

**C. Douglas Dillon, Oral History Interview – 6/18/1970**  
Administrative Information

**Creator:** C. Douglas Dillon  
**Interviewer:** Larry J. Hackman  
**Date of Interview:** June 18, 1970  
**Place of Interview:** New York, N.Y.  
**Length:** 49 pages

**Biographical Note**

Dillon, Secretary of the Treasury from 1961 to 1965, discusses Robert Kennedy's relationships with U.S. political leaders, the Cuban Missile Crisis, and RFK's time as a senator, among other issues.

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**Suggested Citation**

C. Douglas Dillon, recorded interview by Larry J. Hackman, June 18, 1970, (page number), Robert F. Kennedy Oral History Program of the John F. Kennedy Library.

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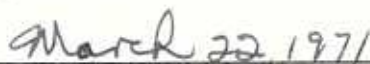
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## C. DOUGLAS DILLON

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Oral History Interview

with

C. DOUGLAS DILLON

June 18, 1970  
New York, New York

By Larry J. Hackman

For the Robert F. Kennedy Oral History Program of the Kennedy Library

HACKMAN: Maybe you recall in that first interview with Donnelly [Dixon Donnelly] and Elspeth Rostow [Elspeth V.C. Rostow] and those other people, you did talk briefly about Robert Kennedy and the Cuban missile crisis, and you did mention briefly the first meeting, I think, that you had with him and President Kennedy [John F. Kennedy] discussing your taking the Treasury Department. So what I'd like for you to do, if you can, is to fill in a little between those two events on how the relationship with Robert Kennedy developed and how you became a close friend.

DILLON: Well, I think this developed naturally over a period of time and was probably tied in with a total family relationship between my wife and myself and Bob Kennedy and Ethel [Ethel Skakel Kennedy]. We found them both very sympathetic, as I think they found both of us. We gradually came to see more of them on a friendly personal basis and became very close friends.

[-1-]

During the summers, I remember, we had dinner together several times when Ethel was up at the Cape. For instance, Bob would call up--that was the kind of basis we were on-- and say, "Could I come for supper and bring one of the girls?" And he'd arrive in his open car with Kathleen [Kathleen H. Kennedy] or Bobby [Robert F. Kennedy, Jr.], have a bite to eat and off they'd go to the movies.

So we were on a very, a friendly family basis separate and apart from the business of running the government or either of our political jobs. They're both of them. . . . We found them very sympathetic and friendly people, and I think we're that way, too. I think both of us recognized in each other's families a certain trait of shyness or reserve or whatever it was that we respected, and once you like each other, you get past that. It's a similar feeling, and we just became very good friends.

HACKMAN: Can you remember what kinds of things he particularly enjoyed talking with you about, what experiences of yours that he liked to discuss, or things that he would ask you questions about frequently?

DILLON: I don't really recall--whatever was going on seemed to be of interest as with friends. I'm sure there was a good bit of discussion on personalities from time to time, but nothing that I can recall as particularly illuminating. I mean, how people got along with each other in the government and the problems of dealing with Congress. Of course, the dealings with Congress for anyone who is high up in an administration that's really trying to pass a legislative program is a very trying and time-consuming thing. And we were both in that fix because we were trying to pass a legislative program that was quite new. We made considerable progress and finally when the bulk of it got passed shortly after President Kennedy's assassination, it was because the ground had been laid in the two or three previous years and it was ripe for passage.

[-2-]

HACKMAN: Did you generally feel that he had a good feel for the Hill and how it worked and the personalities up there?

DILLON: Oh, he had a very good feel for that sort of thing. The particular people he dealt with, he understood them and how to get along with them reasonably well. He was not a kind of fellow. . . . He was a little impatient. I don't think he was given to letting time work things out, but he knew that it had to in many of these things, so he accepted it. I think he was more impatient than I was, which was natural, seeing that I had been in that sort of effort for a longer period--remember I'd had four years of it before with the foreign aid program so I was prepared for it.

HACKMAN: Can you remember any of the Republicans that you had probably dealt with previously that he found it particularly difficult to deal with or simply couldn't understand what made them tick and would come to you with questions about?

DILLON: I don't think there was any particular feeling about that. I think both of us felt disappointed in quite different ways that the Republican leadership in the House of Representatives became so political and utterly negative in the final years of Charlie Halleck [Charles A. Halleck]. That turning took place in the summer of 1961 and was quite contrary to the way the Democratic controlled Congress had dealt with President Eisenhower and quite contrary to the way the Republicans of the Senate acted under Everett Dirksen's [Everett M. Dirksen] leadership. In the House it became, among the Republicans, a

matter of principle to oppose anything that President Kennedy suggested, no matter how good it was, just on the basis that if it was good they didn't want him to get the credit for it, and if it was bad--they really thought it was bad--they'd naturally oppose it.

[-3-]

They developed a discipline--which hasn't been seen, as far as I know, before or since--in the House. This discipline lasted until the summer of 1964 when Goldwater [Barry M. Goldwater] came along, which polarized things too much, and the discipline broke down. But prior to that there were numerous occasions on which they had either unanimous votes or didn't lose more than, say, one or two votes on important issues. I had a couple of cases like that on tax bills which were obviously good and were the types of things Republicans would be expected to support. An example was the vote on the Investment Credit in 1962 in the House, which was a key one, where the Republicans voted unanimously against it. We got to the Senate, and we got a two-to-one Republican vote for it. It was that sort of thing that I found disappointing, but it was a political decision; and Bob Kennedy found it, disconcerting and difficult, but he understood it as a politician. I think he thought it was not a very smart tactic on the part of the Republicans; and, in fact, it wasn't because it led to the Goldwater debacle of 1964, the way for which, I think, was prepared in the House of Representatives under Halleck in the three preceding years.

HACKMAN: Did you ever approach the House leaders, Halleck or Ford [Gerald R. Ford] or other House leaders on this basis, arguing that that was constructive? Or, did Robert Kennedy ever ask you to do that?

DILLON: No. I did not feel it would be worthwhile and I was never asked to. They'd made up their minds and they knew what they'd decided to do. The only one I had talks with in this vein at all--and it wasn't much--was John Burns. He believed that this was the thing to do. He was a very able fellow, but also extremely politically minded, and he had had a leading role in making that decision, so that's the way they went.

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HACKMAN: I know Robert Kennedy was very concerned, as the President was, with the way the State Department ran. Can you remember getting into conversations with him based on your experience there?

DILLON: Yes, from time to time. But we didn't get very far on that because I didn't agree with President Kennedy or Bobby on anything about that. In this case, they were operating from some preconception which they had before the '64 election that everybody in the Foreign Service was more or less incompetent, no good, and that the State Department couldn't be effective.

Well, I worked there, and just the contrary, I think they're highly competent, highly effective, if you pick the right ones and if you give them competent guidance from the top. If you don't do either of those things, then, of course, you'll have trouble, like you can in any

bureaucracy because people tend to come up by age and seniority. There is the same problem in the military services. Just because that happens you don't say throw away the whole military services, which they didn't. They had a different attitude regarding the military for some reason, a more understanding attitude. I really never could quite understand where this attitude toward the Foreign Service came from.

I told them that I didn't agree with it but it wasn't my business. And one of the things that, you know, President Kennedy did, at least initially, as far as I was concerned, was to totally divorce me from anything to do with foreign policy except as it had connection with the Treasury, monetary things, things of that nature. But he never asked me anything regarding foreign policy. I never had any part in any foreign policy discussions with one exception--I mean until the Cuban missile crisis which, of course, I was right in the middle of--with one exception and that was the discussions in the summer of 1961 regarding Germany after his meeting with Khrushchev [Nikita S. Khrushchev]. But there it was only in connection with the domestic impact of the steps he wanted to take. It wasn't anything to do with the foreign

[-5-]

policy side of it, so I don't think it's really an exception.

I never even knew anything about the Bay of Pigs thing, for instance, which was, I think, rather unusual. It showed that he must have thought about this and made a basic decision. It would have been much easier, I think, to have included me in those discussions in some fashion instead of excluding me because of the fact that I had been the senior person in charge of whatever preparations there were up until January 4th. It was all right; I accepted it because I was excited about my job.

But that's why I say when you come to this, what he thought about the State Department, it's just something we didn't talk about very much. I just told them I didn't agree that they were that bad. Put it this way: They liked certain members, someone like Bohlen [Charles E. Bohlen], who got along very well with them. They thought Bohlen was fine, but they just couldn't see that he and a few others they respected, such as Tommy Thompson [Llewellyn E. Thompson, Jr.], were the product of the very system they thought was no good. It was just a place where we differed.

HACKMAN: On foreign policy matters was Robert Kennedy much more likely to come to you for suggestions than the President was? Were there frequent phone calls from Justice asking for your views?

DILLON: No. Neither of them did until. . . . I think...this began to change after the missile crisis episode. I don't know what made them change--maybe it was greater friendship and the fact that they, both President Kennedy and Bob, had come to have some confidence in my judgment. When the missile crisis came, right away they wanted. . . . From the very, very, very beginning, they called me and asked me to come and sit in. When he first called of course, I and nobody except a very few of the people over there even knew what it was about. We came to the White House and got briefed on what had been discovered, what was thought to have been discovered. That was within just a few hours of the time that they had informed the President.



[-6-]

I went through that whole thing with both of them, and I think that they got a respect for my views and thinking, which was not always parallel to theirs, but was, I guess, flexible, willing to change; but they liked it and they both commented on it afterwards. And I think that from time to time afterwards Bob Kennedy did mention things so that I no longer felt that there was that sort of an artificial barrier that had been there before.

HACKMAN: On the missile crisis, did Robert Kennedy's role seem to be a lot different on this crisis than it had been on previous ones that you could observe during the Administration?

DILLON: Well, I wouldn't know about other foreign policy crises. But in other things such as the rumpus with the steel companies; I would say his role was always the same: the major thing was that he was the closest personal confidant and advisor of the President. In a way, he would have a double role. He would sit in the meetings and to the extent he had a view, where there was a Justice Department view that needed expressing, he would express it like anybody else; but then he had a different role which was to stay behind afterwards or come later and balance out the whole thing with the President and talk back and forth.

Now, it's impossible unless you were there, and nobody else was, to know just how the President used this, whether Bob Kennedy influenced him or whether he used him as sort of a sounding board to try out ideas against. The exact way in which Bob helped the President, I don't know; but I do know that he was tremendously helpful. His collaboration was tremendously valuable to the President and valued by him. So it was extremely important. It's the sort of relationship that could not exist except with such a unique family relationship. In any other case, if there were to be a relationship that close, it would be destructive of the whole government hierarchy and apparatus because every-body else would be jealous and it would be impossible.

[-7-]

DILLON: But everyone accepted Bob's role with the President because of the family relationship, and that feeling never came up.

HACKMAN: Did Robert Kennedy's presence at all of these meetings of the ExComm, [Executive Committee of the National Security Council], particularly the ones the President wasn't at, inhibit the discussion? Could you see the . . .

DILLON: Not in the slightest. Not in the slightest. Quite the contrary.

HACKMAN: As that whole thing developed, speaking in terms of personalities, who could you see that he particularly respected; whose viewpoints?

DILLON: Well, McNamara's [Robert S. McNamara] viewpoint was always respected. They liked Bob McNamara, and he had developed a relationship, sort of a

family relationship, with both the Kennedys that was similar to ours--different in detail maybe, but essentially the same. And I think we were the only two Cabinet members they had that sort of a relationship with. Also I think, without trying to blow my own horn, that the two of us were the ones that Bob Kennedy listened to the hardest, although he listened to everybody.

In those meetings he, with the one notable exception, listened more than he talked. I think he conceived of his function as listening. to all points of view so as to evaluate them and to be able to both accurately report them to his brother and to evaluate them for the President. I think I mentioned the great exception in the tape on President Kennedy, and I know I mentioned it more recently in the interview that Jean vanden Heuvel [Jean Stein vanden Heuvel] had with me for her book. There was one time when Robert Kennedy intervened with great force, great emotion, and great logic. This had a very big effect on me, swung my basic thinking quite a bit; but the rest of the time he usually just listened. It was a role similar to what his brother used.

[-8-]

His brother, the President, practically never said anything at ExComm meetings until he finally got ready to make up his mind. He asked questions and probed and said thank you and went away to make up his mind afterwards. He used the Security Council, I would say, at that time in that crisis exactly in the way that it was supposed to be used. And I look on the Executive Committee as the Security Council somewhat enlarged and called an executive committee, as far as I could make out, for the sole purpose of cutting out the representative of the domestic defense mobilization job, who had really no place in this particular discussion, which was so sensitive that the President wanted to protect it as much as he could.

HACKMAN: I wanted to ask you to recall especially what you can recall about the State Department's representation on the ExComm, not only Secretary Rusk [Dean Rusk], but also George Ball [George W. Ball], Alex Johnson [Ural A. Johnson], and Ambassador Llewellyn Thompson in terms of what you can remember about the viewpoint that they were putting forward.

DILLON: They were not putting forward a single viewpoint. I think that was very disappointing to both the President and to Bob in retrospect: there simply was no State Department viewpoint. And this, I think, was the responsibility of the Secretary of State, who avoided taking any clear or strong position on this all the way through. I'm not saying that all the State Department representatives did that; quite the contrary. There were strong views, but they were differing views. These people all were allowed to speak as individuals which, I think, was what the President had said he wanted. He wanted to get everybody's views, and I think that was appropriate up to a point. But at some point in the proceeding, it would have been helpful to have had a strong statement of position from the Secretary of State, which, in these public meetings, never came. By "public" I mean the meetings of the ExComm. There may have been something more private, since there

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was a relationship there which I had no part in. The President had this system of having weekly lunches with the Secretary of State, the Secretary of Defense, Mac Bundy [McGeorge Bundy], and maybe someone from the CIA [Central Intelligence Agency], I'm not sure about the CIA. So it's perfectly conceivable and perfectly possible that there were things said privately, by telephone or otherwise, that I don't know about. But in the meetings when we were sitting around the table, there was no clear position ever taken by the Secretary of State.

HACKMAN: Does that mean also then that George Ball and the other representatives of the State Department also didn't take a strong position?

DILLON: Oh, no. They talked very freely from whatever way they felt. There was George Ball. There was Tommy Thompson, who was just advising on specific Soviet reactions that he might think of, and he was very clear on those. Then there was Ed Martin [Edwin M. Martin] who was there from the point of view of Latin American problems. But, of course, these were specialists. Ed Martin was talking about the effects on Latin American countries, what they would do. Tommy Thompson was talking about how the Russians might react, which is sort of a never-never land, but it was useful to have. George Ball, I now don't quite recall what his position was, but knowing him, I know he had one.

HACKMAN: That's right.

[-10-]

DILLON: He always has one. And it wasn't as vehement and violent as his position developed in Vietnam where he had the very strong view, but I'm sure he had one. If someone reminded me, I'd probably know exactly what it was, but it probably was along those lines. I don't think he was one of the people who was for a strong action.

HACKMAN: Let me skip back to something. Before the missile crisis actually developed, Senator Keating [Kenneth B. Keating] and, I believe, a few other Republicans were making statements to the press about rumors, of missiles going into Cuba. Did you ever get involved in discussions with Robert Kennedy of that, or with Senator Keating or others of that?

DILLON: No. I never talked to Senator Keating at all. I knew about this and, of course, I was very disappointed afterwards in the way Senator Keating handled that and acted. I'd liked him before; but I thought he made terrible mistakes, with the seriousness of this, in refusing to cooperate on a totally nonpolitical and technical basis with intelligence agencies of the government, giving them whatever information he had at a time when it would have been most valuable in our dealings with the Soviet Union. The way he acted was clearly contrary to the best interests of the United States, but I guess he felt he had to because of whatever personal relationships he had with people who had given him this information. He put those relationships above the national interest, and it's a very difficult position for anybody to be in. But I was disappointed that he did it.

HACKMAN: Did you ever get involved in any discussions with Robert . . .

[-11-]

DILLON: Yes. The point of this whole matter was that everybody knew and it was public knowledge within the government--I can't recall whether it had been in the newspapers--that the Soviet Union was installing anti-aircraft SA-2's all around the coast of Cuba, and that the missiles used for that are not small. I don't know what exact length they are, fifteen, twenty feet long. They are great big things that are towed along. And so the mere fact that these reports were coming out that someone had seen a great big thing being towed along wasn't really conclusive of anything to those who knew that information and yet it might be very disturbing to someone who didn't. So you can easily see how this came up and why it was not believed in the government that these were offensive missiles when they were first brought to their attention. The people in government thought they were the other kind of missiles, that is, SAM [surface-to-air missile] anti-aircraft missiles.

And of course, after it was all over, we had the game sort of problem with Senator Keating because his sources kept saying the missiles haven't been taken out and that they were still there and they'd seen them, which, of course, turned out to be absolute nonsense. But they were seeing the same things.

HACKMAN: Was there any discussion with Robert Kennedy, throughout this crisis and maybe after, on the domestic political implications of the way it should be handled?

DILLON: There were none whatsoever during the crisis, and I don't really recall them afterwards. There was no thought of politics in the sense of a partisan viewpoint. There was, obviously, the thought that you had to keep the public informed at the right time, let them know what was going on because the seriousness of this could have led to war; the public had the right to know and be prepared for that. So there was thought in that way, but that's all.

[-12-]

HACKMAN: But no discussion whatsoever of the fact that the November elections were coming up or anything?

DILLON: No. It never was mentioned.

HACKMAN: During that time, I don't know if you remember, Robert Kennedy went to talk to Ambassador Dobrynin [Anatoly F. Dobrynin] from the Soviet Union. Can you remember any discussion before he went about what he would say in regard to the missiles, the Jupiters that were in Turkey and Italy?

DILLON: No. I do know that he had these talks and they were very private and were not always necessarily reported in great detail, even to those of us on the ExComm. They were naturally reported to his brother--but, because they were so sensitive,

we only knew if there was something that they thought was relevant or was of major bearing on the problem. They were between Robert Kennedy and his brother and maybe Mac Bundy or someone in the State Department.

But now about Jupiters: there was discussion of that when someone brought up the idea that we ought to make this trade, and this was backed, of course, by Ambassador Stevenson [Adlai E. Stevenson]. But he had received very little, if any, support in the Committee for that. I really can't remember another person that agreed with him at that time that that was something that should be offered as a trade, that we should accept if the Soviets asked for it. I think there was a good deal of dismay that the Jupiters were still in Turkey. They were not a very useful weapon. I remember the argument about putting them in when I was in the State Department, but it was all we had then. The Turks were desperate for them, to have something. But by a few years later, they were obviously no good and better things were coming along--and even the Turks knew that--so they were scheduled to come out. But all of us felt that we just couldn't take them out as part of the deal, even though we knew that they were coming out anyway. I have no idea what

[-13-]

Robert Kennedy told Dobrynin. He may have told him that they were coming out, but I should think that Dobrynin would have known that anyway. So I don't think the Russians were really worried about them, and, if they did suggest this, it was as the face-saving diplomatic ploy that we couldn't accept.

HACKMAN: Did you talk to Robert Kennedy after the crisis, maybe in later years, about what his views were and what yours were about what the Russians were really about there, what they were trying to do, why they put the missiles in?

DILLON: Well, I think it was hard for all of us to really know what they had in mind. I don't think there's any real consensus now on that. It seemed like such a foolish thing to do. It was obviously a very deep and basic misjudgment of what the reaction would be in this country, not just from the Administration, but from the whole American people. Why they made this big mistake is difficult to understand. It appeared that they wanted to put these things there so they could, in some fashion, blackmail us to do something. What that something was is anybody's guess; it's hard for us to know. We speculated about it, but I don't really remember what people said, except that it wasn't very clear.

HACKMAN: Yes. In Robert Kennedy's account of the missile crisis, *Thirteen Days*, he states that the discussions of the ExComm were frequently very sharp, "sharp and emotional," I think he says. Other people have said that they were very cool and smooth. How would you describe the atmosphere of some of those meetings?

[-14-]

DILLON: Well, I think that the points of view were put forth rather vigorously and sometimes with emotion, to the extent it was there, was, I felt, very restrained

emotion because everyone had a feeling--which was the kind of feeling, I think, that comes very seldom--that they were in the middle of a major historic event and that whatever was decided had major implications, not only for the future of the country, but for their own families, and for the world in general. This was a feeling that, even under a situation of great crisis, could not be maintained for any length of time, but for the ten-day period of the crisis, it was maintained. It was a sort of a feeling that couldn't be maintained for months, for instance.

So, I think maybe both those descriptions by Robert Kennedy are accurate in that things were put forth strongly. They were put forth with maybe a certain amount of emotion, but they were received coolly in that restraint was felt even by those who differed, because everybody knew this was a time when you couldn't let emotions run away with you. So I would say a fair consensus, as I look back on it, would be that both were right, but with emotion on the side of putting forth positions and restraint on the side of those who happened to be listening at whatever the time was.

HACKMAN: He also says that at some point some people seemed to lose their judgment and stability. What recollections of that event do you think prompted him to make that kind of statement?

[-15-]

DILLON: I don't know. I didn't really feel that way. But because of what he was doing with Dobrynin, he may have had some closer insights into some of the people there than I had. I only saw what went on at the meetings. And, of course, the way the meetings were structured, they were purposely structured to sharpen alternatives. After the first couple of meetings when the views were obviously sort of falling into two rather broad camps, the President asked that these groups to meet separately and try to say specifically what they would do in their own policy. So there were different groups of people working together which brought a confrontation of views. Bob Kennedy didn't take part in either of those groups. He did the same thing as his brother; he stayed apart and listened as the presentations took place.

HACKMAN: Did Secretary Rusk participate in either of those that you recall?

DILLON: I wouldn't think so. No, I don't think so either.

HACKMAN: The other State Department people, though, wouldn't necessarily have been on one side or the other? They might have been split?

DILLON: Oh, I think they were split. Yes, I think they were.

HACKMAN: You talked about the outcome of the missile crisis then changing your role in foreign affairs slightly, being brought into a few more things. Can you see other impacts of crisis in the terms of the way they did business in foreign affairs after that time?

[-16-]

DILLON: Well, I think that somewhat greater change would have developed after that in time. I don't think it was just the missile crisis, although this was one element in it, but I had a very definite feeling that in the following year, as time passed, the President was disillusioned with the way he had been handling foreign policy, or the way it was being handled, and wanted the State Department to take back a great deal more responsibility for the day-to-day handling of foreign policy. It's difficult to say just where the missile crisis fits into this change, but this was, of course, what Arthur Schlesinger [Arthur M. Schlesinger, Jr.] was referring to when he referred to the fact that the President was somewhat disillusioned with Secretary Rusk. As far as I know, the reason for that disillusionment was that he couldn't get Rusk to take back this detailed responsibility for day-to-day things; Secretary Rusk kept asking him or putting it to Bundy to ask him all the time.

That, of course, was similar to the attitude during the missile crisis. The Secretary was waiting for the President to tell him what to do and then go out and do it. And I think that was why the President chose Secretary Rusk originally. The President originally wanted to run foreign policy himself, even down to details, and wanted a Secretary of State who would be happy with such an arrangement. But after a while, he felt he needed more time for domestic things and got so he didn't like that sort of an operation. I think that if the President had lived there would likely have been a change there. There's a good possibility that McNamara would have moved over there after the election, had President Kennedy been reelected, and that would have been an attempt--and I think successful--to let the State Department handle more of the details themselves and only have broader discussions in the White House.

HACKMAN: Did Robert Kennedy ever talk to you about changes that might have been made in a second Administration?

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DILLON: I don't think in any detail.

HACKMAN: Anything about what he might do in the second Administration?

DILLON: No. Specifically not.

HACKMAN: Any discussions with Robert Kennedy before or after the missile crisis simply about Castro [Fidel Aejandro Castro Ruz] and Castroism and Cuba and what we might do to get rid of it in terms of overthrowing Castro?

DILLON: Well, no. Nothing of that sort. They would have liked to have, if it had been possible; but I think he felt it was dangerous. He was a strong believer in the Alliance for Progress concept of really working with the peoples and governments in Latin America to help them, that this would be the best way to contain Castroism.

HACKMAN: You mentioned briefly, earlier, Berlin as one of the things you got involved in some discussions on. Can you remember Robert Kennedy expressing any clear viewpoint on that at all?

DILLON: No, the discussions that I was in, I don't think he had much to do with or had much of a point of view; he just sat and listened.

HACKMAN: Another thing from looking at the list of meetings I believe you were involved in were discussions just after the Russians resumed testing in the atmosphere. Can you remember, again, Robert Kennedy expressing any strong feelings on that?

[-18-]

DILLON: No, I don't remember if there was any strong difference there. I think the real question was whether we would have another test program right here. There wasn't a strong support for that, and so it was rather relatively easily decided that we would stand with the precedent of test ban.

HACKMAN: Another thing that you were jointly involved in is this Executive order on housing. Can you remember your view and the Justice Department's view on that? How that was working out?

DILLON: That was a technical thing with me. I saw that in this paper you gave me, and I remember that the Treasury Department had a very real view. The problem was that they were trying to, in some way, force the banks to do some things here that we felt was improper use of government pressure on the banks. So what the details of it were are unfortunately gone out of my mind now I guess, it was six years ago. We were totally favorable to the objective, but we felt this was the wrong mechanism to achieve it, and we didn't feel that a worthy objective was enough to override a bad way of handling it.

HACKMAN: But your recollection just from what you can remember is that the Justice Department disagreed with you?

DILLON: Well, I know that somebody disagreed with us because there was this proposal, and it was the people who were responsible for definite action in the area of civil rights that proposed this along with many other proposals. This was the one, because of its impact on the banks, that the Treasury Department had a view on and disagreed with them. I think when we explained the reasons for it they were, in the end, generally accepted, that this was not a right way to go about it, and so we went on in other ways to achieve the objective which we all agreed on.

[-19-]

HACKMAN: Can you remember discussions with Robert Kennedy concerning Administration fiscal or monetary policy?



DILLON: Oh, never. He wasn't really interested in that and took no part in it at all. The only times I had any discussions with him on that were much later, from time to time, when he was in the Senate. Even when I was out of the government he would occasionally call me and ask me about some tax bill that was coming up or something, what he ought to do. Then he felt that he had to know about it and had to understand this. But prior to that, that was one field that he left alone because, I think, he felt that his preoccupation with civil rights, with foreign policy, and with general political guidance with his brother was a full enough plate without trying to get into any of the details of the economy.

HACKMAN: Nothing really on the tax cut then? You don't remember him exerting any opinion?

DILLON: No. He was never in the discussions on that at all.

HACKMAN: Did you ever talk to him about the steel crisis and the rumors about his role in that and . . .

DILLON: Well, yes. Just briefly. Of course it wasn't true, which he made clear, that he had called people or told the FBI [Federal Bureau of Investigation] to get people up at 4 o'clock in the morning. This was a total pipedream. He had asked the FBI to make some inquiries, but had no idea that they would interpret that to do it at 4 o'clock in the morning, because they're often asked to make inquiries and had never disturbed people in the middle of the night in the process. There was no reason to expect they'd do it this time, but they did. Of course, he did not have a very good relationship with J. Edgar Hoover, and he was sometimes suspicious that things like this might have been done on purpose by Edgar Hoover

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to embarrass him. I can't have any judgment on that, but I know that that was his feeling.

HACKMAN: You'd said earlier that you don't remember much about that specific series of meetings on Vietnam, but I'd just like to ask a couple of general things. Can you remember any discussions with Robert Kennedy on Vietnam, let's say, '61, '62, up to mid '63?

DILLON: No, I don't really remember any of them until after he was really out of the government and running for office.

HACKMAN: No recollections of the discussion of a possible coup in Vietnam in the fall of 1963? I mean, there was a lot of talk around about a possible coup in August, September, October.

DILLON: Yes. I vaguely remember that talk, but I don't remember what his position was on it. Looking back on it and just knowing him, I don't think he would have

been very favorable to Diem [Ngo Dinh Diem]; but whether he would've been favorable to what happened I wouldn't think he would have either. So I don't know where you would fit it in.

HACKMAN: Do you remember the way that the people who participated in those meetings that you went to sort of split? Obviously, there were some splits in the government at that point on how to handle this situation.

DILLON: It sounds strange now with Vietnam being so important, but till I saw this I had no recollection that we even had these meetings.

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HACKMAN: I think you'd remarked in that interview with Elspeth Rostow that in a number of these things like that in '63 you were more or less sitting in on the meetings, but you weren't expected, really, to come prepared or put forward a viewpoint.

DILLON: Well, this is a thing that was, in a way, probably true. The President, after the Cuban missile crisis, began to use the Security Council mechanism a little bit the way President Johnson [Lyndon B. Johnson], did later in which it was purely a public relations thing. When there was some important thing, they would have a meeting and publish it, letting it be known that the Security Council considered this and that so that the public could feel it was being considered carefully. But there was no preparation. There would be really just more or less an announcement of what the government was going to do, which was explained to the people that were asked to come, of which I was one. Prior to the missile crisis, except for a couple of meetings, right in the beginning of the Administration, which I don't recall what they talked about, there just weren't any. They just did away with them, didn't have them, and then I think they found that it was useful to have them.

HACKMAN: One change that was made in Vietnam was Henry Cabot Lodge replacing  
Nolting [Frederick E. Nolting, Jr.]. Did you get involved in any  
discussions of that? Can you recall other things during the Kennedy  
Administration that you discussed with Robert Kennedy that we haven't talked about at all,  
any times he came to you and asked you for specific advice on some matter or vice versa?

[-22-]

DILLON: Well, I remember one time when he got a little mad at me, but it didn't last long; it was in connection with his Justice Department function and the war on crime. We worked closely together and we cooperated in setting up specialized internal revenue procedures to go after these people. I remember getting hold of him once early in the game and telling him that if we were going to do this at all, we might run into some information about political people in a high place. The Internal Revenue Service people had not found anything of this nature, but if they did and no matter who was found, it would have to be carried through; I told him that I wanted to be sure that he would agree with that, no

matter where the chips fell, even though it could be quite embarrassing politically. He took umbrage at that quite frankly and said, "Absolutely." His anger didn't last very long, and his reaction was quite the right one. I was glad we'd gotten it, but we did talk about that. I do remember that on that occasion he felt that I should have assumed that there would be no political hanky-panky. But it seemed to me that this was something that was important enough for the President to be aware of ahead of time.

HACKMAN: Do you recall cases coming up that you discussed with him? James Landis or any of the other. . . .

DILLON: I'm sure we discussed the Landis case a number of times, and there was nothing that could be done about it, but all of us felt sad because it was a very sad thing. But they were more commiserating sessions than anything else because there wasn't anything that could be done.

[-23-]

HACKMAN: Any discussion of the Sherman Adams case, not the same kind of thing, but it's a . . .

DILLON: No. I don't think I ever had any discussions with him about that. I don't think Internal Revenue was involved in that same way that they were in the Landis case, which was purely Internal Revenue's.

HACKMAN: Did you ever get any feedback from the FBI and from J. Edgar Hoover on Internal Revenue's efforts in this whole area?

DILLON: No. I think they welcomed them. I don't know. We never got any feedback that there was any opposition to it in any way, so I think they welcomed it because it was just another string to the bow.

HACKMAN: Unless you can think of anything else, then maybe we could just talk about Robert Kennedy, your contacts with him in the days after the President's assassination? Can you remember specific conversations, or things he asked you to do, or really his mood and problems in that period?

DILLON: No. He didn't ask specifically for my advice on anything that I remember except a substantive thing such as once he got elected how he should vote or what he should do about some economic questions, that sort of thing. He never talked to me about his own political problems as such. He knew I was, and had been, a liberal Republican. He knew that I was a very good friend over the years of Governor Rockefeller [Nelson A. Rockefeller], and he respected that totally, so he didn't try to get me involved in this. I did support him financially in his campaign for the Senate. I was in the government then, so the only support was financial. I didn't say anything; I wasn't expected to or asked to, but that was partly because of my friendship for him and partly my feeling about the unpardonable way in which Senator Keating acted during and after the Cuban missile crisis.

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HACKMAN: Did you get involved in any discussions of what he might do before he decided to run for the Senate?

DILLON: No. He never discussed these sort of things with me--what he ought to do. I don't know who he did discuss it with, if anyone; but he didn't discuss it with me. He just gradually made up his mind that he was going to leave the government and left.

HACKMAN: Were you seeing a lot of him in the several months after President Kennedy's assassination socially?

DILLON: Oh, I guess I saw a good deal of him. Yes. Because we tried to cheer him up to the extent you could and see him in that way. He was very unhappy, of course, and very shattered by the experience. Then he didn't get on with President Johnson, so that, I suppose, added a major sort of irritant or weight to carrying the burden of the tragedy itself.

HACKMAN: Had you seen any evidence of that during the John Kennedy Administration? What could you see about their relationship then?

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DILLON: Well, I think it was similar. I don't think that Bob Kennedy had any great respect for President Johnson because President Johnson's great ability was in running the Senate and dealing with different personal problems so that he could achieve what he wanted--and I think history will show that he was one of the greatest senatorial leaders that has ever been produced in this country, probably the past master at this. But Bob Kennedy was always much more interested, particularly after they were in office, in substance. And President Johnson, at the time he was in the Senate and later on as vice President had very little interest that I could see, in substance. He may have had it internally, but it never came out. His questions and his thinking in those days was always about how you could accomplish a given objective politically if that objective was one you wanted to achieve. So therefore, I think this had a great deal to do with the lack of respect that Bob Kennedy had for him, because he was more or less a vacuum in the type of things that Bob Kennedy was deeply, personally interested in and involved in. Later on, after he became President, Johnson, I believe, came to have a very deep and emotional feeling about poverty. I think he'd always had that, but it wasn't attached to specific programs; later on it began to be, but that was only after he was in the Presidency.

HACKMAN: Did Robert Kennedy ever talk to you about people staying on, whether they should stay on or not with President Johnson, or whether you should stay on or not?

[-26-]

DILLON: No. No, never at all. I think he felt that this was a decision that everyone should make on his own. I think he did feel that the members of the Cabinet had an obligation to stay, should stay through the year. I think he felt he was in a rather special position, and so it was all right for him to leave; but I'm sure that if any other Cabinet people had talked to him about it, he would have said to stay. Now, I don't recall any real conversations, but my position was perfectly clear, which was that I would stay throughout the four-year term because that's what I'd told President Kennedy I'd do if I took the job. And under the circumstances, with the shock and the change of the administration, it became even more necessary. And of course, we had the tax bill, which was big unfinished business, to get through in the early days of '64. It would have been most indecent for someone in my position to leave the ship. But I never had any intention of staying on afterwards.

HACKMAN: Did you ever hear Robert Kennedy express surprise or, I guess, disappointment at people transferring their loyalty from the Kennedys to the President?

DILLON: I think there was some of that. Yes. He felt that way at first and to the most extent, I guess, maybe about Mac Bundy. There was some feeling of the nature as regards McNamara, although I think that eventually got handled in the end. There was a period of tension to some extent there, which was unfortunate because Bob McNamara was very fond of Bob Kennedy, too, but his job and his duty to the nation came first.

[-27-]

President Johnson tried to prove that he was just as able as President Kennedy to handle foreign affairs--which he hadn't had much to do with--and tried to centralize and run everything himself even to a greater extent than President Kennedy had done. I think this moved him in exactly the opposite direction from where President Kennedy was tending at that time. It just made it difficult that McNamara had to be part of that. That made him, obviously, privy to all sorts of thoughts and things which he couldn't repeat in the way he had been used to with Bob Kennedy during his brother's Presidency. That put him into a different position, which I could understand, but Bob Kennedy seemed to be disturbed about it for awhile. Those are the only two incidences I really recall of that sort of feeling.

HACKMAN: As the Senate years developed could you see that the President's assassination had changed Robert Kennedy permanently? I mean anything that stands out?

DILLON: Well, I think it made him much more mature, and it gave him greater patience to take a longer view on many things. This great responsibility that he felt he had for the family and so forth was a very maturing experience--not that he wasn't before, but he had many rather boyish characteristics, which in a way cultivated. He liked the image; that continued to some extent after that, but he was changed inside, I think, very much.

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HACKMAN: From your conversations with him, how did he seem to like the Senate and serving in the Senate?

DILLON: I don't think he liked it very much at all. He was dedicated to public service, but I think that he was looking beyond the Senate--but not originally for '68, which came on suddenly.

[BEGIN SIDE II, TAPE I]

HACKMAN: You were saying he hadn't originally planned to do anything in '68 from what you knew.

DILLON: No. Circumstances forced that, but I think he was definitely looking toward 1972 as a time, when he would make a try for the Presidency. I think this was always in his mind. The actual job of being a Senator, and particularly being a junior Senator who has very little influence in what the Senate does, didn't particularly appeal to him.

HACKMAN: The two things that I have in the Senate that I know you talked with him about, of course, were Bedford-Stuyvesant and the other thing was your testimony for his tax incentive bills in '67. Are there things earlier, throughout let's say '65, '66, that you can remember discussing with him?

DILLON: No. I think these were the only particular things that he talked to me about. He did talk to me a couple of times, I can't place the year or particular bill, but I know he talked to me when he stopped by on one of his boat trips in Maine and when various tax bills that were up, or other financial things of that nature, and I told him what I thought. He was obviously interested in getting that advice, but time has blurred things so I don't know exactly what the bill was or the occasion. I think there were probably two or three times he talked to me seriously about those sorts of problems.

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HACKMAN: How easily did he discuss economic policy or economics? Is that something he had an aversion to . . .

DILLON: He didn't discuss them. He'd just ask a question and you'd go on and tell him, and he'd say, "Fine. I see." I don't think he felt that he had enough of expertise to discuss or argue these matters. He might ask another question, "Why not this?" And you'd say why not, and that would be about the end of it. So it wasn't much of a discussion; it was more a coming to you with a request for views.

HACKMAN: Would he ever have his staff come to you and ask you for things? Or did he usually come directly?

DILLON: No. It was always directly, himself.

HACKMAN: On those 1967 tax incentive bills, when you went down to testify, can you remember what kinds of preparation you went through before hand? Was this preparation on your own or did you work with him and his staff?

DILLON: On my own pretty much. I was strongly in favor of at least one of them, which was the . . .

HACKMAN: Job study.

DILLON: . . .job study, incentive for that. The other part of it was not so much, but I stayed off that and stayed on the job side which I thought was a good approach and still do.

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HACKMAN: I read the testimony and some of the Senators would have liked to have had you talk more about the housing side than you wanted to, I think.

DILLON: Yes. I didn't think that I fully agreed with his approach on that, but I didn't want to cut him down on it, and I just didn't want to take much of a position on it. It's so complex, the housing area; you have to be a real expert on it, and I am not, was not, and couldn't claim to be. But I felt this other thing, the program of tax incentives to training for jobs and for hiring and all this, made sense

HACKMAN: This was a specific request from him for you to testify on this legislation. How did that come, do you know?

DILLON: Well, he'd talked to me about the legislation, and said there was a hearing, I think, and if I would testify it would be fine. I don't know quite if it was a request. He came to see me. He may have talked to me about it in Maine on a visit at first, and he called me once or twice about it, and so I said I'd do it.

HACKMAN: Did you go over it beforehand with him, what you were going to say, that you can recall?

DILLON: No. Except to tell him I was going to testify the way I did, that I couldn't say anything about it, but that I'd testify strongly on the job incentive.

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HACKMAN: Did he ever discuss with you his feelings about the Administration's response to his legislation? Or did you ever talk to Weaver [Robert C. Weaver] or Barr [Joseph W. Barr] or anyone about. . . .

DILLON: Well, I talked to Barr. I told him he was crazy to oppose the tax incentive for jobs.

HACKMAN: Did he give you a good reaction as to why he was so crazy about the issue?

DILLON: No. No. No. It was just the standard Treasury position--which is standard and which I recognized as such. So we could talk perfectly all right. The Treasury is against special tax incentives always, unless you can prove that there's some overriding reason. Well, I said I thought that reducing unemployment, particularly among the hard-core unemployed where training was essential, was clearly a sufficient overriding reason to satisfy the Treasury worries about the principle of tax incentives.

HACKMAN: Right. That was your testimony.

DILLON: Unemployment in our central cities was the overriding problem of the day, and I couldn't imagine anything more overriding than that. So therefore, they should make an exception here. However, they chose not to. But it was understandable, their position, because it was just the very standard Treasury position that has been the same through all administrations: opposition to any use of the tax system for other than pure revenue raising purposes. I'd broken with this position for the investment credit, and I certainly thought this was equally important.

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HACKMAN: Did Robert Kennedy accept it as that, or did he feel that it was White House reaction to any-thing that he put forward?

DILLON: Well, I think he accepted the Treasury position as just that because--I had explained that to him it was a fact, that the Treasury always had held to the position. But he thought that they were not using enough imagination, and also they had difficulties with the White House. This was compounded by the fact that the White House and everyone else knew this was a standard Treasury position, so it would be a thing that you couldn't very well change unless the White House was willing to hand it down.

HACKMAN: Did he ever ask you for advice on how he should handle his relationship with President Johnson, what he might be able to do to improve it or. . . .

DILLON: No. It was an arm's-length relationship. He didn't want to get into personalities about it. He didn't want to get into public confrontations about it. He just wanted to go and do his own thing and let the President do his. And he wouldn't go out of his way to attack the President; he never did. He wished him well because he was running the country, and Bob Kennedy was very conscious of the responsibilities of the Presidency.



HACKMAN: How did you. . . . When and how did you first get involved in discussions of this Bedford-Stuyvesant project?

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DILLON: Bob Kennedy came to see me.

HACKMAN: In terms of going on and acting as chairman?

DILLON: Yes. He told me what he had in mind and he had it fairly well thought out organizationally at that time. He hadn't asked me to do anything specific before this time, and I was a bit reluctant because I didn't know much about this sort of thing, about housing and that sort of problem, but I was basically much interested in doing what could be done. He felt I could help as a sort of figurehead there. [Interruption]

And so I told him that I would do this Bedford-Stuyvesant job on a temporary basis to get it launched, which is what I did. He thought that was helpful because he thought he would then be able to get some other people, to be associated with it that might not have done so otherwise. He did need someone, obviously, to be the head of it that was well-known to head it up at the start. Later on, in early 1968, I spoke to him and said that I thought my job was done, and that I was ready to leave. And he said, "Well, stay until the summer and get it through this spring," and that would be all right. And I was going to leave and Benno Schmidt [Benno C. Schmidt], who was very much interested and very able, was fully capable of carrying on because it was a going thing at that time. John Doar [John M. Doar] was there and the program was running in reasonably good shape. After the assassination, obviously, it was no longer appropriate to leave. So I stayed for about a year more than I would have otherwise, to keep the continuity going.

HACKMAN: Did you then make contacts very early with any of the other people that he wanted to have on the board to try to bring them along or . . .

DILLON: He did most of that himself. Some of them talked to me about it. "I understand you're going to be chairman. What do you think?" and so forth.

[-34-]

But I don't think I went out to make the original presentations to any of them. I was available for them to talk to and I think there were two or three of them that I did talk to in that way.

HACKMAN: Were there any--when you initially became involved--changes that you recommended in the approach that he wanted to take or that he and his staff had worked out to that point?

DILLON: Well, I think the only thing that we brought to it of any importance was a somewhat more realistic approach to what could be done. His staff was very enthusiastic, very able, but sometimes would want to go a little further

than was possible. I think they had an idea that money sort of grew on trees, and we knew it'd be difficult to get the necessary funds. But basically they did a very good job in setting up the framework of it--there was no change in this--the two separate corporations: there's a community one and a larger one that had the business interests connected with it. That system worked very well, and I think, this type of system has been copied elsewhere. This was the fruit of the idea that he and his staff had.

HACKMAN: Did you get involved in any conversations either with Governor Rockefeller or with Mayor Lindsay [John V. Lindsay] and . . .

[-35-]

DILLON: No. I probably mentioned at some point that I was very strong and he was, too, right from the beginning, that this had to be a totally non-political thing. And seeing that the way to do that was to get Senator Javits [Jacob K. Javits] into it at the beginning, he did that right away on the spot. I don't think it was treated politically at all except to some extent in the city by Mayor Lindsay. Now there was--this is probably well known--relatively bad blood between Bobby Kennedy and John Lindsay and they didn't get on at all, which dated back to the time when John Lindsay was in the Congress. I know that all the Kennedys felt that John Lindsay had gone out of his way to make unduly harsh and politically motivated attacks on President Kennedy and some of his programs.

HACKMAN: Do you remember if Robert Kennedy discussed that? Was that primarily the Civil Rights Bill? Or do you remember his mentioning other things?

DILLON: I've forgotten what the things were, but I do know he expressed to me his distaste for the Mayor. I think the Mayor undoubtedly reciprocated. So it was one of those situations, two good people that just couldn't get along with each other.

HACKMAN: Did that inhibit developments in terms of Bedford-Stuyvesant?

DILLON: I think to some extent in the beginning. I think that the Mayor was for it publicly because it was a good thing. But I don't think he gave it quite the wholehearted push that he would have otherwise, and that, naturally, was somewhat inhibiting.

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HACKMAN: Did you see other things around the city that Robert Kennedy would've liked to have done or gotten involved in where this was again a problem?

DILLON: No. I don't know of anything else. It was just this one thing and really it was simply a question of whether this was. . . . I mean I think it was all based on the Mayor's fear that this was going to be a Kennedy project. I think the Mayor

didn't think much of that, but he [Robert Kennedy], tried to get the Mayor into it. When it was first announced Lindsay was there and all, but I never got the impression that his support was more than on the surface. I think he felt that, despite everything that Senator Kennedy did and was doing to make it look like a community thing, the Senator's name was so inextricably involved with it from the beginning that it would be a political benefit to Senator Kennedy. That just wasn't very pleasing to the Mayor. On the other hand, he did want the area to be improved, so he was in a difficult position

HACKMAN: How well did the relationship between the D and S [Bedford-Stuyvesant Development and Services Corporation] and the Restoration Corporation work out? Particularly...

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DILLON: As far as I knew, it worked out pretty well. There was some problem in the beginning. I think, that it would have come to a rather difficult point if we hadn't gotten John Doar in there. The people running the Restoration Corporation just didn't want to be second-guessed by Eli Jacobs [Eli C. Jacobs] who was running the D and S Corporation. He wasn't able to get their confidence or be very tactful with them, although he was devoted to the project. Also, he had an office over here in Manhattan. Well, John Doar, the first thing he did was to close this office up and move over there to Brooklyn with them. And he always pushed Frank Thomas [Franklin A. Thomas], "It's your show," and yet he knew what was going on and was able to guide them in the ways that they needed guidance without doing it in a way that was in the slightest degree offensive to them. So the system was all right, but it needed very good people to run it.

HACKMAN: How satisfied were you and the other people on the D and S Board with Judge Jones [Thomas R. Jones] and Frank Thomas and the people over at Restoration?

DILLON: I think we were well satisfied. As far as I know, we were very satisfied with Frank Thomas, who was really the guiding hand there, carrying the working load. There's some feeling, I guess, that they, in early stages, were inclined again to be a bit over enthusiastic in the way of building up too much staff, trying to be too fancy; but they realized the facts of financial problems relatively soon, and I can say those problems were minor. The organization, the board, never really knew what went on in the Restoration Board. They had their own rumpuses and problems internally, but the net result was always all right and Frank Thomas was able to go on. So my feeling was that it was working and that was it.

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HACKMAN: What impact did Robert Kennedy have on things as this developed? How...

DILLON: He was always a galvanizer; that was all. He'd come along and say, "We've got to get going. We've got to do something," and so forth. You can go just so fast,

but it was good to have someone like that to rush you. I think he had obviously a great impact in getting funds, which were absolutely essential, from the Labor Department.

HACKMAN: Did his relationship with and impressions of the business community change out of this experience?

DILLON: Well, I think he thought there were some good business people as individuals, but I think his stenotype of businessman was probably not much changed.

HACKMAN: Yes. Would you talk from time to time about this? Would he try to convince you, or would you try to convince him?

DILLON: No. Of course, the stereotype that he talked about does exist. It was just a question of whether there were as many of them as he thought or whether there were more that were on the moderate and forward-looking side. It was really a question of degree. And I think he was coming to the view, beginning to realize, that there were more of the type of moderate, progressive, forward-thinking business people around than he realized. And I think he would have come to have a different view. He was very interested in this, and if he had made further progress in his campaign, he certainly intended to try to repair his connections with business. And I think, of course, that he was right in worrying about this as the general businessman's stereotype view of Bob Kennedy was even more inaccurate than Senator Kennedy's view of the business community.

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HACKMAN: Did you get involved here in New York or else-where in trying to correct that by bringing him into contact with people or . . .

DILLON: I think that was something that would've been done in the fall, but he was so busy campaigning at this time that there wasn't any opportunity for it.

HACKMAN: I know I think he wanted to come up and make a speech to the Economic Club [of New York] or whatever it is up there sometime after the . .

DILLON: Yes. I guess maybe. I don't remember the specific thing, but that's not surprising to me because I knew he was feeling quite strongly in this way. And of course, he felt that you couldn't govern the country or run it if you were against any group. He had nothing against them; it was more a sort of impatience at some, similar to the-way he looked at the Foreign Service in a way. I mean he had this stereotype that businessmen never thought of anything except their shortrun business interests. Of course, that's less and less true of them every day, and it was not true then. Very many of them had broad views. I think he was coming to understand that.

HACKMAN: Did you ever get a feel for where that stereotype came from?

[-40-]

DILLON: I don't know for sure. It was probably partly the academic liberal view of things. I think part of it came from some of these liberal economics professors that he had been exposed to. He never had had any contact with the business community until he got drawn into the government, because his whole life had been spent as a lawyer and counsel for this crime investigation (the McClellan Committee of the Senate); these had been totally involving things. He was young and so he hadn't had a chance to make friends among businessmen.

HACKMAN: Did you people on the D and S Board find it at all difficult to distinguish between what would be helpful to the people out at the Restoration Corporation or what they might consider to be an intrusion? Did that present any continuing problem?

DILLON: Well, this was really left up to John Doar, and I think he did a very, very good job of it. All that we wanted was to have the finances audited or controlled in such a way that everyone would know where every dime had gone. We didn't want to come a cropper like Haryou [Harlem Youth Opportunities Unlimited] and some of these other well-meaning exercises. And along with that we should do everything we could to avoid waste, although we recognized there had to be some because some experiments might not work out. We were perfectly ready to experiment and have that found out; but we warned that when we were doing experiments, we wanted to know what we were doing and stop if it didn't work. And I think that for the Restoration people, there was no real problem with that philosophically, because they realized that if this thing got into trouble financially like Haryou, it'd just blow up, that they couldn't continue. And so it was more a question of how to personally get this done; and it wasn't the philosophy of the thing. So we didn't have any problem, although John Doar may have had some in getting it implemented, but he succeeded in doing it very nicely.

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HACKMAN: How much of a problem is coordination within the Development and Services Board? Is there a problem in getting people to move together? Did you, as chairman, have any problems?

DILLON: No. This was done again pretty much through Doar and the executive people running it. The Board just watched and in certain areas where they had expertise, individual members of the Board volunteered that, or else got it from their organizations. There were people on it that represented the insurance industry, for instance, Jim Oates [James F. Oates, Jr.]. And we could deal with certain bankers. Moore [George S. Moore], the head of the (First National) City Bank, was on our board and so we were able to get people from the bank to work in, say, housing loans, FHA [Federal Housing Administration] financing, things of that nature. Andre Meyer had done considerable financing of real estate developments, so he helped in that area when it came. So different ones did different things.

HACKMAN: What about foreign affairs during the Senate period? Do you remember talking with Robert Kennedy, I guess, especially about Vietnam and as his views on that change?

DILLON: Yes, from time to time. My own views, I think, had been that the policy that the Administration was following was generally right. He did too, I guess, originally, but--I don't know about going in with ground troops; that was quite a different thing--once the excitement was passed about that, it had nothing to do with him, he was out of the government by then. I don't know just what he thought about that, but later on when it was a question of where do we go from here, I felt the Administration was right, and I think I was, maybe, to the extent we ever talked, a restraining influence on him to keep him from moving into an all-out sort of peace posture.

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Of course, everything changed after Tet. One reason for the view that I had had was the information we were given by the government as to how things were going out there, information which Tet proved to be wrong, drastically wrong, so it became obvious that some new policy had to be developed. Bob then reasoned with his conscience. I don't know what went through his mind, and he moved into the extreme peace position. And I guess he knew that I wouldn't agree with that, so we didn't have any particular discussions about it after that. My views were similar to the position that eventually emerged as Clark Clifford's [Clark McAdams Clifford] position, which was that--the name invented then--Vietnamization was something that should be tried and had a fair chance of success. And that it would require a period of time to try it, and that we should not just leave right away. But I agreed with him that we had to get out eventually and we had to put an end to it. It was just a question of mechanics and a timetable.

HACKMAN: In the earlier period when you say you act as somewhat of a restraining influence, how would . . .

DILLON: I don't know; it was just once or twice that he didn't seek me out. Once we bumped into each other on the plane flying up from Florida—I was down there and we came together, saw each other waiting, so we sat together and talked all the way up, that sort of thing. He didn't say, "What'll I do about the program? What'll I do about Vietnam?"

HACKMAN: It wasn't in regard to specific speeches that he was about to give?

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DILLON: No. It wasn't things like that.

HACKMAN: Do you remember anything else from that conversation on the plane, if that was a long one, that he had on his mind at that time?

DILLON: Well, one of these was in January of '68, I think, and he had no idea at that moment of running because he didn't see the strength of the McCarthy [Eugene J. McCarthy] movement. He, of course, didn't have any respect for Senator McCarthy as an individual, although he agreed with his position on Vietnam. He thought that the country was and the people that were for him were confusing the man with the issue. I think that one of the reasons he went in was because of that feeling that Senator McCarthy would be totally inadequate as a national, political leader, even though he had struck a chord that was very responsive. He felt that someone should be in position to carry on that chord, but in a responsible, continuing fashion. So that was his view. I think it was the New Hampshire primary results that made him come to this conclusion very rapidly to go in. His opinion of Senator McCarthy as a possible President was, I think, considerably less than his opinion of President Johnson.

HACKMAN: What did he have to say at that point about Robert McNamara's resignation? Do you remember?

DILLON: Well, I think he thought he'd been treated shabbily, thrown out and maybe thrown to the wolves which wasn't any way to treat someone who had worked as loyally and as long as he had. I think that was his view- just another one of the examples of the personal faults of President Johnson. He, meaning it or not, just couldn't seem to accomplish something like that gracefully. McNamara had to leave; maybe he did because there were differences. It could have been accomplished in a much more pleasant atmosphere than it was.

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HACKMAN: Did he mention what advice he'd given to Robert McNamara on how to respond to the . . .

DILLON: No.

HACKMAN: I take it this conversation, then, was before Tet.

DILLON: Yes. Yes. Yes. It was early...

HACKMAN: Because that's at the very end of January.

DILLON: ...early in January. This was about the 10th or 15th of January.

HACKMAN: Did he talk at all about what kind of advice he was receiving from his advisers or other people on whether he should run or not run? What kind of pressures he was feeling from any of these people?

DILLON: Well, yes, some people had talked about that. He just had no idea of running. He thought this was totally impossible because he felt that the President was

going to be re-nominated easily and then re-elected. And he thought this was a closed book. I mean I don't think he saw any real problem for the President in winning again. Political campaigns were always difficult, but, he had considerable respect for President Johnson's political acumen and had great respect for the Democratic Party as such. To him it meant a great deal not to tear the party apart for no particular reason. He thought the individual ought to subordinate himself to party interest if he was working within the party. And he just had no reason not to. It was only after the McCarthy showing in New Hampshire, after Tet--which changed all the rules about this thing--and after McCarthy's success that he changed his mind.

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HACKMAN: In talking about Vietnam, did he ever speculate about the Kennedy Administration's policy and what had gone wrong or whether anything had gone wrong?

DILLON: Well, no, but he did say, I think, a few times it came up that it had been a mistake to put in these big forces on the ground. And that was a decision, of course, that had never been faced in the Kennedy Administration. To the extent it was taken, it was taken the opposite way in the Kennedy Administration, that they'd never do such a thing. But it wasn't really taken because they'd never faced the sort of crisis that apparently the Johnson Administration was faced with in the summer of '65.

HACKMAN: Are there any further conversations then with him before he decided to run that you can recall?

DILLON: No, I think that was all. When he decided to run, that was that. I saw him once or twice after that; I don't know just where or when, but I know I did. It was not very much because he was so involved in his campaign. He was going every day.

HACKMAN: Are there other things that you can remember we haven't talked about?

DILLON: No. That's fairly complete.

HACKMAN: Any of his foreign trips? That's one thing I put down.

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DILLON: I knew he took them. I knew he enjoyed them; he enjoyed them very much. They were great successes, but our talking about it were, you know, travelogues--what happened to him. He evidently enjoyed it. He did talk about them at McLean subsequently.



HACKMAN: Were there any things that you found difficult to discuss with him, that he was uncomfortable in talking about? You know, a lot of people have ascribed to him as being shy. Did you ever find him that way on anything?

DILLON: Oh, I think so. I think so. I never tried to push him on something unless it was something he wanted to talk about, unless it was something that I felt I had a responsibility or something that was my job to take up. But I never felt that he was looking for free advice or gratuitous advice. And I did feel that I knew him well enough so that if he wanted something, he'd ask.

HACKMAN: Would he ever talk with you about things like books or sort of philosophy, ideas?

DILLON: No. I knew he liked them and had books and read books but I don't think we ever talked of them. I never read books very much, at least in this period because we were so busy; I never had the time to read books.

HACKMAN: Do you remember him ever talking about his relationship with Governor Rockefeller during the period when he was Senator?

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DILLON: Maybe that was a sensitive area because he knew I liked the Governor. But I never had a feeling that he was much against him. In our January '68 conversation on the airplane I told him that I was going to support Governor Rockefeller for the Presidency in 1968, so he knew that I was pledged there, and he felt that was the right thing to do because he said Governor Rockefeller would be better for the nation as an individual than Richard Nixon. So he saw things in the large. I don't know what he thought about who would be the strongest candidate. We never talked in those sort of terms at all.

HACKMAN: Did he ever talk to you about President Eisenhower and the Eisenhower Administration?

DILLON: Oh, not in depth, though there was a basic feeling which the Kennedy group had that President Eisenhower had not been a very strong individual and had allowed the wheels of the bureaucracy to run him. They believed in being a stronger President and so forth. I remember we did talk about it, and I praised President Eisenhower's outstanding and really unique ability to reach correct judgments on important matters of foreign policy which seemed to me to be primarily intuitive. President Eisenhower had tremendous intuition. He did not rationalize things by considering all the alternatives and talking them

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over and discarding them, but just went right to the heart of the matter and came up with the right answer. Well, the Kennedys operated in a different fashion, and so this was something that I don't know whether they accepted or believed. But it was something I believed and they knew that I felt that way about it. They, of course, had the highest personal respect for President Eisenhower as an individual, an almost overwhelming personal respect for him, which they didn't have for a lot of people. Both of them, President Kennedy and Bob in particular, had a big streak of idealism; President Eisenhower appealed to that side of them.

HACKMAN: That's really all I have.

[END OF INTERVIEW]

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