices of HHFA. This went with amazing speed, I must say, and my hat was off to them. The projects got submitted and approved with great rapidity. Now I must say this, too, when analyzing the speed with which this went as distinct from the

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slowness with which it took us to get ARA started! The agencies which were doing the work in the communities and were making the proposals were essentially the county governments and the city governments, city governments like the very effective mayor of Detroit, Jerry Cavanagh [Jerome Patrick Cavanagh].

HACKMAN: You mean these groups that were getting together to submit proposals?

BATT: The people that submitted these public works proposals were existing city and county governments with public works departments, with generally a large backlog of undone work which they'd been aching to do which they'd never been able to get enough money from their taxpayers to get done, much of it engineered already. They knew what they wanted, and they were also a constituted body.

Now in the proposals we were getting

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under ARA, on the other hand, the local organization had to be established. They were non-governmental; they depended on large part.... They were the local industrial development people who were the local businessmen who all had businesses to run. And the organizations were voluntary in nature, unpaid in nature, and had to be put together. They had to be put together and had to be qualified. And this took time. Then we were loaning money under ARA, and we had to make sure the loan was safe. Under the Public Works Program we were granting money--50 percent or more, large amounts of loans. It is much, much more difficult, obviously, to loan money than it is to grant money. And then, of course, they had a large backlog of public works.

Now negotiating for a private company

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to come into an area is a thing that takes years, as you know. Persuading one to go into eastern Kentucky or southern West Virginia or northern Minnesota, this is a long process. These decisions on the part of companies are a long process. But public works, generally.... I am convinced that every community worth its salt and certainly every city and every county in the country has a stack of public works that they're crazy to let out for contract as soon as they can see their way clear to finance. So we got a lot of things built there in a great hurry.

It was an exceedingly well administered approach, and it was also a very popular program--on the Hill, in particular--because these congressmen looked to their city governments and their county governments

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as the base of their political support. Many of them had been trying to get these darn things through existing programs and numerous excellent projects were sitting around on priority lists it would take years to get funded. I saw some analysis by some cities group that there were more sewers; more sewage disposal was done in the two years of the accelerated public works program than had ever been done in the nation's history before. It was the first time we'd ever begun to really catch up on the backlog. The program under the 30 percent Blatnik [John A. Blatnik] law, where the federal government put up 30 percent grants, was very badly under-funded by the Congress. I forget what the figure was. I would be surprised if it was fifty million dollars a year, and it just didn't begin to meet

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the needs. So from that point of view in this whole area of waste disposal and water purification, these were the two years when we really had a program somewhat on the order of magnitude that the country needs.

HACKMAN: Did you have to add significantly to the number of personnel here at ARA to handle these applications or did the same people work on both?

BATT: Well, we had a very small staff. At the peak I don't think we had fifty additional people. There were staff added in the CFA part of HHFA, primarily. The Forest Service handled theirs generally, I think, with their own people. Agriculture, I think, didn't take on anybody much additional. The most, I think, additional staff we took were primarily CFA people, and again mostly they diverted their existing

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staff to this work to get it out. I don't think they staffed up heavily because they realized it was temporary in nature. But they did a darn good job.

HACKMAN: Did people on the Hill usually come to you as sponsors of some of these projects since they were very concerned about what these county and city governments were proposing and they were aware of this?

BATT: Yes indeed. The aggressive congressmen lived on top of these all the time. They were in close touch with us and with the agencies primarily

concerned, primarily with CFA. We tried to decentralize most of that to the agency concerned whether it was CFA or Forest Service or what--all the Hill contacts. But we got a lot of them.

HACKMAN: Do you remember any problems coming up with specific projects that....

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BATT: Oh yes, I remember. We had them all the time, of course, and the congressmen were always anxious to get more. We never could meet the demand; we had far more requests than there were funds available. In that sense, I think, too, a lot of the contacts with the congressmen had to be with the regions because a lot of the decisions were made in those regional offices of HHFA. I remember Congressman Perkins [Carl D. Perkins], who of course has some of the most desperate unemployment in the United States, was terribly anxious to get things built in his district, particularly courthouses because he felt that courthouses would do more to lift the morale and lift the economic activity of a county than almost anything else. It was visible; it was the center of the government life of the county. And, of course, in east Kentucky the government

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is most of the activity there is.

HACKMAN: Right.

BATT: And I think he got a flock of courthouses built. Congressman Hechler [Kenneth W. Hechler] from right across the Big Sandy River in the next district, over in West Virginia, felt the courthouses were far less important than sewer lines and water lines. To a certain extent, of course, these views were reflected in the kinds of applications that came in because the congressmen encouraged different kinds of applications. I'm sure we didn't get enough sewer lines to please Congressman Hechler nor enough courthouses to please Congressman Perkins. I know we didn't get one built in Pike County, and this was a source of great dismay to Congressman Perkins.

HACKMAN: Would you try to convince congressmen

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of the relative merits of one type of program or another or what were you...

BATT: Yes, well we had biases, and our biases, of course, were generally in

favor of water purification and in favor of the things which would conduce to economic development, conduce to the attraction of new industry. We'd like to put more money into vocational education and vocational training centers. Well, we got a bill, later on, through educational channels which did, and vocational education centers were very well funded. The Appalachian Bill also provided some. Our bias generally, of course, was to help create public works which would contribute to private investment and jobs, and, not just public works for the glory of public works. I must say, too--and this amazes me in view of the speed of which this

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money went out--as far as we know there wasn't any case of any chicanery or of any absconding with funds or any building of driveways into politicians' summer places. This was very cleanly and tightly administered. Of course, 50 percent of the money was theirs, which was a good way to keep it that way.

HACKMAN: Were you generally satisfied with the progress of this program in '62 and '63?

BATT: Oh yes, this went like a house afire. We were sorry we couldn't get more money to put into.... And we did, of course, under the EDA [Economic Development Act] Act, ask for increased authorizations and got it. But because of the war, I suspect, the Budget Bureau's never come across with appropriation requests in this field.

HACKMAN: What efforts did you make in '63 to get,

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I think, another nine hundred million to expand the program, if I recall, and the Administration wouldn't go along with it?

BATT: I'd have to refresh my memory on that, Larry. I don't remember the battle. What do you know about it?

HACKMAN: Well, I can remember reading that there were attempts made to get an expansion in late '63, and I don't know if it was the Budget Bureau or who made the decision at the White House that it wouldn't push for any expansion. I thought maybe you recalled that the tax cut which was in the works at that time had some influence on their decision not to expand public works at a time when they were going to cut taxes; or something like that.

BATT: I don't remember the ins and outs of that battle, but I know we were always pushing for more money, and I know that....

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Because, you know, we were, as administrators, in the tough position of encouraging everybody to come in with proposals, and then, when they all got in, we didn't have enough to pay for it. So I'm sure we were pushing for more money. You say this got decided inside the Administration and never did get to the Hill?

HACKMAN: Yes.

BATT: I might say that the committees generally were terribly anxious to vote more money. It was just.... If we'd given them half a chance or any encouragement, we would have gotten it.

HACKMAN: Well, let's move on and talk about the Appalachian program. What was your relationship with the Conference of Appalachian Governors in this period of '61 to '63?

BATT: Well, we had several discussions with them about their ideas. They wanted us to

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fund a very substantial staff operation of several hundred thousand dollars, located somewhere in Appalachia, to write a proposal for the area. We encouraged them to put together a small staff by each state putting up a modest amount of about ten thousand dollars apiece, and putting together a proposal themselves which they could then bring in and we could look over. We didn't think that it made any sense for the federal government to be developing a proposal to submit to the federal government. We were arguing, really, for states rights, which is funny. I remember, particularly, a discussion we had at some length with mostly Southern governors--I never thought the day would come when I'd be arguing with Southern governors in favor of states' rights, states' responsibilities. Well, they bought that

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idea, and they were going to go back and try to raise that money themselves. They never did succeed; they came up with various stories about how they couldn't. They had trouble getting their legislature to appropriate ten thousand dollars for use outside the state, or various....

I think, fundamentally, the objection was that although their bosses bought the idea in principle, the staff fellows that were to carry it out were convinced if they stuck to their guns, they could get a federal grant and we'd angle the whole thing. We worked at a number of meetings with them one way or another.

Jim Sundquist [James L. Sundquist] at Brookings in researching this, says that this was just at the time of the Kentucky floods. Kentucky Governor Bert Combs [Bertram Thomas Combs] visited Washington to discuss flood relief. At

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that time, leaving a list of recommendations with the office of Emergency Planning. The last item on that list was creation by the President of a multi-state Appalachian Regional Commission. Whatever triggered the President's interest, the White House became convinced that something.... Ted Sorensen [Theodore C. Sorensen] and Mike Feldman [Myer Feldman] asked me over to lunch over at the White House one day. I had Harold Williams [Harold L. Williams] with me, my deputy, and they said, in effect, "Now, we've got to come up with an Appalachian program." So we drafted one. A meeting was arranged, I believe at our suggestion, between the President and the governors in his Cabinet Room a few weeks down the road when these proposals which we had made were discussed with the governors.

HACKMAN: I think that was in April of '63.

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BATT: It was the same day that citizenship was accorded to Winston Churchill, because my dad was down here for that, and I remember he was in the Rose Garden, and the meeting of the governors took place either just before or just after--just before, I think. I remember he got a great thrill out of our being there together. Governor Comb's was the chairman, and I think these proposals were laid out by the President or by myself, I forget. In effect, the governors went along with the idea, and out of that original memorandum, which I'm sure you can find somewhere in the Archives...

HACKMAN: Right, right. Who specifically over here worked on it? Was it primarily yourself and Williams?

BATT: Hal Williams and I did.

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HACKMAN: And that was then what...

BATT: Largely Harold's work.

HACKMAN: What the President proposed then.

BATT: Yes, that was largely, then, his proposal. It went through all kinds of modifications. We went into possible organization of the governors and the location of a headquarters and the mechanics of setting up the cooperation between the two and some of the areas which they ought to attack, together with a suggested plan of action. And it would be interesting to see how closely that memorandum related to what finally emerged out of the legislation. It's a curious, hydra-headed affair

they've got over there, but the darn thing seems to work. Of course, as long as you've got that kind of money coming out and 80 percent is highways which the governors love and for which you can make

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a case.... I don't see there being such a case to be made for highways in New England or in the upper Great Lakes, but highways are something people and political leaders can understand and they never have enough of, it seems. They're popular with Democrats and Republicans, they both drive cars. Most of the programs then ended up as highways; I'm sure we didn't recommend that. But the program was fairly well blue-printed, then, by what the governors wanted the most, and they wanted highways more than anything else.

HACKMAN: Did you feel at that time that there was this need for a separate regional program? Were you agreeable to this?

BATT: Well, my own feeling was that.... I was not one of the great boosters of the regional approach, no. It's fair

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to say that it still has to be proven. I think that idea generally of states working together makes sense, particularly in an area like the Delmarva [Delaware-Maryland-Virginia] Peninsula, which is all one economic unit. I find, however, some difficulty in relating the problems that the southern tier of counties in New York state and northern Mississippi, which are now in the Appalachian program together. I think if they keep on going, they'll be at the Pacific Ocean and at the Canadian border. They're almost to the Gulf of Mexico and the Canadian border. I really don't know how much honest-to-goodness cooperation exists here as distinct from just dividing up the federal dollar. I think we're probably betting too heavily on it; I just don't see that this has or can, really, do a great deal of good that

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we couldn't accomplish through established channels. I think one of the attractions of it, perhaps, from the practical, operating politico's point of view, it is a way to get more money into your state over and above--a little bit like the Accelerated Public Works program--over and above the present formulas and the present appropriations. So you're limited by the 90-10 and the highway taxes and existing highway legislation for highways. And you can only receive an amount called "X" and that's pretty well established by Congress and by formula. Now something else comes along and it's called Appalachia or it's called Upper Great Lakes, and suddenly you get a bonanza and you get "X" plus twenty, for highways. For anybody in the highway business this is great. But I think much

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of the mystique about regional development and so forth, although the economists are mad about it now, I think it's kind of like a fad. Like Mah-Jongg, it will go out because I don't think that there's any really closer long-run cooperation between the Governor of North Carolina and the Governor of Pennsylvania now than there was--or these two states--than there was five years ago. Now, I may be underrating this. This may be, in its way, as big a revolutionary move as the Common Market, but I don't think so.

HACKMAN: Other than the fact that Sorensen and Feldman were the people who talked with you about this, do you have any idea who was particularly influential with the White House in getting them to make up their minds in this direction?

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BATT: John Whisman [John D. Whisman] was a moving spirit, and Governor Combs. I think between them.... Perhaps Hulett Smith [Hulett C. Smith] was governor of West Virginia by then, and I think Hulett saw the potentialities for his state because almost all of his state was involved in it. Now then, of course, subsequently, as you know, we quite honestly used the regional idea to help get the EDA Act passed. Those regional commissions were then promised to almost everybody in the country for various kinds of regions. But now a lot of them have been set up, but none of them are getting any money because of the tightness for Viet Nam. I think there was some dismay in the Budget Bureau when they saw what kind of money the Appalachian program came in with. But since the Senator from West Virginia is the chairman

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of the Public Works Committee in the Senate the chances of its getting refunded are very good.

HACKMAN: Had the ARA focused particular attention on any area other than the fact that maybe the Appalachian area and Pennsylvania were most in need of it, but have you concentrated on any specific states, say, as a test case to prove your point before the idea of a regional program came up? For instance, Kennedy spent a lot of time in West Virginia in the campaign.

BATT: An awful lot of effort and time and money on part of a lot of agencies was spent in West Virginia and then an awful lot of emergency help. And a lot of good was done in West Virginia. As you know, their economy has enormously improved, and there's a bigger federal input into West Virginia than any state in the Union.

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And I think the federal government must take a lot of credit for that, a lot of that.

The White House was influential in getting defense industries to locate in there. We put one of the largest training programs in the country into preparing workers for a plant which a branch of Food Machinery, FMC Corporation, took over, a former naval ordnance depot in Charleston, West Virginia, to manufacture,--a kind of plate aluminum personnel carrier like a tank. FMC did this with all former coal-miners and former chemical workers trained with ARA money under titles 16 and 17. It was the biggest training program in West Virginia. There were other defense plants which the White House was influential with the Defense Department in getting into West Virginia.

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A great deal of effort, training effort, every kind of effort was.... Public works--my goodness, we put a lot of public works into West Virginia. And they had a big public works deficit; this was perfectly valid. It was valid either whether you look at the backlog in their need for public works or the backlog in their needs for jobs.

Jobs are life in West Virginia. It's like water in the Middle East or food in Bihar, India, right now. It was water, it was food, jobs were everything in West Virginia. I must say, the need is still there, but it's vastly improved over what it was. So that I would say the greatest effort, the greatest good that we were able to do probably was in places like West Virginia, places like the anthracite region of Pennsylvania

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where you have a very sophisticated group of industrial developers who were well along, knew how to make these acts work.

Throughout the state of Georgia, in rural areas throughout Georgia--you can't drive, they tell me, through rural areas of Georgia without seeing results of both Public Works programs and the ARA program all through the state. They make very effective use of it. We had a joke around the office.... You know, Southern congressmen and senators were afraid of the program. At first we lost a lot of votes down there. It finally switched around so that the entire Georgia delegation was supporting it. This was because they were very effective, very sophisticated at getting their share of public works expenditures. We used to have the joke around the office

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"Keep your Confederate money because the South will rise again." We spent a lot of money in Tennessee and Georgia. Of course, they have a lot of poor areas.

HACKMAN: I heard from someone, I don't recall who, that at one point the state government of West Virginia had a problem because they'd spent, I believe, nineteen or twenty million dollars that hadn't been appropriated. Did that involve ARA or APK programs at all?

BATT: We've had projects in ARA that failed because the businesses failed, but we didn't have a bit, to my knowledge, of chicanery or misappropriation and misspending of funds. We put out a billion and a quarter dollars over a period of four years.

HACKMAN: What was the role of Franklin Delano Roosevelt, Jr., when he was Under Secretary

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of Commerce in the Appalachian program?

BATT: Oh. Well, one of my suggestions to President Kennedy [John F. Kennedy] was that he put this Appalachian program in Commerce and put, not ARA over it, but jack it up, take it up one level higher in the hierarchy so we'd get more cooperation from the other agencies concerned; and take Frank Roosevelt, who was just then becoming Under Secretary, brand new just then--or maybe he was just then rumored to become Under Secretary--I suggested that he take Frank and put Frank in charge of it. Well, he took that suggestion; he did put Frank in charge of it; and Frank, I must say, did an impressive job of learning about the program and promoting it, going around to different states and getting a first hand feel of the problem, getting a lot of ideas into the planning.

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Then, as he tells the story, later.... When President Johnson [Lyndon Baines Johnson] became president and didn't show any interest in this program, Frank told me that he talked to him one night at a party at the White House making a suggestion that the President was missing a good bet. At that point we all thought that the Appalachian program was dead, and Frank tells me that he persuaded President Johnson that here was a good way for him to get into the South, a way to find common ground with Southern governors and do something for the South, completely outside the racial issue. Right afterwards, President Johnson exhibited a great interest in this thing, it got his solid backing, and then it became a reality. I think the legislation was passed after President Johnson became President, wasn't it?

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HACKMAN: Right, right.

BATT: Frank Roosevelt was strategic in getting political support from within the Administration because, as you know, anything closely identified with President Kennedy had tough sledding after President Johnson took office.

HACKMAN: Right. I'm unclear. Was North Carolina one of the states included in

this?

BATT: Yes.

HACKMAN: Then what was the Secretary Hodges' attitude toward this program?

BATT: Negative or passive.

HACKMAN: I thought maybe it would be.

BATT: He wasn't enthusiastic about public works generally. I never succeeded in getting him enthusiastic about public works. He never was enthusiastic about ARA.

HACKMAN: Right, I remember you mentioning that. Who at the White House was closely involved

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with this program as a working program, or in developing it after President Kennedy had made the suggestions that you and Mr. Hal Williams had written up? Was it someone specific there who...

HATT: Well, it was mostly Mike Feldman at that time, and Ted Sorensen. I don't recall anybody else there being concerned with it. I must say one other thing--we angled the first studies. We put, I think, five hundred thousand dollars eventually in the study on which half of the Appalachian plan was based. We hired the University of Pittsburgh to do the work, and all that planning and all the staff for Appalachia was carried for a long time before they ever got authorization or appropriations. They were all carried by ARA on this Pittsburgh contract.

HACKMAN: What about the proposal for an Appalachian

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Institute? Was anything done on that, or how did this work out?

BATT: Well, this was one of our suggestions in that memorandum.

HACKMAN: Right, right.

BATT: The University people, I think, in the states concerned who were all consulted on it, never did get together on where or who would be the lead dog, or where the dickens to put it. They had a little Appalachian Institute of sorts up at the University of West Virginia already, and the idea had a lot of

validity. You see, this is the kind of thing that really gets down to the nitty-gritty; where do you put it? And when you're not putting out a lot of federal money it's hard to get these states to work together. What I'm saying is I don't see any.... If the states had to put up the money

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for this, if it wasn't a substantial federal subsidy, I just don't see it getting off the ground. I don't think it will last ten minutes beyond the 100% subsidy by Congress. I don't see the same--what shall I say--the same drive in these regions working together as regions that I do see in the Common Market, for instance.

HACKMAN: Were you involved in the efforts in late 1963 to get emergency relief for eastern Kentucky?

BATT: Yes.

HACKMAN: Do you recall the Congressional effort on that and possibly any explanation of why it failed?

BATT: What did we ask for for Congressional efforts? Did we want to tack something on a bill that was in Congress, or what?

HACKMAN: Well, I remember reading that...

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BATT: I just recall that Ted Sorensen called me and a number of others over to his office one day and told of the President's interest in this, told of the President's reading about it in Homer Bigart's [Homer William Bigart] article on the front page of the *New York Times*, which again was a review of this book about...

HACKMAN: *Night Comes to the Cumberlandlands?*

BATT: *Night Comes to the Cumberlandlands.*

HACKMAN: Harry Caudill [Harry M. Caudill]?

BATT: Harry Caudill's book, and in essence asking what could be done to get help in there. Well, again, I think Ted, that day, asked Frank Roosevelt to chair a little continuing inter-agency group to see what we could do to put help into eastern Kentucky. Frank did a good job; he got a good working group together. I remember I brought over to

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that meeting a map of everything we'd put into the area, and every other agency did the same thing: surplus food and.... And the President wanted us to throw the book in there, everything we could do, in effect, to make these blooming programs work. It was kind of what we would now call a community action effort to help to stimulate community action to get the programs working that should be working anyway. I remember Jim Sundquist went down there for the Agriculture Department and found that only four counties in the entire area were getting surplus food and found that these kids--that school lunches weren't being used in many counties in eastern Kentucky. All kinds of things that everybody just assumed were always going on everywhere, you know.

We did our best to get all the public

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works possible down there, and, of course, already we'd put tremendous amounts in there because of the efforts of the communities, stimulated in large part by Carl Perkins and our own people. So our contribution here was mostly trying to get both ARA loans and Accelerated Public Works programs; sewer lines, water lines, mostly; courthouses built; anything that could be constructed that we had money for; plus training, of course, which came under both the MDTA [Manpower Development and Training Act] and the ARA Act,-- the President wanted us all to make a concentrated effort in that part of the world, which we're still doing. It still needs it.

HACKMAN: What was the status of the Appalachia program, let's say at the time of the assassination, late '63? What were the plans for the future, so to speak?

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BATT: Well, I'd need some help, but all I know is that the governors had generally approved the idea, and the staff was at work developing the legislation and developing the plans.

HACKMAN: I think it had been proposed on the Hill, and then supposedly it was in trouble on the Hill.

BATT: It was in trouble, it was in trouble. I think without President Johnson's support, which I must credit in large part to Frank Roosevelt, it never would have gotten to first base.

HACKMAN: I just have a few other general questions.

BATT: Go ahead.

HACKMAN: This is going to go back awhile. In the fall of '61 there were a number

of White House Regional Conferences. Do you remember those?

BATT: Oh yes, yes. I went to all of them.

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HACKMAN: Could you comment on those and how successful you thought they were?

BATT: Yes. I think they were quite successful in creating a greater understanding of this whole rash of new programs and awareness of pressing national problems. It was part of the enlightenment effort on the unsolved problems of America which President Kennedy seemed to rate as a high priority in his Administration, turning the focus on the unmet social needs, the big backlog. I don't think it was anywhere near as influential as his own press conferences. But it did give the feeling to a lot of people in leadership positions all over the United States, that they were actually and honestly being consulted. And we did. We really went after their thinking, and a lot of that thinking was reflected in improved administration and later legislation.

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HACKMAN: Going to something else then. How effective was the National Public Advisory Committee on Area Redevelopment that was headed by LeRoy Collins?

BATT: It was a great help. It was a great help, and it worked hard. It was not just window dressing. They took a tremendous interest in the program. We augmented this interest by taking them out to the areas and meeting in the depressed areas themselves and letting them see firsthand; that was one thing. Another thing was when Dr. Frank Graham became chairman, he put in a lot of interest and time and really ran it. His chairmanship was influential in it becoming a much more helpful group. Then we had a pretty broad spectrum of people interested in the act, labor union people, business people.

We were weak on the business side

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because the Kennedy Administration generally had a hard time getting business working with them, and we didn't put enough business people on it. But we had the county groups and the city mayors--the mayor of Detroit was on it, we couldn't have had a better mayor--we had public officials well represented. It was one of the best advisory groups I've ever worked with. In business we had some organized business; CED [Committee for Economic Development] was on it. We never did get the Chamber of Commerce or the National Association of Manufacturers. I'm not sure we invited them. Of course, they were

passionately opposed to the programs. I don't know whether they would have served anyway. It was a good group.

HACKMAN: Other than, say, the White House Regional Conferences in '61, how did you

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go about trying to create a good public image for ARA?

BATT: Primarily getting success stories told, stories of cities that had made effective use of the program. These stories would come out locally, and then we'd try and get them some national attention. Red River County, Red River County in Texas made very effective use of the program and really picked the whole town up by their bootstraps and solved their unemployment problem. That was carried in the Houston paper. We heard about it, and we tried to get some wider circulation, but without great success.

We had a tremendous success story up in New Bedford, Massachusetts. We hired a concern that made movies to go up and make a movie of that, a documentary with Chet Huntley [Chester Robert Huntley] doing the narration, and

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we gave that the widest circulation possible on TV and to any group that would look at it. That's still a crackerjack of a film of how a town effectively reversed the downtrend in its local economy. Mostly we tried to get success stories told.

One of our problems was the right wing paper *Human Events*. As a Kennedy program it became the whipping boy of *Human Events*. People went after us, and the *Reader's Digest* went after us when they weren't taking off at the REA [Rural Electrification Administration] and other Administration programs. So that did us, I think, a lot of harm. I don't think we ever really offset some of the negative publicity because we never succeeded in getting the positive story told in the small towns.

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Scranton, that had a great story, New Bedford, let's say counties like the Red River County in Texas or Anadarko, Oklahoma, or twenty towns in Georgia, or up in the Range in Minnesota. This is where the success was. The Upper Peninsula of Michigan made very effective use of the program, especially the training segments of it. Curiously enough, Lester Velie of the *Reader's Digest* went out to muckrake that and was so impressed by it he wrote a favorable article.

[END TAPE III, SIDE I]

HACKMAN: Could you comment on the relationship of ARA and labor unions,

their attitude toward the program and your contact?

BATT: Well, at first labor unions were our greatest supporters. This still continues, as far as I know. We had several labor

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members on our advisory board. One was Frank Fernbach, who'd always been a great fighter for this thing; he was in the economics department at the AFL-CIO. Another one was Sol Barkin [Solomon Barkin] who was with the Textile Workers. Frank was out of the Steel Workers. Sol was a strong supporter of the program. They were the two predominantly, although Andy Biemiller [Andrew J. Biemiller] and the unions always testified for us--the steel union, the Auto Workers union, the Mine Workers.

The ones that we had the greatest problem with were the women's and men's clothing unions, because they were afraid that our money would be used by Southern development people to bring runaway plants down South. So they were very particular that language be

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put in our act that none of our funds could be used for runaway plants. This was also, of course, the concern of many Northern congressmen. We set up an informal procedure whereby we would always triple check to see that none of the funds were used for that purpose, so that I think we satisfied the unions on that score, although the Ladies Garment Workers always had their fingers crossed about ARA. They have the same feeling about MDTA training. They don't want garment workers trained, and they've got a ruling through Mr. Wirtz [William Willard Wirtz] that we won't use any training money for training garment workers anywhere in the United States on the theory that there's a labor surplus and that it's an industry it's easy to move work around in. A man can start a business with a minimum of

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capital just by putting a bunch of rented sewing machines down in rented space somewhere and take contract work away from union workers in New York, then manufacture at low wages with non-union workers. Then we had some dealings with the building trades workers in connection with the Public Works program. But that we took care of. They put a requirement in the bill to pay prevailing wages--that means union wages--everywhere. This, of course, I must say.... Local communities, in the South particularly, rebelled against because they could get the work done for much less than the prevailing wage, the union wage. But by and large, the union relationship has kept up very happily, as far as I know, until this day.

HACKMAN: What other interest groups were particularly

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interested in ARA programs? I know that you had talked about, I believe, originally NAM and the Chamber of Commerce had testified against the bill. But as the program went on.....

BATT: Well, I think the Chamber became more vitriolic in their opposition and continued in their opposition despite the fact that in depressed areas we worked with local Chambers hand in glove. They were the moving spirits. But they would never be able to overcome the numerical majority in the Chamber who were by nature against federal involvement in the private economy in general. I mean even in education or anything else. When it got around to location of plants and factories, this was just getting too close to their area of particular responsibility. So the Chamber has been passionately opposed

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to us, and the depressed area Chambers who supported us were never enough to offset the majority who went along with the national leadership of the Chamber. I don't think they were that much stronger, but they always went along with them.

And what other interest groups? Well, the mayors were always strong for the program and the county organizations--National Association of County Officials, American Municipal Association. All these were all for the program, particularly the public works side--great boosters of the public works side.

HACKMAN: All right, moving on to something else. Did you feel that by late 1963 the Administration had lost any faith in the structural approach to unemployment? Now a lot of people have talked about the influence of the Council of Economic

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Advisors on Kennedy's ideas maybe to shift to a concentration on demand as a way of solving these problems. Any observations on that?

BATT: I never saw any diminution in the President's own support of the program, of our program. It was always solid support. I think that the Council of Economic Advisors was always skeptical of the depressed area approach, of any approach--of the training approach--of anything but overall global demand. I think they still are. This is almost a constitutional failing of economists. They think in terms of gross national product and overall demand, and if you have that high enough, your problems are solved; anybody can get a job. Of course, where I think they miss the boat is that to take it as high as you have to

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to solve almost everybody's unemployment problem, you also create inflation. But to put people in the ghettos to work is not inflationary and to put people in depressed areas to work is not inflationary. As to put more capital investment into depressed areas may not be inflationary or have a very slight inflationary effect on the economy. But if you were to take the tight labor market areas like the middle west over the past couple of years or build more buildings in New York City, it is inflationary. But you're putting capital investment in areas which didn't have any. Of course a lot of that money is spent in the existing industries--still it's not remotely as inflationary as the other expansion is.

HACKMAN: Other than your work with the Area Redevelopment Administration were you

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especially involved in anything else during the Kennedy years that you'd, want to comment on?

BATT: I think you've covered them all. I can't think of any others. I don't know how you found out about as many as you did.

HACKMAN: Do you have any other particular recollections of meetings with the President, personal meetings or any...

BATT: I remember one particular.... Generally speaking, he gave us a very free hand in administering the program. His people were very interested in it, because the Congressional people were very interested in the public works particularly. In fact, Larry O'Brien's [Lawrence F. O'Brien] office wanted a look-see at everything we put out in the public works field because they used it as device to gain support for other

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programs; it was so much in demand. And that brought us into very close touch with the staff. The President himself we had hardly any contact with, but I remember one occasion which was of no great historic importance but relates to the problems he had on the Hill. We had a project in from a little tiny town in Georgia, a very routine type project for a sewer line for the town in Georgia. But this happens to be the home town of the senior senator, who was and is the leader of the Southern Democrats. In the course of review by the experts from CFA, they had to--one of the very weak parts of the law--they had to determine what percentage of the money would be put up by the city and what percentage by the federal government, depending on the capacity of the city to pay.

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It was a ghastly formula.

HACKMAN: Is this the incident concerning Winder, Georgia?

BATT: Yes.

HACKMAN: I remember you put that on the first tape.

BATT: Okay. Well, then you've got it. That's the only time.... The Winder, Georgia, incident is the only one that comes to mind as one where we had a particular direct session with the President, outside of that session on the deciding of the Public Works program.

HACKMAN: I just want to shoot one more thing. Do you have any recollections at all of Kennedy at Harvard? Did you know him then?

BATT: I never knew him at all. I knew Joe [Joseph P. Kennedy, Jr.]. Joe and I played football together. I knew Joe quite well. And I knew the President

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when he was a Congressman because he and I were both interested in unemployment in New England and I was then assistant to Tobin [Maurice Joseph Tobin]. He was a couple of years after me in school, I guess.

[END OF INTERVIEW #3]

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