

**David E. Bell, Oral History Interview – JFK#1, 7/11/1964**  
Administrative Information

**Creator:** David E. Bell  
**Interviewer:** Robert C. Turner  
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**Biographical Note**

Bell was Director of the Bureau of the Budget from 1961 to 1962 and Administrator of the Agency for International Development (U.S. AID) from 1963 to 1966. In this interview, he compares the cabinet officers and White House staff during the Truman and Kennedy administrations, discusses the functions of the Budget Bureau and its operations during the Kennedy administration, and briefly discusses U.S. AID, among other issues.

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*David E. Bell*

Date: \_\_\_\_\_

*May 22, 1971*

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By David E. Bell

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David E. Bell – JFK #1

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First of Two Oral History Interviews

with

David E. Bell

July 11, 1964  
Washington, D.C.

By Robert C. Turner

For the John F. Kennedy Library

This is a recording for the Kennedy Library, Oral History Project, David E. Bell, the *interviewee*, was Director of the Bureau of the Budget from the beginning of the Kennedy Administration until December 20, 1962, and is now the Administrator of the Agency for International Development. The *interviewer* in this instance is Robert C. Turner, Professor of Business Economics at Indiana University, formerly Assistant Director of the Bureau of the Budget under Mr. Bell. The date is July 11, 1964, 9:50 a.m., the place is Washington, D.C.

TURNER: Mr. Bell, would you first perhaps give us some recollections as to how you first met President Kennedy [John F. Kennedy], under what circumstances, and what your first impressions of him were?

BELL: I met him in his house in Georgetown. This was after the election in 1960. I had never met the President prior to the election, and Sargent Shriver [R. Sargent Shriver, Jr.] came by our house in Cambridge and talked to my wife and me on a Monday evening. He called me the next day from Washington and asked me to come down. I did, as I remember it, on a Wednesday. This was probably the last week in November. Mr. Shriver met me and took me out to the house where the President was living then in Georgetown. We got there in the early evening. The President was talking with a man

from Missouri whom he was interviewing as a possible candidate for Secretary of Agriculture. I have forgotten the man's name. I had heard of him. He was President of the

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Farmers' Union, I think, in Missouri, and a well-known figure in agriculture. Presently the President and this fellow from Missouri came out of the living room, and we all shook hands, and the man left. Afterwards, the President turned to Mr. Shriver and indicated that he did not think that man would do at all for Secretary of Agriculture, because he was not forceful enough, not decisive enough.

We went in to dinner. The President, Mr. and Mrs. Charles Bartlett [Charles Leffingwell Bartlett; Josephine Martha Buck Bartlett], Mr. Shriver and I were around the dinner table. We talked, it seemed to me rather desultorily, about matters in general. They asked me a number of questions about my experience in Pakistan.

After dinner the Bartletts left and the President talked to me about the job of Budget Director. After a few minutes' conversation, he asked me if I was interested in it. I told him that I had in my opinion two drawbacks for the position: I had not run a substantial organization before, and I had no pretensions to acquaintance with, or influence on, the Congress. With respect to the first comment, the President said I needn't worry about that, he had never run a big organization before either. And with respect to the second, he said he and his associates had spent a lot of time in the Congress and probably could pave my way somewhat up there. I told him if he wanted me, recognizing my limitations, I would be glad to undertake the job.

I asked him if it would be alright if I retained Elmer Staats [Elmer B. Staats], who was then the Deputy Director of the Budget Bureau. The President immediately agreed.

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He said he had heard very good things about Staats. We talked briefly about a public announcement, which was arranged for the Friday of that week in the morning, and I left at a relatively early hour, perhaps 10:00 p.m., or 10:30 at the latest.

The President on that evening gave me exactly the impression that I retained throughout my associations with him. A very quick mind, a very intelligent person, interested in action. Very gracious personally; very sensitive to the persons with whom he was talking; anxious to get on to the point of the discussion, to make the decision, and to move on to the next matter at hand.

Three years later, when I was working in the Agency for International Development, I remember Bill Gaud [William S. Gaud], who is now the Deputy in that Agency, describing (this was shortly after the President's assassination) the manner in which the President came into a room, into a meeting, typically to the Cabinet Room, say, where the meeting was gathered, and Gaud described this in a phrase that I thought was very apt and telling. He said the President was always "going to meet it." The President would always come into a room rapidly, move quickly to the chair, or to the place where he was going to be. His constant attitude was one of wanting to get on with the show, and to face and act on the business at hand.



TURNER: In your early meetings with Mr. Kennedy did he give you any general guidance as to how he wanted you to approach the job as Budget Director?

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BELL: During that evening discussion at his house in Georgetown, we talked about the job of Budget Director and of the Bureau of the Budget, and I outlined to him the way I saw the role of the Budget Bureau, which is essentially as the strongest staff arm the President has in the Executive Office of the President. I told him it was my experience in the Budget Bureau under President Truman [Harry S. Truman], and very briefly under President Roosevelt [Franklin Delano Roosevelt], that the Budget Bureau should provide for a President not simply an accounting service, but a staff service in the policy field, in the sense that it had a staff that was acquainted with all the government agencies, and it should be watching on the President's behalf the policy development in all fields, and making sure that he was provided with accurate and complete advice. I told him at that time it seemed to me that during the Eisenhower [Dwight D. Eisenhower] years the Budget Bureau had degenerated into something little more than an accounting staff, and that was not my impression of what a President needed or should have from the Budget Bureau.

The President in response indicated that he agreed entirely with this, and would expect a strong staff service from the Bureau in his Administration. White he obviously was not acquainted in any detail with the exact dimensions or exact role of the Bureau, as a senator he had seen how the Bureau fitted into the general governmental structure, and as a person who recognized and who had thought a lot about the proper role of the President and the presidency in our system, he was immediately aware of the importance to him of having a strong staff service of the kind the Bureau can provide.

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This, of course, was one of the most important points about his attitude toward the presidency, and in practice about the way he handled the presidency; namely, that he had seen in the previous eight years under President Eisenhower, a passive presidential attitude, with what President Kennedy conceived to be poor results for United States interests as a consequence. Intellectually he was persuaded, and his instinct for action in any event would have impelled him, I think, to conceive of the presidency as a very strong and positive force in the United States, and since my own experience in the Budget Bureau, and my own views on the presidency and the Bureau's role in relation to the presidency were exactly in line with this, it seemed to me that our conceptions of the Bureau's role were basically identical from the beginning.

Following that first conversation at the time he offered me the job, I don't remember that we had any significant discussion about the role of the Bureau. We saw it in the same way and moved ahead on that basis.

TURNER: It might be helpful if you could spell out in a little more detail what all the role of the Bureau encompasses, because the very name of the Budget Bureau

suggests to a good many people that it is concerned solely with putting together a budget, and that when the budget is done the Bureau is done until another budget year rolls around. I don't think there is a general understanding of the wide scope of the Budget Bureau's activities as you saw it, and as President Kennedy saw it, and it might be helpful if you could put in here a little description of that.

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BELL: Okay. As you know, having worked in it yourself, the Bureau's responsibilities include the preparation and control of the annual budget for the President, and assistance to the President with respect to improving the management and efficacy of operations of the government. Thirdly, the Bureau assists the President in controlling the presentation of Executive Branch attitudes to the Congress regarding pending legislation. And fourthly, the Bureau attempts to improve and standardize and raise the quality of the statistics which are prepared by all the government agencies for public use.

I might say a word about a couple of those. The fundamental job, of course, is that of budget preparation and control. This was where the Budget Bureau started in the early 1920s. It is a job which is built around the annual budget presentation to the Congress, but also includes the apportionment of appropriations once they are voted by the Congress. Because the budget job has been conceived ever since Harold Smith's [Harold Dewey Smith] day in the late '30s as a job for reviewing the proposals and plans of the different government agencies, and the consequent requirements for funds, the Bureau has had to build a staff—which it has done, a very excellent staff—that is thoroughly familiar with the programs of all the government agencies and that is competent to consider the merits of alternative changes in programs. It is not a staff of accountants, it is a staff of generalists, many of them with economics or political science in their backgrounds, many of them with experience in different government agencies. And because they are

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competent to deal with policy and program issues, they are also competent to participate in policy and program formulation.

The basic staff of the Bureau is organized in terms of the subject matter fields of the organization of the Executive Branch, so that there is a defense section of the Bureau, an international section, a labor and welfare section, a natural resources and agriculture section, and so on. People in those parts of the Bureau are thoroughly familiar with all the programs of government, they are competent to discuss policy issues, they constitute an effective and immediate system of communications where needed, and therefore they form an automatic and natural staff for not only the Budget Director, but for everyone in the White House and in the Executive Office of the President.

If used well, as we tried to use it during the Kennedy years, the Budget Bureau is a resource which is drawn upon as new proposals are put together for presentation to the Congress, as the presidential messages are prepared in different fields—transportation, education, health, foreign aid, and so on. In this sense, when given an opportunity to do so,

and when desired to do so, the Budget Bureau staff can serve a president and his associates very broadly and very effectively.

Now as to the functions of the Bureau. The function of keeping track of the Executive Branch position on pending legislation on the Hill, and informing departmental witnesses whether what they are about to say is in accord with the program of the President, and trying to straighten out arguments between

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different Executive Branch agencies as to what the President's attitude ought to be on a given piece of legislation introduced by some Senator or Congressman, this area of responsibility fits exactly into the role I have just been describing, and is an integral part of it. Indeed, the way the White House and Executive Office were organized under President Kennedy, the Legislative Reference staff of the Budget Bureau, under Sam Hughes [Philip Samuel Hughes], was in effect an additional arm for Ted Sorensen [Theodore C. Sorensen], who was in charge of the legislative program for the President. The same arrangement was true also in the Truman White House. The budget function and the legislative reference function formed a basis for continuing participation by the Budget Bureau in most of the pending policy matters.

The organization and management functions of the Budget Bureau are by their nature less intimately and immediately involved in White House policy and program activities. They are very important and valuable services for a President, but they look more toward the operations of the Executive Branch and less toward policy and program formulation.

TURNER: Dave, the kind of role for the Bureau that you have been describing really raises a difficult problem of relationships with the Bureau and the Cabinet officers and the top staff people in the Cabinet offices, with possibilities of conflict and resentment on the part of these Cabinet officers. Would you describe how this was worked out while you were Budget Director?

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BELL: Yes, the point is entirely correct. If the Budget Bureau is used as I was just indicating, it necessarily means that the Bureau is involved in the business of every executive agency in town, and could easily, if not handled well, result in Cabinet officers resenting the role and participation of the Budget Bureau. And it could easily result in Cabinet officers trying to go direct to the President and asking him to sign off on something without permitting the Bureau, or other elements of the Executive Office, to be consulted ahead of time. By and large—I would say it much stronger than that—during the Kennedy Administration there was very little of that. This was the result of several factors.

First of all, it was the result of the fact that I, as the incoming Budget Director, was one of the first persons designated by the new President, and I actually reported for work in the early days of December 1960. There was an office provided for me in the Budget Bureau, and using that office as a base, we organized a careful system of discussions and briefings with each of the new Cabinet officers and agency heads as they were named. During those

briefings and discussions we went into major questions of policy and organization of their offices so that right from the first time I met with each of the new officials of the Kennedy Administration it was natural for us to talk about issues of substantive policy and program.

Secondly, Ted Sorensen—who became the strongest man in the White House on all matters except foreign policy, where McGeorge Bundy was the principal figure—was the leading figure in the White House on policy and program

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development. It was immediately apparent to him how valuable it was to the President to have the kind of staff service from the Budget Bureau that I have described, so that the views of a cabinet department could be double-checked, and if found to be in any sense *ex parte*, or unbalanced, the Budget Bureau comments could make that plain. The President, himself, I believe, came to understand this value. I don't think the President saw it too clearly in the beginning. His instinct for quick action and his own experience in the Senate where he had had to deal with a wide variety of subjects and make up his own mind on them, frequently rapidly—that experience, plus his own quick way of doing business, led him to be prepared, particularly in the early days, to meet with a Cabinet officer to discuss a problem, reach a decision on it, and tell the Cabinet officer to go ahead, even though adequate staff work might not have been performed. However, through the efforts of Sorensen and the rest of us, there were very few bloopers which resulted from this kind of action, and when we talked to the President about this, he always saw immediately what the problem was and he always agreed to arrangements which would improve the situation.

For example, one of the mistakes that was made in the early days—well, perhaps not a mistake, but one of the actions which was taken without proper procedures—was a decision by Orville Freeman [Orville Lothrop Freeman], Secretary of Agriculture, and George McGovern [George S. McGovern], Director, Food for Peace Program, to buy, as I remember it, \$75 million worth of soybean oil, or some kind of oil, using CCC (Commodity Credit Corporation) funds. They talked to the President about this and the President gave them some kind of an informal go-ahead, and they announced

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it to the press immediately, and it was a *fait accompli*. Well, this was at a time when we were seeking to restrain very tightly, and certainly to review very carefully, any increases in expenditures about the budget which President Eisenhower had left behind. I remember writing a special memorandum to the President on this point, and talking with Orville Freeman, Sorensen, and Mike Feldman [Myer Feldman] about it, and nothing like that happened again. However, this particular problem of making sure that adequate staff work was done on decisions related to agriculture price supports was not fully solved until late in 1961 when we worked out, under the President's instructions—by that time the President had begun to realize how easily the agricultural expenditures could zoom upward—we worked out an arrangement under which, before the Secretary of Agriculture made any decision which affected agriculture expenditures in a major way, he would give us a week's notice, and put a specific proposal before us, that is to say before Mike Feldman, on behalf of the

White House, the Budget Director, and the Chairman of the Council of Economic Advisers. We reviewed these proposals on a very restricted basis, because you have to keep such decisions very private; they may affect the commodity markets if there is any leak. But thereafter this formal arrangement was followed, and if we were not able to work out an agreed decision, then of course the matter was taken to the President for settlement.

Coming back to my main point, in addition to the elements I have mentioned, the final point which is very important to recognize, which contributed to rational decision-making processes, was the character, the personality, of the

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individuals whom the President had selected for his Cabinet. Each of these persons, obviously with personal variations to some extent, but nevertheless each of the persons the President selected for his top officers was characterized by a willingness to look at substantive issues in a rational manner. I have always assumed that this was a reflection of the President's own judgments of individuals. But in any event, if you look at his Cabinet and his top agency heads, they were distinguished by their rationalism, by their interest in the logic of a position and an argument, by their breadth of interests, including academic interests, so that it was natural and proper for men of this kind to face policy and program issues on a basis of discussing the substance of the matter. And in such an atmosphere it was reasonable and feasible for the President's staff, including the Budget Bureau, to participate appropriately in making sure that all of the aspects of a given decision were examined and laid out on the table.

For all these various reasons it was not difficult in the Kennedy Administration to make sure that the President received completed staff work and was exposed to the points of view of everyone in the Administration who had something useful to contribute before a given issue was settled.

TURNER: Now you are not implying by this that the heads of the several agencies were not pretty much biased in favor of the objectives and purposes and aspirations of that Agency—they were still advocates. What you are saying is that they were responsible and reasonable advocates.

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BELL: That is exactly right. Orville Freeman was a strong advocate of an expanded program in the agricultural field; Stewart Udall [Stewart L. Udall], Secretary of the Interior, was continually pressing for expanded conservation and development of natural resources of the country, and so on. Each of the Cabinet officers were strongly persuaded of the significance and importance of the work he was doing. But they also, all of them, understood that a President's perspective necessarily was broader than that of any of them. And in consequence it was proper and appropriate for the President to weigh their proposals against the other demands that he faced, whether it was in terms of money, budget, whether it was in terms of attention, prominence, and emphasis, they were all prepared to fit into the President's framework as he laid it down.

Now it's important not to exaggerate the points I have just been making. There were individuals in the Administration who were not nearly as easy to deal with as other individuals in the Administration. Jack Gleason [John S. Gleason], for example, the Veterans Administrator, was, on occasion, fairly difficult to deal with. So was Luther Hodges [Luther H. Hodges], Secretary of Commerce. So was Bernie Boutin [Bernard Louis Boutin] of the General Services Administration. But with most of the Cabinet officers, most of the time, it was a great pleasure to confront an issue of public policy, because both they and we were interested in confronting it on the basis of adequate staff work, and on the basis of rational logic.

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TURNER: I think it rather significant that there were very few changes in the top echelons of the Kennedy Administration, indeed even to this day. Probably fewer than any recent Administration in my memory at least which would seem to indicate that there was a mutuality of understanding there that was somewhat uncommon.

BELL: Yes there was, and I am sure that all of us shared the feeling that Mrs. Kennedy [Jacqueline Bouvier Kennedy] expressed after the President's death when she referred to the lines that the President liked to hear from the musical "Camelot." We all had the feeling that we were privileged to be members of an extraordinarily able, public-spirited, and forward-looking group of people, working on issues of utmost seriousness, issues that would affect the public interest in the gravest possible manner, and doing so in an atmosphere, and for a President, which together made a setting that was as favorable as one could possibly expect—indeed, more favorable than any of us would expect to find repeated ever again. I am sure the feeling was widespread through the Administration, as certainly I would express it, that this President and this Administration made an environment for doing useful work on national matters as favorable an environment as one could possibly ask for—favorable in the sense that I have been describing here, that the people you were working with you respected, and were able to deal with rationally and effectively, but also, a favorable environment in the sense that there was a great respect and liking among the people in the Administration. All of us had an enormous personal feeling toward the President and our colleagues.

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Now there is another element also which is important here. The President believed in public service and in politics. His whole life and his commitment to the public service were contagious in the sense that he believed in government—believed in the things the government had to do for the nation. He had been elected having made it plain that he wanted to be President because he thought of the presidency as the active center of initiative as far as public matters are concerned in the United States, and he naturally attracted people who shared that view. The people who came to work for him did not come thinking of themselves as being on leave briefly, and doing an uncomfortable and unpleasant chore—picking up a

burden which they would be happy to lay down as soon as they could. Quite the contrary. The people who came to work in the Kennedy Administration, with few exceptions, came with the view that they were being given a privilege and an opportunity to do something constructive and useful, and they came with the expectation of staying at the job for some time.

I remember when I went to the President's house in Georgetown on the morning of the announcement of my appointment, I was waiting for him in the living room, and my eye was caught by a letter lying open on top of a pile of magazines on the coffee table. It was a letter from Bob McNamara [Robert S. McNamara] accepting the President's offer to become Secretary of Defense. That letter impressed me deeply at the time, and still does. It was a short letter, on one page. It recounted one or two agreements that he and the President had come to in their discussion earlier in the week, which had to do with the fact that McNamara would make his own selection, obviously subject to the President's approval, of his

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colleagues to work with him in the Department of Defense, and that he would not be expected to present a major reorganization of the Department of Defense, at least for the first year, until he himself had examined the situation to see whether he thought one was necessary. But then the letter concluded with a paragraph that said in effect, "if you and I are in agreement on these understandings, then I am prepared to accept your offer to become Secretary of Defense, and to remain in the job as long as you wish me to stay." This was in November, 1960. It was perhaps more startling and more impressive then than it is today. We had just been through a series of years with President Eisenhower in which there had been a succession of businessmen coming into the government explicitly and openly on the basis that they would come in for a year and a half, or two years, but no longer; and for Secretary McNamara to state his anticipation of coming in to stay was very impressive. And it was, I am quite sure, typical of the attitude of virtually all of those who came into the new Administration.

TURNER: Dave, so far we have been discussing chiefly the role of the Bureau of the Budget and of the Cabinet members and other heads of agencies. I think it might be appropriate at this point if you would discuss to some extent the role of the President's immediate assistants, the White House Staff. These people, whom President Roosevelt once described as men with a passion for anonymity, are not well understood in the public's mind, and possibly by historians, and it might be helpful to indicate the role which these individuals played in the Kennedy Administration.

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BELL: Yes, I would be glad to. It's perhaps easiest for me to start sort of chronologically. When the President-elect began naming his associates it became plain that he was going to rely in the White House heavily on many of those who had been associated with him when he was a senator. Those of us who came in fresh, I think, could understand this position. We were naturally uncertain about it to begin

with, but I think all of us felt, as I certainly did, as we came to know these men, that the President was right, not just because he had known them before, but because they were extremely able men. They, and the others who were brought into the White House as time went on, were divided roughly along the following lines: Sorensen was certainly the number one figure, although he was youngest in age. I might say at this point that my own opinion of Sorensen is extraordinarily high. I think perhaps he is the ablest government officer I have ever seen. And I intend that statement exactly, and I do not exclude such people as Marshall, Clifford [Clark M. Clifford], McNamara, and many others whom I regard most highly. But I simply think that Sorensen is an absolutely extraordinary person.

He became in the White House primarily the person who was responsible for assisting the President in developing his policies and his programs, and expressing those policies and programs in messages to Congress, in speeches, and in other forms of public statements. In a sense, the role that Sorensen played was almost precisely that which I had seen played by Charlie Murphy [Charles S. Murphy], and by Clark Clifford, in the Truman White House, and which I understood had been

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played by Sam Rosenman [Samuel I. Rosenman] at least in the latter years of the Roosevelt White House. There is presumably some element of requirement, from a President's point of view, for somebody to do the kinds of things that Sorensen did for Kennedy, and Murphy and Clifford and for Truman. In other respects, of course, the individuals involved were very different indeed.

Sorensen had working for him directly, Mike Feldman and Lee White [Lee C. White], both of whom are also extremely able people. All three of these were number one men in their law school classes when they were students, and had the sharp, fast, accurate intelligences that you would expect from such backgrounds. But the thing that was the most impressive about Sorensen was his balance of judgment. He seemed to me almost uncannily able to weigh violently conflicting advice, extremely complicated substantive arguments, extraordinarily controversial issues, and cut through to recommendations for action which—I don't mean I necessarily invariably agreed with them—but they certainly averaged higher than the recommendations of anybody else I have ever seen in government.

In addition to this, Sorensen had the ability to operate at fantastic speed in obtaining and mastering material and in preparing drafts for the President's use, whether they were speeches, or messages to Congress, or whatnot. I was especially impressed by this, perhaps because during the Truman years as a White House staff member I had participated in the development of lots of documents, speeches, messages to Congress, veto messages, and so on,

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and the typical time intervals were fairly long. That is, for days we would have numerous drafts which would be argued about, and circulated, and discussed, and then brought to final form for President Truman's consideration, and frequently, of course, rewritten substantially, or redrafted in accordance with his views, after that.



But the typical pattern in the Kennedy White House with Sorensen doing the operating was for material to be gathered, meetings to be held to discuss substance, and then Sorensen would turn out a draft in an incredibly short period of time for the President to work over, and to sign off on, and to send the message or make the speech. Frequently, from the time Sorensen first started a draft until the President's message went to Congress or the speech was made, could be 48 hours or less.

This meant that Sorensen drove himself inhumanly, particularly in the early days of the Kennedy Administration when the President wanted to get before the Congress a legislative program which covered a lot of fields—national defense, education, health, natural resources, foreign aid, and so on. During that period of time in late January, February, and March of 1961 when Sorensen was producing all these messages, there were several occasions on which he worked all night and through the next day in this process. Whether he could have better organized his own time and that of the rest of us who were working with him on these matters is a moot question. There was a terrific amount to be done and everybody was working extraordinarily hard and long during that

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period, and the results, I think, were of very high quality. It required extraordinary energy on Sorensen's part, but he had that extraordinary energy. This is all a diversion on Sorensen as an individual.

Incidentally, another very sharp difference between the way Sorensen operated this role, and the way Murphy and Clifford did in the Truman White House, was that under Sorensen the actual drafting job was very heavily an individual job. It bothered him to have others sitting around while he was writing. In the Truman White House, the messages, drafts, and often the speeches too, were very much collegial products and the typical pattern was for several of us to be working on a draft jointly, whereas Sorensen would have regarded this as an enormous waste of time. While he wanted and held adequate meetings to discuss issues that needed discussion, he also worked very extensively from written material, and the drafting itself was essentially a solitary process.

Sorensen was a towering figure on the Kennedy White House staff. My own impression is that he became steadily more useful to the President as he learned more about the various substantive fields that the President had to deal with, and particularly as Sorensen became more involved in foreign policy matters.

At the beginning there was a very sharp distinction between Sorensen and Mac Bundy and this was, as a matter of fact, at one stage so sharp, and it seemed to me so risky, that I endeavored to bring Sorensen and Bundy together

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every now and then to review matters on which we all were working. My essential purpose in this was to try to establish a closer communication between Bundy and Sorensen, and to some extent this was successful. Also to some extent this took place naturally as they became acquainted through working in the same White House, for the same President, frequently on the same issues, and so on.

But there was a time, and this must have been in the early months, when I proposed, and they agreed, that we should have informal meetings, just the three of us, once a week or thereabouts to review the matters that were then before the President and were coming up for further consideration. I was motivated in this in part to try to make sure that Sorensen was included in foreign policy matters.

The only point that I have to contribute to the history of the first Cuba affair, the invasion of the Bay of Pigs, was the fact that Sorensen was not involved in that ahead of time. I know this because Bob Macy, who was head of the International Division of the Budget Bureau at the time, and in that capacity handled the budget for the CIA, as he had done for the previous eight or ten years, was aware of the development of the idea of the invasion of Cuba by the Cuban exiles supported, aided, and trained by the CIA. He had been aware of this when it was begun under the Eisenhower Administration, and he was aware of it as it continued under the Kennedy Administration. At some stage in the spring of 1961 he told me about this plan, and his purpose in doing so was

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to warn me that he thought it was a poor plan with little chance of success. As it turned out, Macy was exactly right. He was doubtful about it in part because he had seen a similar effort—a different CIA operation—fail in Indonesia during the middle '50s.

Macy told me about this, as I say, sometime in the spring on 1961. I do not remember how soon, but at some stage thereafter, and I think fairly soon after Macy told me about this, I raised the matter with Sorensen and Bundy at one of our informal three-man discussions. Bundy knew all about it but Sorensen did not. Sorensen in effect said “what’s this all about? Is this really a good idea? Are we sure it’s going to succeed?” He expressed some concern and doubt and skepticism about it. I think by this time there had been a little indication in the newspapers of some of the training activities that had been carried on—particularly in the southern part of the United States. Bundy told us that on the day we were talking about this, it was already too late to stop it; that the orders had been given; and that the final stages of the plan were being carried out. If I had to guess, I would guess that this meeting was perhaps on a Friday, and the invasion itself took place on a Sunday, or some interval like that. But the key point is that this was evidence that Sorensen had not been involved in the planning and decision-making to go ahead with the Cuba invasion.

Dick Neustadt [Richard E. Neustadt], incidentally, has since told me that he is not at all sure that Bobby Kennedy [Robert F. Kennedy] was involved in the pre-Cuba invasion planning either.

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It was after that invasion, and the failure of it, that the President asked Bob Kennedy and Max Taylor [Maxwell D. Taylor] to review the handling within the government of this sort of activity, which the CIA was primarily responsible for. And after that episode it seemed to me that the President involved both Sorensen and Bob Kennedy increasingly in the foreign policy decisions, and it seemed to me that this was a very wise and proper thing for him to do.

Now having said this, I do not want to leave the impression that I do not rate Mac Bundy highly. I rate Bundy extremely highly. Next to Sorensen he was certainly the ablest man in the Kennedy White House, and one of the very ablest in the Administration. I don't even know what his position was on the merits of the Cuban invasion. Presumably he had been persuaded, as the President had, by the Secretary of State [Dean Rusk], the Secretary of Defense, the head of the CIA, and the Joint Chiefs of Staff, that this operation was sensible; that it had been well prepared, and the odds were good that it would succeed. That advice turned out to be wrong. I don't know that Bundy shared in giving it to the President. I think he probably did.

But in any event my observations and impressions of Bundy were and are extremely favorable. I think he is an extremely able man who was very valuable to President Kennedy. Bundy filled a role in the White House which had not been effectively filled in the Truman years. I think it would probably have been helpful to President Truman if he had someone in the White House with as significant a role as Bundy had under Mr. Kennedy. Bundy had a

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staff—not a large one, but a very able one—which he gradually built up, including Carl Kaysen for a couple of years, Mike Forrestal [Michael V. Forrestal], Bob Komer [Robert William Komer], Bromley Smith [Bromley K. Smith] whom he inherited from the Operations Coordination Board of the Eisenhower Administration.

The substantive work in the Kennedy White House centered around these two men, Sorensen and Bundy.

The other focuses of activity in the Kennedy White House including Ralph Dungan [Ralph A. Dungan], who did most of the work on the top appointments following the first few months of gathering the new Administration, when Dungan had been only one of the persons involved. Sarge Shriver had done a great deal of it and so had others. But once the new Administration began to settle down, Dungan was the principal person who worked on personnel appointments, that is presidential appointments, personnel matters of that magnitude. This was a role, incidentally, which again one finds being performed in any President's White House. A President needs personal, direct staff assistance in reviewing and considering major appointments.

A fourth focus of activity was, of course, Larry O'Brien [Lawrence F. O'Brien] and his staff, which grew to three or four people—Henry Wilson [Henry Hall Wilson], Mike Manatos [Mike N. Manatos], Claude Desautels [Claude John Desautels], Dick Donahue [Richard K. Donahue]. O'Brien was the legislative liaison man and a first-class operator in that field. O'Brien's role was again very different from the Truman White House. In the latter days of Mr. Truman's Administration he had a liaison man with the House, and one with the Senate—Colonel Mara and Joe Feeney. But neither of them was then anywhere near as capable as O'Brien

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and they did not conduct an office with the effectiveness the O'Brien office displayed.

And finally, of course, there was Kenny O'Donnell [Kenneth P. O'Donnell] who was the President's appointments secretary, meaning that he handled the President's visitors, his schedule, and his calendar. O'Donnell, in my observation, while the most quiet and unobtrusive person imaginable—so close-mouthed as to be way beyond the description “taciturn”—almost uncommunicative—was, I believe, substantially influential with the President on quite a few issues, in the sense that he would quietly weigh in on one side or another of an argument that was pending. In the few cases that I knew about this, it seemed to me that he was weighing in on the right side.

My own view of this White House staff (and four of the five key men in it were men whom the President had brought with him from the Senate, that is Sorensen, O'Brien, O'Donnell, and Dungan—Bundy was added) was that it scintillated with talent and ability, political experience, and judgment on national issues. It was a staff that any President would be very fortunate to have working for him.

I have indicated already that the way this staff was organized and operated struck me in many respects as astonishingly parallel to the way the Truman White House staff was organized and operated. I think this reflects to a considerable extent the natural demands that the Presidency places on a person.

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He needs someone like O'Donnell, or like Matt Connelly [Matthew J. Connelly] in the Truman years, to be responsible for organizing his daily schedule and his calendar and his future plans for trips and so on.

He needs somebody like Sorensen, or under Mr. Truman, Murphy and Clifford, to assist him in developing his policies and program and stating those policies and programs in the documents and on the occasions that the President uses to put forward his ideas.

He needs someone like Dungan, or like Don Dawson [Donald S. Dawson] in the Truman White House, to act as a personal staff man on personnel appointments.

He needs someone in the foreign policy and national defense field of the Bundy type, although this was a function not as clearly defined in the Truman White House. Nevertheless, there were some forerunners of it—President Truman used Bob Dennison [Robert L. Dennison], his Naval Aide, and before him Admiral Leahy, who had been Roosevelt's personal Chief of Staff, so-called, and stayed on into the Truman years. For a while President Truman used George Elsey [George M. Elsey], who had been Assistant Naval Aide as a military officer during World War II and stayed on to work under Clifford. As a matter of fact, Clifford came out of the Naval Aide's office at the end of World War II; that was how he and Mr. Truman became acquainted. Mr. Truman, to some extent, used the Naval Aide's office throughout his administration for some of the kinds of substantive activity that are now handled, or were handled under Mr. Kennedy, by the Bundy office. President Truman also used Sidney Souers [Sidney W. Souers] as a sort

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of Special Assistant in the Intelligence and Atomic Energy fields from time to time. While there wasn't the single focus of the kind that Mac Bundy and his office provided under Mr.

Kennedy, Mr. Truman nevertheless did have some White House staff assistance in these fields.

Mr. Truman, of course, also had a kind of second focus for substantive policies and programs. That was John Steelman [John R. Steelman]. The Steelman office existed because there had been during the war an Office of War Mobilization, which later became the Office of War Mobilization and Reconversion, and this had had a staff and it contained a number of good people, including the interviewer in this dialogue. In consequence, Mr. Truman was blessed, or in some instances was hampered, but normally speaking was blessed in my observation, by having substantive program and policy assistance, both from the Clifford office and from the Steelman office. There was nothing parallel to the Steelman office in the Kennedy White House. In effect, the functions that had been performed both by Clifford and by Steelman and their assistants were performed by Sorensen and his group in the Kennedy White House.

As far as Congressional liaison was concerned, President Truman did not have as well organized and disciplined and effective a Congressional liaison staff as the O'Brien office under Mr. Kennedy. Indeed, I think Mr. Truman would have been well served had there been such a group, because looking back I think that part of the difficulty Mr. Truman had was that he was overly influenced by people who were very intelligent and effective on policy matters, but who did not take full account of the attitude and atmosphere in the Congress.

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In consequence, Mr. Truman, I think, to some extent put forward a series of policy and program proposals which really had no chance of success with the Congress that he had. Now this obviously is a complicated and difficult field and I won't go into it further here.

Well, I should go on to make just one additional comment on this point. The O'Brien office provided for the President a continuous flow of information on how the people in the Congress were feeling about current issues and about different matters. This was extremely valuable. Any president who wants to have a positive impact must provide leadership for the country in the sense of putting forth proposals and ideas which constitute forward movement. Therefore, any president of a positive and forward-looking nature will have to put forward programs and policies which are not the conventional wisdom in the Galbraith [John Kenneth Galbraith] sense, and will not necessarily represent what the Congress would do if left to its own devices. Quite the contrary. The President has to stay ahead of the Congress and keep leading them and prodding them and proposing things which are difficult for them to do. But I think a president can be effective only insofar as he can bring the majority of the Congress along with him, and therefore there must be a constant interplay in a continuing delicate series of judgments as to how far the President can afford to get ahead of the sentiment in the Congress.

There were many illustrations of this in the Kennedy years. One of the most complicated, and indeed, one about which I certainly do not know the full details, was in the field of education, where it was extremely difficult to bring

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consensus out of the many conflicting views in the Congress, because of the issue about parochial schools which was so awkward to handle—inherently that is, and not particularly because the President was a Catholic. The President was accused frequently of trimming his proposals too narrowly in the hope of winning a majority in the Congress. My own feeling looking back is that the President's early proposals in the field of education were probably too sweeping and he was too far ahead of the Congress.

After a couple of years of trial and error, and when Frank Keppel [Francis Keppel] came in as Commissioner of Education and began to work effectively with the Congressional leaders in the education field, a basic pattern was worked out under which it has become feasible to pass a series of education bills each dealing with one aspect of the problem. This has proven to be an effective way to advance the generally desirable objective of providing more federal funds for education. Some things have been lost in the process that would have been gained had it been feasible to have legislation providing generally for elementary and secondary schools. But that has so far proven to be an impossible objective in legislative terms.

What I am essentially saying is that it was valuable and helpful for President Kennedy to have an O'Brien office, and President Truman suffered from not having an O'Brien office to keep him as intimately advised as the O'Brien office kept Kennedy on current attitudes and sentiments of the members of Congress.

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Now, therefore, in one sense, as I say, the Kennedy White House staff was remarkably parallel to the Truman White House staff in the respects I have indicated. But I think the Kennedy White House staff was a substantial improvement on the Truman White House staff. I think of this improvement more in organizational terms than in personnel terms, because I think that the Truman White House staff was also an extremely able group of men who provided very competent staff services for that President. Obviously there is a personal bias in this judgment—in both cases—which would need to be discounted.

There is another characteristic about the Kennedy and the Truman White House staffs which I think is very significant, and it differs sharply from the attitude that President Eisenhower had. I suspect that it comes from the fact that both Kennedy and Truman had been senators. This is the nature of the relationship between the White House staff and other senior members of the Administration.

There was never any question in either the Truman or the Kennedy White House that the President's relationship with his Cabinet officer and heads of independent agencies was a direct and personal one. Nobody on the White House staff ever thought of himself, nor did either President ever think of the people on the White House staff, as forming an echelon or layer between the President and his top officers.

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The President could, and both Presidents Kennedy and Truman frequently did, communicate with his top officers, cabinet officers or others, through somebody on the White House staff. This was a matter of a communication channel, and not a command

channel. Any Cabinet officer in either Administration knew that he could take an issue directly to the President any time he wished to and frequently did.

The relationships were direct and continuous. The Cabinet officers and agency heads in the Kennedy Administration not only submitted frequent documents, memoranda—including for a long time at least, on the President's request, weekly summaries of what they were doing, what issues were coming up, and so on—but they were continuously in conversation with Mr. Kennedy. The President used the telephone a great deal directly to his top Cabinet officers and staff officers, and by and large there was a feeling of immediate participation by the Cabinet officers and agency heads in the President's thinking, in the development of his ideas, and in the processes leading up to decision and action. This was also true in the Truman White House, as I say.

My impression is that in the Eisenhower White House there was a different flavor and atmosphere, and this no doubt stemmed from President Eisenhower's experience in the military life. He apparently thought of Sherman Adams, while Adams was in the White House, as a Chief of Staff, and people submitted things to the President through Adams, and the process from the standpoint of Cabinet officers and agency heads was in truth a layer or

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echelon process. This must have made quite a difference in the pattern of the operations of the White House, and of the agency heads and Cabinet officers.

Another aspect of this point is that neither Mr. Kennedy nor Mr. Truman used Cabinet meetings to any extent as major decision-making occasions. I think President Truman may have had more Cabinet meetings than President Kennedy, but neither of them used them extensively for advice on substantive matters. Both of them preferred, and in the Kennedy Administration this was explicitly made clear as part of the standard operating procedure, to work with ad hoc groupings—as small as possible—on whatever the subject matter was.

President Kennedy did not use either his Cabinet or his National Security Council in the same formal way that President Eisenhower evidently did. When President Kennedy had an issue to settle, it was his desire to learn about it by reading documents, by talking to people, and, when it was appropriate, to have a meeting, which was usually at the stage just prior to his making the decision. The particular people who needed to be involved were called together. I was in many such meetings, not because I was a formal member of any body or group, but because it was appropriate that the Budget Director be present when the particular matter, whatever it was, was being discussed. The President, therefore, had about him, when he thrashed out a problem just before making a decision on it, the people who were most directly concerned and who had analyzed the problem

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He normally did not make and announce his decision in that group if it had much of a formal character about it. At some of the smaller meetings in his own office, when we would be gathered around his rocking chair, he would often make his decision on the spot, and it would be executed upon his instructions. But if there was any element of formality about it, as was frequently the case with issues of foreign policy, and if he had a meeting at which the

Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and others of that stature had been present, and there had been an argument over some significant issue, it was more frequently President Kennedy's practice to end the meeting without a formal decision. Sometimes he would take the Secretary of State, or Defense, or both into his office afterward and talk further privately and perhaps indicate a decision. Or he might simply take the matter under advisement and later in the day, or within a brief period, would let the key people involved know what his decision had been. This process meant that it was very important to capture what the decisions were and it was to meet this need that the NSAM device (National Security Action Memorandum), which recorded decisions and placed responsibility for action follow-up, was developed by Mac Bundy.

The NSAM process is quite different from what was followed in the NSC during President Eisenhower's years, as I understand it, when there would be a staffed-out proposal for action in great detail with layers of back-up documents. The President, with his NSC formally gathered around, would review the proposals and normally approve the document that had been drawn up for his

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signature, which represented the course of action that was recommended to him.

Nothing could have been more radically different from the system followed by President Kennedy. He was interested in documents that presented not an agreed proposal for him to sign off on, but in documents which presented, vividly and forcefully, opposing points of view, and clarified the issues that needed to be considered.

He wanted to participate in the process of reaching a decision. He did not want simply to be the fellow who ratified the decision once it was taken.

Everything about his Administration reflected his interest. You had the feeling all the time you were working on a problem that he was simultaneously working on it. And he might indeed be asking questions, or asking for material which would lead to a later decision, long before the staff involved, the officers involved, had prepared and were ready to present to him their recommendations.

The President was an active participant in the intellectual process that led to decision, and everyone in the White House and all the top officers who reported to him were affected by, and participated in, this same process. Among other things, it meant that you had to be fairly fast on your feet or you might find that the President had been through the question in his own mind and pretty well reached a conclusion before you ever opened your mouth on the subject.

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At this point it might be useful to make a point which I referred to earlier more broadly. President Kennedy was not a man who liked to depend on a single channel for advice. He mistrusted advice that came to him from a single source. I think this was a natural and instinctive reaction on his part. It may well have reflected his experience in the Senate.

This attitude was confirmed very dramatically by the experience of the first Cuban invasion, because on that occasion, and in that instance, he plainly did depend on the officers



who were directly responsible—not just the CIA, but the Secretary of Defense, the Joint Chiefs of Staff, the Secretary of State, and McGeorge Bundy. These were the people who were responsible for various stages of the problem, and their recommendations were unanimous, and were followed, and were wrong. And I am sure that one of the results of that episode was to confirm in the President's mind the importance to any President of having advice from persons who were in a position to know what the issues were about, but who were not related to the hierarchy of the officials involved, and who were in a position to look skeptically, indeed caustically, at the normal results of the bureaucratic process.

As I indicated earlier, I believe myself that it was following the Cuban episode that it became clear to the President that he needed advice from people like Ted Sorensen and his brother Bob. He needed to be sure that they were in a position to cross-check what came to him through the normal channels of

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responsibility. And I believe I am correct in remembering that invariably thereafter at the meetings I attended, and there were certainly many that I did not, but the ones I did attend of the Security Council or its equivalent, Sorensen and Bob Kennedy were present. They normally sat, not around the Cabinet table, but back against the wall. They were very unobtrusive, but they were there.

In the meetings I am referring to, which would take place say on the subject of how to handle Indonesia, or Vietnam, or some other foreign policy issue of significance, where Bob Kennedy and Ted Sorensen were present, they typically did not participate extensively in the conversation. But I am sure that the President communicated with them as far as he wished to do so before he actually made his decisions.

Another element in this same general area that is worth commenting on is the inadequacy which President Kennedy found in the Joint Chiefs of Staff. I am in part drawing in making this comment on an experience which I myself saw at an early stage in the Kennedy Administration, before he had fully worked out the method by which he wanted to deal with foreign policy issues. There was what amounted to a full scale National Security Council meeting on the subject of Laos and, for reasons that I do not now recall, each member of the Joint Chiefs of Staff had been asked for his recommendations as to what should be done. Some of the recommendations, indeed all of the recommendations

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by the Chief of Staff of the Army, of the Air Force, and of the Navy were pretty appalling. The Chief of Staff of the Marine Corps, who was Dave Shoup [David M. Shoup] at the time, I remember being impressed to find put forward views that seemed pretty sensible. But if the President had followed the advice of the other Chiefs of Staff, he would have moved directly to air attacks on South China, or other major acts of belligerency which were well beyond the call of that particular occasion, as most of us saw it.

The impression I had of that, and I believe that this is the impression the President had also, was twofold; first, that the particular individuals who were Joint Chiefs at that time, with the exception of General Shoup, were not awfully helpful in facing major issues of

national policy, as distinct from issues of military policy; and second, that the Joint Chiefs as an institution was a body from which it was difficult and awkward to get helpful advice. I think that stemming from this experience, and from the experience with the Bay of Pigs invasion, the President concluded that he wanted abler men as the Joint Chiefs, and gradually the ones he inherited were replaced, the most notable replacement being of course General Maxwell Taylor replacing General Lemnitzer [Lyman L. Lemnitzer].

In addition, it seemed to me, while I don't have any direct evidence on this point, that the President and Secretary McNamara used the Joint Chiefs thereafter in quite a different fashion. By and large Secretary McNamara met with the Chiefs and discussed with them perhaps differing

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recommendations on any given issue, but in the meetings in the White House it was rare to include all the members of the Joint Chiefs. Normally the Secretary of Defense and the Chairman of the Joint Chiefs of Staff would come to Presidential meetings. In fact, I am not sure I recall the Joint Chiefs participating as individuals in any policy discussion after the one I've referred to on Laos. They were present at some meetings thereafter, but normally that would be a different kind of meeting.

This leads me to an additional point which I wanted to make. Namely, that President Kennedy's practice was occasionally to convene the Cabinet or the National Security Council, or a specially organized large meeting, when he wanted to convey some of his own thoughts, or when he wanted someone else to convey information, or instructions of general interest. For example, I recall President Kennedy convening large meetings of the National Security Council, with all the Joint Chiefs present, with the Secretary of State and quite a few of his senior officers present, with the Secretaries of the military departments as well as the Secretary of Defense present. President Kennedy would convene such a meeting once or twice a year, and the meeting would consist primarily of the President making a sort of round-up statement as to how he saw the situation in the world at that time, the major issues that he felt were significant, the programs and policies that he thought we should be following, and the problems that he saw emerging in the future that it would be necessary to deal with.

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I made informal notes, very brief notes, on one or two of these meetings myself. I don't know just where those notes are. It seemed to me regrettable that the President made these statements without a written text, and normally without anyone recording them. It may well be that some of the participants in the meetings prepared notes on them thereafter, and that those notes will be found in the library materials. There were no bombshell announcements in those meetings that I remember, but they did constitute very useful occasions at which all of us were permitted to see and understand something of the way the President felt about the situation at that time.

I am sure he didn't open his mind completely to us, but they were private occasions. There was no press discussion of them, and the President was speaking quite frankly to his senior associates and advisers, and discussing the world as he saw it.

It was in one of those meetings, as I recall it, that he stressed heavily the significance of Mr. Khrushchev's [Nikita Sergeyevich Khrushchev] speech in early 1961, the speech which has since been given considerable prominence in public discussion. This was a speech in which Mr. Khrushchev talked about wars of liberation, indicating the stress which the Russian Communists were going to place on guerrilla warfare and subversion, and that sort of thing, particularly in the less-developed countries, and President Kennedy was stressing the significance of this policy judgment, and this line of action by the Soviet Union, for United States interests and United States action.

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The Cabinet meetings, which I attended regularly, were not used for that sort of thing as frequently, although once or twice, as I remember, the President gave us some general statements of his attitude on matters. He did ask at some Cabinet meetings for the Secretary of State to review the foreign situation, and then he often asked Walter Heller [Walter Wolfgang Heller] to review the economic situation, and then he might have a particular subject on which he wanted some discussion. On at least two occasions, and perhaps more, at least once in 1961, and at least once in 1962, he asked me as Budget Director, and he of course had told me that he wanted to do this ahead of time, to describe the forthcoming budget and the policies that the President had instructed the Budget Bureau to follow in putting the budget together. This was information of value to all the Cabinet Officers, and on at least one of these occasions he had invited the major independent agency heads—Jim Webb [James E. Webb], Glenn Seaborg [Glenn T. Seaborg], Ed Murrow [Edward R. Murrow], and so on—to be present also because he wanted this discussion of budget policies to be heard by all of the major agency heads as well as the Cabinet officers.

TURNER: Would it be accurate to summarize what you've been saying by the observation that the President used the Cabinet meetings and these special meetings of the National Security Council and other large meetings as a method of communication rather than a method of decision making?

BELL: That's essentially what I am saying. That's right. This kind of meeting that I have just been talking about was not very frequent, but he did use these meetings just as you say as a method of communication, and typically

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his decision-making meetings were much smaller and the attendance was tailored to the nature of the subject to be discussed,

While I think of it, let me add one last point here on this long and rambling discussion of White House staff and Presidential operating methods—and this was the exceptional significance of Bob Kennedy's role in John Kennedy's Administration. At some stage in the

Kennedy Administration, after a year or so, I remember that two or three of us very privately and for our own amusement, rated the Cabinet Officers on an academic scale, giving them A's, and B's, and C's, and so on. They rated very high. About half of them we gave A's, as I remember it, or A minuses, and all of the rest except one we gave B's, varying degrees of B's. To only one officer did we give a C, and that was Luther Hodges, whom we all regarded as a very lovable person, but not as effective as the other members of the Cabinet were.

But the two men that all of us rated at the top of the list on standards of excellence—ability, drive and energy, intelligence, judgment, and effectiveness—the two men we put at the top of the list were Bob McNamara and Bob Kennedy, and I think any of us would have been hard put to choose between them. On my part at least this reflected a substantial change of opinion. I had not expected to find Bob Kennedy to be a broad-gauged, balanced person with good judgment and strongly liberal tendencies in the normal usage of the term. I did find him so. He was in the Kennedy Administration a very strong, active, constructive member of the Cabinet, and from the time of the first Cuban invasion on, when he was brought in more and more to issues outside the general

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scope of his Justice Department, I felt as an inside observer that this was a very beneficial fact, and that Bob Kennedy's participation in a subject was liable to result in a stronger, clearer, more effective result.

I have seen a good deal more of Bob Kennedy since I left the Budget Bureau and became Administrator of the Agency for International Development because, as one result of the Cuban affair and the attention which Max Taylor began to give when he was Military Advisor to the President to the problem of subversion and guerrilla warfare and so on around the world, there was established the so-called Special Group (Counter Insurgency), which Taylor chaired until he became Chairman of the Joint Chiefs of Staff. Bob Kennedy was a member, and the AID Administrator is a member, so that since I've gone to that job I have been involved in regular weekly meetings to most of which Bob Kennedy has come, and I've gotten to know him much better and part I am sure of what I've said about his qualities rest on this more recent acquaintance.

But the main point I am seeking to make here is that looking back I can understand very well President Kennedy's decision to bring him into his Cabinet. It seems to me that this was a judgment which was made essentially on merit. I think that the United States is fortunate that President Kennedy made that decision. Bob Kennedy's impact has been basically very strong and very constructive.

TURNER: Could you give us some of your reflections on President Kennedy's thinking on overall budget policy—his thinking in the very early months, even before he was inaugurated, and shortly after he was

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inaugurated, perhaps with a view as we go on to developing the way in which his thinking may have grown and changed over a time.

BELL: Yes, these events are some years back now, and we don't have in front of us all the documents involved so that what I say, if ever used, should be checked carefully against the record.

I would stress two points I think. We did in the weeks before the Inauguration, try to put together the elements of a program and its fiscal consequences, and I can recall a meeting in January sometime before the Inauguration, or immediately thereafter, with Sorensen and Dillon [C. Douglas Dillon], and I imagine Walter Heller must have been there also, at which we were working toward a position in which the President did not want his budget proposals to unbalance the budget that President Eisenhower submitted. From at least early January, on, I knew what the Eisenhower budget was going to look like, because at President Eisenhower's instructions the Budget Director, Maurice Stans [Maurice H. Stans], had provided me with all of the figures, and it was plain that the Eisenhower budget was based on very optimistic assumptions about the direction of the movement of the economy, and a very optimistic assumption about the legislative actions of the Congress. For example, the Eisenhower budget proposed increases in postal rates, and made the assumption that those increases would be made soon enough by Congressional legislative action so that they could become effective on April 1st, which was plainly a ridiculous assumption. Consequently, any honest estimate would result in a recalculation of the Eisenhower budget figures for Fiscal 1962 which would reduce revenues very sharply, and to some

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extent would also increase expenditures because some of the expenditure estimates were so low as to cause skepticism.

Now, therefore, the President was confronted with the uncomfortable fact that the Eisenhower budget for fiscal 1962 did not reflect an accurate forecast. At the same time, it was plain from our first conversations with President Kennedy that he would not feel comfortable in proposing a deliberately unbalanced budget. And this was an attitude which he carried consistently through the part of the Administration for which I worked for him as Budget Director.

He was intellectually convinced of the necessity for accepting budget deficits in times of recession, but he did not have a sophisticated grasp at the beginning of his Administration, nor did it become a fully sophisticated grasp during the first two years at least, of the full significance of a compensatory fiscal policy. I think it is accurate to say that there was a conflict between his intellectual acceptance of the notion that in a less than full-employment economy it was desirable public policy to have an unbalanced budget, and his emotional and traditional attitude, stemming from his days in the Senate, from his family background, his father's [Joseph P. Kennedy] attitude, and so on, which was highly resistant to the concept that the Federal budget should under any circumstances be deliberately unbalanced as a matter of planning.

He bridged this gap relatively easily insofar as it was obvious that in a time of recession tax revenues would drop, whereas expenditures not only should not drop but in some cases would necessarily rise to take care of the effects

of the recession, and, therefore, in a period of recession it was acceptable to have a budget deficit, because one might say it was forced on the Government. But he was reluctant—privately as well as publicly—to indicate the positive desirability of planning for an unbalanced budget under any circumstances.

Added to this, of course, was the state of public understanding of budget policy which, from the viewpoint of any modern economist, had been set back during the Eisenhower Administration by continuous references, by the President and his various Secretaries of the Treasury, to the sanctity of the balanced budget notion. As a matter of public opinion and public understanding, President Kennedy had necessarily started in an adverse situation. The conventional wisdom held that the Federal budget should be balanced. Conspicuous members of the Congress, in both Houses, were vocal on the subject, and the result was that whatever the President's private views might have been, it would have been sound public relations to make a great deal of the inevitability of a budget deficit in times of recession.

Now coming back to the early days of 1961, as I indicated, I can remember a meeting in January, either just before or just after the Inauguration, at which we had a table of figures before us, and I am sure there are copies of this table of figures somewhere in the library files. If I had to put a date on it, it would be January 17, but I am not sure, that's a vague recollection. That table of figures indicated the likely increases in expenditures which would stem from President Kennedy's anticipated anti-recession proposals, including the

program of temporary extended unemployment compensation, the accelerated public works program, the Area Redevelopment program, and so on. I can remember the discussion and the calculations centered around the notion that the President would not want to propose more enlargement of expenditures than could be covered by the surplus in the Eisenhower budget, if that surplus in fact developed, so that President Kennedy would be in a position of saying that his actions, the expenditures he proposed to add on to the Eisenhower budget, were not in themselves large enough so that they would unbalance the Eisenhower budget. The Eisenhower budget, it was plain, was going to be unbalanced, for the reason that the underlying economic assumptions were not going to be realized, and the underlying legislative assumptions were not going to be realized. So far as the expenditure program was concerned, therefore, the decision in January was, and the President stated this I believe in his State of the Union Message, that while he was going to ask for some additional expenditures, they would not be large enough in and of themselves to unbalance the Eisenhower budget for Fiscal 1962.

TURNER: This really then was in essence a political decision. He was limiting his increased expenditures to that which he could justify in terms of the Eisenhower budget, rather than the amount he felt appropriate for economic purposes.

BELL: I agree that it was a political decision, or had very strong political elements in it. I believe it is accurate to say, though, that at that

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time the consensus of his advisors, notably Dillon, Heller, and myself, was not to urge on him, or to put before him, a major expansion of expenditures as a positive anti-recession program. During that spring of 1961 there was a great deal of thought given to the desirability of a larger expenditure program as an anti-recession device. Arthur Goldberg [Arthur J. Goldberg], Secretary of Labor, and Abe Ribicoff [Abraham Alexander Ribicoff], Secretary of Health, Education and Welfare, were among those who kept raising this point. You will remember yourself, Bob, consideration of this matter not just once, but on a recurring basis. Secretary Goldberg was convinced that the President's fiscal policy was not strong enough to reverse the recession and bring about a return to high level employment. I believe the Council of Economic Advisors, once they got organized and began thinking about these matters, which was very early, February or March, if I am not mistaken, they began to express themselves in agreement with this point of view, and it is quite possible that my recollection is faulty and that Heller even in January could have been saying to the President that he thought more should be done to enlarge expenditures deliberately for anti-recession reasons.

But in any event the President reached the decision that I have indicated, and as the spring went along he held to that decision, until late in the spring by which time Secretary McNamara had studied his Department and the defense problem sufficiently so that he wanted to recommend to the President an additional enlargement in the military budget, by which time also the question of the enlargement of the space program had come to a head. I think it was on May 25th that the President went before the Congress for what amounted to a second State of the Union Message, as part of which he recommended to the

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Congress larger outlays for military purposes, he recommended to the Congress a national commitment that we go to the moon in the space program, and he recommended additional anti-recession measures including the training and retraining program. Inferentially—I don't think it was explicit in that speech—at that point he abandoned his previous position, namely that the expenditure increases he was proposing would not in and of themselves have unbalanced the Eisenhower budget.

TURNER: Am I correct that the original commitment was that his expenditure increases outside of Defense would not unbalance the Eisenhower budget?

BELL: Yes, I am sure you are right that that was the original commitment—expenditure increases outside of Defense would not have un-balanced the Eisenhower budget

During that summer and fall we obtained a much better understanding of the dimensions of the various programs in the Government, how they might be changed by

alternative courses of action, and we looked ahead to the 1963 budget, which would go up in January of 1962, and we began to put together, in fact by perhaps July of 1961 we had put together forward projections of expenditures and receipts for a five-year period. We had tried to do that for the first time, and by and large all of us had learned a good deal about the inter-relationships between changes in the economy and changes in the budget, so that the question of the appropriate and correct budget policy was looked at

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recurringly through the summer and fall of 1961. It was looked at especially and particularly at the time of the crisis in Berlin, in June or July of 1961, at which time the President mobilized two National Guard divisions, sent a substantial number of troops to Europe, and otherwise stepped up the military posture.

At that time, we examined the question of whether the President should ask for tax increases. I don't remember anybody in the Executive Branch raising it on the grounds that we would need the additional taxes; it was primarily thought of in the Executive Branch as a psychological matter, and it was pushed strongest again by Goldberg and Ribicoff. I suspect that their feelings included not only the idea that it would be a sensible part of a national posture of preparedness to ask the American people to make sacrifices in the form of additional taxes at a time when people were being called to active duty in the National Guard, and from the Reserves, and so on. I suspect that Goldberg and Ribicoff also felt that if additional taxes were raised, and then if the preparedness crisis was reduced in urgency, that the President could make good use of the additional revenues to expand programs in education, and health and welfare and so on.

I can recall a meeting in the President's office when this question of additional taxes in response to the Berlin buildup was brought to a head. We had tables prepared which were in the hands of the people at that meeting which showed the anticipated budget expenditures and receipts, and which

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showed that additional taxes were not necessary to achieve a balanced budget when economic conditions were improved. When the economy came back to say a 4 percent level of unemployment, the existing tax rates were ample to cover the anticipated expenditures, including those that stemmed from the military buildup which was then in progress. And in consequence Heller, Dillon, Sorensen and I were all of the view that additional taxes would be undesirable from a fiscal policy standpoint, and the President accepted this point of view and did not recommend additional taxes.

As we approached the development of the 1963 budget, the President made it clear privately as well as publicly that he proposed to present a budget which would be balanced, assuming that the economy rebounded to a reasonable level of unemployment. I believe he made a public statement to this effect, probably in the May 25th speech to the Congress that I referred to, or perhaps on another occasion. In any event, when it came time in the fall to put the budget together we were working under his instruction, and by some fairly severe measures we got the expenditure estimate down to 93.5 which I think was the figure that



finally was submitted to the Congress in January 1962. But in any event the expenditures were shown in the 1963 budget to be slightly more than balanced by I think 93.8 billion dollars of revenue.

TURNER: The figures were receipts 93.0 and expenditures 92.5.

BELL: The receipts figures were explicitly based on the assumption that the economy would move up to a \$570 billion level, which was I think a 4 percent unemployment level.

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TURNER: This \$570 billion figure, as I recall, was severely criticized at the time as being an unduly optimistic figure.

BELL: That's right. Actually, looking back, I think that was a fairly sensible way to put forward the fiscal policy of the U.S. Government at that time, because what it meant was that the President was estimating receipts on the assumption that his economic program was going to be effective in bringing the economy back toward full employment. And if his program was successful along those lines, then the receipts that he projected would in fact accrue, and those who argued that the \$570 billion was too optimistic were in effect arguing that the economy would not move back toward full employment. If the President had felt that way it would have been incumbent upon him to propose additional economic measures which would have achieved that result.

Now if I am not mistaken, I believe I recall a meeting of the group of consultants to the Secretary of Treasury which was organized by Seymour Harris [Seymour E. Harris], which included Otto Eckstein, Paul Samuelson [Paul A. Samuelson], Peter Kenen [Peter Bain Kenen], Roy Blough, Al Hart [Albert Gailord Hart], and many of the other leading fiscal economists in the United States. This group of consultants used to come together approximately quarterly. I can remember a discussion with them in the Fall of 1961 at which time we went over these figures and I remember the consensus of that group was that as against a budget balanced at say \$93 billion, they might have preferred on purely economic grounds a budget perhaps \$2 billion in deficit. But this is a small enough difference so that it seemed to me at the time this was not far from a technical endorsement of the policy that the President was in fact proposing to follow.

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As matters developed during the following year, the economy did not move up as rapidly as had been anticipated, and a significant deficit in the budget resulted. And this was in fiscal policy terms appropriate because that deficit of course contributed to some stimulation in the economy. Looking back I would say that the budget policy which was adopted in the Fall of 1961 could be criticized on the grounds that the correct fiscal policy should not have been to balance the budget on assumptions that the economy would be moving back toward full employment; the budget should have been planned with a deficit,

explicitly and deliberately, on the grounds that there needed to be a budget deficit even at 4% unemployment in order to reach that point in the economy and keep it operating at full employment. In other words, the fiscal policy medicine was too weak, but if we had recommended to the President the policy that looking backward would have been technically preferable, I do not think he would have accepted it. My impression is that the combined weight of public opinion and understanding, plus his own innate fiscal conservatism, plus the advice of Doug Dillon, who was clearly the more conservative among the three principal agency head advisors to him (Dillon, Heller and myself)—I think those elements combined would have led the President to the outcome that I have indicated, that is that he would have held to his balanced budget decision, even had we argued strenuously with him, as we did not, that this was not the right fiscal medicine.

A year later we were in a position of being clearer and stronger in our own minds as to what was required, and the fiscal policy proposed in January 1963, which was to propose a sizeable tax reduction even while there was still

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a significant budget deficit, was far stronger medicine in a fiscal policy sense. The President by then, I think, was persuaded that he needed to embark on a stronger fiscal policy if he were to achieve the restoration of economic vigor which was appropriate in terms of the full use of the nation's resources, and also which would be appropriate looking ahead to the 1964 election. The underlying projections of likely economic magnitudes and budget magnitudes which we had in the summer and fall of 1962 clearly indicated that if the economy was not strongly boosted, there might be a larger rate of unemployment in late 1963 or early 1964. By that time, therefore, it was clear that the President's concern over the public opinion and public attitude which favored balanced Federal budgets had to be balanced against the obvious public concern and public attitude which was against continued high levels of unemployment and which could easily be translated into votes against a President who had let such unemployment continue. Therefore, in the fall of 1962, the President was persuaded to adopt a highly unorthodox fiscal policy position, namely, to propose a substantial tax cut as a means of restoring economic strength to the economy, which would eventually lead to the possibility of a balanced budget at full employment, but which would be proposed at a time when the deficits in the Federal budget were sizeable.

It is hard for me to estimate the extent to which over those two years the President's views on fiscal policy matters changed. I think that, as any President would, he gained significantly in his understanding of these issues, as indeed did the rest of us who were working for him. He did not come into the Presidency with a strong background of training in economics.

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This was perhaps more evident on the balance of payments side than it was on the budget and fiscal policy side, but nevertheless it was evident in any of the early conversations about fiscal and economic policy. At the same time he was innately and inherently a highly intelligent man who was very well educated, and he not only followed, he participated

sensibly in the arguments about these matters from the first day that we had any. I think—without checking the record intimately and in detail, I can't be absolutely positive—but I think I am correct in suggesting that there was an evolution in the President's thinking, in his understanding.

There was also the change that I have referred to already. In the early days of his Administration, he was plainly partly impelled by the political facts of life to want to appear to the Congress to be fiscally reasonably conservative, in order to have a greater chance of getting through the Congress the many difficult measures he was asking them to enact. Whereas later in his Administration, he was beginning already to look ahead to the next election of 1964 and to be concerned lest he would be facing a situation in which there would be significant unemployment and his opponent could make political capital out of that fact. I can remember that to some extent this was in the picture even in the fall of 1961, but I believe it was much more prominent in the fall of 1962.

I can remember this is one of the issues on which I heard Kenny O'Donnell in one of his infrequent comments about a substantive policy matter. At some stage or other I can recall Kenny stating very vigorously his view that

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it was a lot more important from the standpoint of Presidential politics to worry about the actual and potential unemployed in the economy, than to worry about the people who felt that the federal budget ought to be balanced as a matter of orthodoxy.

TURNER: I have the impression that the President's thinking on this matter was influenced to some extent by the concept of the national income account budget, which had been used by economists for many years, but had never so far as I know been used in budgetary considerations and certainly had never appeared in a budget document.

In early 1961 and in successive months we tried to get the President familiar with the concepts of the national income account budget, and how it indicated the economic impact of the budget much more effectively than did the conventional budget. Similarly we tried to get Congressional understanding of this point, and this very change may have contributed to the change in the President's thinking and in other people's thinking. Would you agree with that?

BELL: I think there's a good deal to this in relation to the President. I am not so sure how far our educational efforts carried beyond him—although now that you mention it, I can recall we inspired a number of articles in such publications as *Newsweek*, *Business Week*, *The New York Times*, etc., which expounded the difference between the administrative budget, the cash budget, and the national income and product accounts, and demonstrated that, under the conditions that prevailed in 1961 and 1962, if the administrative budget were balanced the actual impact of federal transactions on the economy

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would be contractive rather than expansive. You are entirely right. We did make this point plainly and the President did understand that the administrative budget figures were misleading, and that the true impact of federal activities on the economy were much better measured by either the cash budget or the federal sector of the national income accounts. We endeavored to bring these figures into play. Did we not in the Federal budget for the 1963 print all three figures side by side, so to speak.

TURNER: Yes.

BELL: The reception on the Hill to this attempt at greater sophistication in the understanding of budget figures, the reaction on the Hill was poor. There were very few if any Congressmen who understood what we were talking about or paid attention to it.

TURNER: But a good many newsmen did.

BELL: That's right, and it was I think a very sensible thing to do. I can remember that about the only occasion on which I was ever called upon to expound Administration doctrine in a speech, I was urged by the people in the Council and on the White House staff to seek an opportunity to make a speech about the meaning of these different figures. We found such an opportunity, I think it was in October 1961 if I'm not mistaken, at the annual meeting of the American Institute of Accountants. The annual convention of the accountants was in Chicago, and I made a speech (which you largely wrote) that described the three main concepts of the budget figures and

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budget deficits, what the differences were, and the significance of those differences under then existing circumstances.

Another point to make clear in this attempt to recall the development of argumentation and thinking through this period is that in early 1961, we had some real difficulty bringing together the Treasury's and the Council's and the Bureau of the Budget's estimates of projected revenues, expenditures, and so on. There was for a brief period the uncomfortable fact that the Secretary of the Treasury would be reporting to the President that receipts were likely to be at such and such a level; simultaneously the Council of Economic Advisers would be reporting to him that the economy was likely to be moving in such and such a direction, and the magnitudes of the Gross National Product, or what not, were likely to be such and such; and the Budget Bureau would be reporting to the President that the budget outlook for receipts and expenditures were as follows—and the three different sets of figures might be based on different assumptions as to the underlying trend of the economy! I shouldn't say the three sets of figures, because I don't think the Bureau of the Budget and the Council ever allowed themselves to get out of step. But there was a period when the Treasury on the one hand, and the Council and the Budget Bureau on the other, were giving the President figures based on different underlying estimates of economic magnitudes and without explaining that fact to him.

We put a stop to this very quickly by making arrangements so that the Treasury, the Budget Bureau, and the Council of Economic Advisers

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prepared jointly once a month a set of tables which showed the current estimates of major economic magnitudes, principally the Gross National Product and unemployment, and the trends as anticipated for the next several quarters, and the estimates of budget receipts which would flow from these anticipated trends in the economy, and the current estimates of expenditures as prepared by the Budget Bureau staff. All of us had available, and the President received each month, a jointly prepared and jointly sponsored document—which as a matter of fact Dillon, Heller, and I used to sign, all three of us—which presented so to speak an officially agreed set of indicators of the trends in the economy and in the Federal budget. Once in a while we could not agree upon our projections and forecasts, in which event we would include parallel sets of figures and make explicit by means of stubs and footnotes exactly where we differed and what the differing estimates were so that the President or anybody who read these documents could understand just where it was that the Treasury might differ from the rest of it—which was normally the only kind of difference that occurred. This was in my opinion an effective way of assuring that the President's advisors in the fiscal field were all talking from the same set of basic facts and projections.

TURNER: This was an arrangement that was so far as I know unprecedented.

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BELL: Yes, as far as I am aware it was unprecedented, and it was very helpful and I would assume that in one form or another it will undoubtedly be continued because it is basically a sensible notion.

Now once we had an agreed set of figures, that of course simply provided a common basis for considering alternative policies and, where appropriate, arguing about them. Consistently through this period, I think it is fair to say that the Treasury, Secretary Dillon and his associates, including notably Under Secretary Fowler [Henry H. Fowler], espoused a more conservative point of view than the Council of Economic Advisors. The Council typically urged a more expansionist fiscal policy and the Treasury consistently urged a somewhat less expansionist fiscal policy. The reasons for the difference were in part I am sure temperamental—Dillon and Fowler coming from a background of banking and law respectively, although Dillon was a Republican and Fowler a Democrat—whereas the members of the Council came from academic economics backgrounds. Also there was a difference in the importance the two opposing views gave to the attitudes of Members of Congress.

Secretary Dillon, I am sure, was heavily influenced in his attitude by his concern that the President's policies be supported on the Hill, and notably that the President's tax policies be supported on the Hill. One early measure that the President asked for in 1961 which was finally adopted in 1962 was an investment tax credit, intended to stimulate business investment and make a contribution toward a stronger and more vigorous economy. All of us

felt this was a very sound idea. It was one of the moves which was presented to the Congress I believe

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in the early spring of 1961, and Secretary Dillon found on seeking to persuade the Congress, particularly the Ways and Means Committee, to adopt this measure that the attitude of many members of Congress was that it was not proper to reduce taxes at a time when the budget was unbalanced. I am sure that the arguments within the Executive Branch on what was the right fiscal policy were in part influenced by this different weight that was given to the attitudes of Congress.

Having said this, I think it would be well if I went on at this point and stated in this record that I was much impressed, and am to this day much impressed, by the degree to which Secretary Dillon was prepared to support and endorse a modern fiscal policy. While it is important to recognize that there were differences within the Kennedy Administration over the exact amounts and timing of the proper deficit, or other element of fiscal policy, basically Dillon, Heller and I, and all of our top officers, were completely in accord on the fundamental notions of a compensatory fiscal policy. I can remember being impressed with this in the very first discussion we had with Secretary Dillon in January 1961, the very first discussion we had on this subject. I had met him in December 1960, and Secretary Dillon quite clearly understood and agreed with the conception that in a time of recession the federal budget should be unbalanced in order to stimulate the economy.

The arguments we had were not arguments over the fundamental notion of compensatory fiscal policy, but the actual application of that notion in particular circumstances at particular times. In the questions and arguments about application, throughout the period I was in the Budget Bureau, typically

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the Treasury took a more conservative point of view than the Council of Economic Advisors and normally, insofar as we entered into the argument, we in the Budget Bureau agreed with the Council rather than with the Treasury. Not invariably, but normally.

There are two or three more points I might add to this general discussion of budget policy. First, it is worth stressing again that President Kennedy saw these matters intellectually much more easily and readily than he was prepared to accept and act on the action consequences—rising expenditures particularly, or any action deliberately intended to achieve an unbalanced budget. In this field, as in all the other fields I saw him work in, he recognized the significance of the outstanding experts: Paul Samuelson, Bob Solow [Robert M. Solow] when he was working for the Council; the members of the Council, particularly Jim Tobin [James Tobin]; Carl Kaysen when he was working with Bundy. The President was well aware of the intellectual prominence of these men in understanding the American economy, and in analyzing the requirements for affecting the economy. Simultaneously, however, he was also a political man, coming from a political background, and he was cautious—I think this is the exact word—cautious in this as in other fields about accepting the advice of specialists, no matter how brilliant, when the actions to be called for were

essentially governmental actions to be tested by generalists in the Congress as well as by results in the economy.

The President's strong personal views on the desirability of holding down expenditures and employment were made plain in a series of questions to me as Budget Director both orally and in writing. I can remember one

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short note I got perhaps in the summer of 1962 from the President saying in effect: we keep talking about increases in expenditures, can't we put a freeze on employment, wouldn't that help?

Now as a digression for the moment it is worth recording that Elmer Staats, John Macy [John W. Macy, Jr.], and I, backed by all of our associates and staffs, continually advised President Kennedy that it would be unwise to install a system of personnel ceilings, meaning limits on the total number of persons that could be hired in any Agency. The reasoning was expressed in two or three memoranda we wrote to the President at various times, suggesting that it would be undesirable to have both financial limits and numerical employment limits within which agencies had to work, because it was almost impossible to keep the two sets of limits in congruity.

But the President kept reverting to this point. He had a strong feeling that that federal employment was rising when it should not rise. I remember his using as an illustration to me one day the shock and indeed horror he felt when he found that it took (I don't recall the figures) "X" number of gardeners to maintain the White House grounds. "Why," he said, "the man we have handling our grounds at Hyannis Port could do this whole thing with the assistance of maybe a boy." I think there were six gardeners on the White House payroll, and the President didn't see the use for more than a man and a half. And he said (I don't know whether he ever did this) he was going to bring that gardener down from Hyannis Port and have him look over the White House grounds and tell him what the proper staffing pattern would be.

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This is just one illustration of many occasions and many ways in which the President hammered at the problem of rising federal employment. Of course we in the Budget Bureau did act on this ourselves, in response to the President's instructions, and because we agreed with him. We attempted in various ways to install and maintain employment control systems, not based on numerical ceilings.

One last point. I have not, I think, stated sufficiently strongly the very important role that Ted Sorensen played in the budget and fiscal policy field. Sorensen was always given copies of the tripartite memoranda that I was describing earlier, the so-called "Troika" memoranda. We frequently discussed in Ted's office with him those data and their significance. The fiscal policy recommendations were extensively discussed with Sorensen, and he played as leading a role in the development of recommendations in this field as he did in all the other fields of policy outside of the foreign area where he shared the role with Bundy as I have previously described.

As far as his own attitudes were concerned, in these fields as in others, it was always difficult to distinguish Sorensen from the President. Sorensen kept his own counsel and in many instances did not make his own personal recommendation to the President in written form. He might take a memorandum that somebody else had written in to the President, and he was quite prepared to state to the President what his own views were. But the typical way in which

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Sorensen influenced Presidential decisions was first, in shaping what went to the President from other officers, or in draft messages or speeches; and second, in many and numerous private conversations with the President at all hours of the day or night.

I am not trying to indicate that Sorensen was in any sense secretive. That is not the point I'm making. The point I'm making is that there were occasions on which an issue would be presented to the President as a difference between the Treasury and the Council of Economic Advisors, with the Treasury recommending one course and the Council another course, and Ted might or might not in the group discussion with the President indicate his own point of view. Sometimes he did, and sometimes he did not. But certainly in nearly all cases the President wouldn't decide an issue like that unless in one way or another he had received Sorensen's advice.

TURNER: Dave, one other agency of government that is of course very much involved in economic policy is the Federal Reserve Board, which is an independent agency. Do you have any recollections and impressions on the relationship between the President and the Federal Reserve that you would like to enter into the record?

BELL: Yes. Although I imagine that Walter Heller, Bill Martin [William McChesney Martin, Jr.], and Doug Dillon will cover this material also. I might just say briefly that there was established in President Kennedy's term, I believe at Heller's or perhaps Dillon's instigation, a practice which I thought was a very good practice

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of having meetings about once a month, sometimes less frequently, at which the Secretary of the Treasury, the Chairman of the Council of Economic Advisors, the Budget Director, and one or two of their top staff members, were brought together around the Cabinet table for an informal discussion of the state of the economy and the policies that were being followed and the measures that might be warranted. The President used this primarily as a means for informing Martin, representing essentially the quasi-independent Federal Reserve system, of his views and that of the Administration on the economy, particularly as applied to monetary policy, and also to a considerable extent balance of payments policy, and also asking Martin for his views. He never failed to invite Martin to speak up and to tell us what the Federal Reserve Board thought about the current outlook, the policies that might be appropriate and so on.



These meetings were conducted in such a way that rarely was there allowed to develop any sharp issue. At the same time, the President occasionally used these meetings, as you yourself reminded me, to make plain that he expected Martin and the Federal Reserve Board to consider very carefully the impact of their actions on the state of the economy. I think you reminded me that on one occasion when you and I were both present, the President said in effect to Martin that, "now that the economy seemed to be turning up again I trust that you will not shut it off by a too tight monetary policy as you did once before." This was said in very good humor, but nevertheless

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clearly enough so that Martin could not mistake the point. I don't mean that he met it and argued with it on the spot, but it was clear to him what the President's attitude was.

These meetings were not the only occasions for interchange between the Federal Reserve Board and the Administration. We had staff members from the Federal Reserve Board involved in the preparation of the "Troika" tables which I described earlier. The Federal Reserve Board did not officially sign those tables or agree with them, but we knew whether the staff of the Federal Reserve Board thought our projections were sensible and normally they did. If they did not, we knew what the difference was and why they felt as they did. Moreover, both Heller and Dillon and their associates had many and frequent discussions with Martin and his colleagues.

By and large, it seemed to me that the Federal Reserve Board had read correctly the election returns in 1960 and fundamentally agreed with the general line of fiscal and monetary policy of the Kennedy Administration, and took few actions on which any of us would have quarreled with very sharply. We thought on occasion that they were a bit slow in moving, but on the whole during the two years I was Budget Director I do not recall any major difference of view developing between the Board's point of view and that of the Administration. This is undoubtedly a reflection of the fact that it was plain, during that whole period, that we were not succeeding in reducing the unemployment rate below five percent and we were in no serious danger of inflation.

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The only area in which Martin on occasion indicated that he and the Board were concerned was the area of the balance of payments, and of course the President himself remained unsatisfied on the balance of payments. He did everything that he thought sensible among the alternatives offered to him, and Martin did not have any specific proposals that the President didn't adopt, but I think both of them shared the view that the government's policies for restoring the balance of payments to a normal condition were not proving to be as effective as they would have liked.

TURNER: Do you have any observations on the evolution of the President's thinking in respect to the balance of payments and the gold problem?

BELL: Yes. This was a problem on which the President was most seriously

concerned. Indeed at times I am sure it seemed to him, because I heard him say this, that he was more concerned than anybody else in the Administration. I think in part this reflected the views of his father, and of other personal friends who indicated to him an inordinate concern about the outflow of gold in the U.S. I think in part, that is, the President was reflecting a view which gives to the flow of gold a greater significance than economists would normally give to it.

In part, however, I think the President was reflecting a very sound instinct. I think that by and large most of us in the Administration came to regard the balance of payments problem as more serious as time went on than we had

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anticipated that it would be, or than we had expected it to be. When we saw the figures day after day, week after week, month after month, remaining in substantial deficit with foreign claims continuing to rise, and with the balance of payments not coming back into basic balance, I think there was a general movement towards the President's view on the seriousness of this matter.

There is another important point, I think, to note about the problem of the balance of payments. Unlike the general position on fiscal policy, there was no consensus among economists and informed laymen on what to do about the balance of payments. The fiscal policy problem had been debated and thought about in the U.S. for nearly 30 years, and there was quite a clear consensus of informed people on the desirability of a compensatory fiscal policy. There was a political problem and a public opinion problem, but intellectually the weight of informed judgment was all one way.

There was no such consensus on the balance of payments. The views of leading economists varied quite widely, from some who held that the natural forces of the money markets would take care of the situation and no major policies were required, to others who held that the situation was quite serious and would remain serious as long as the U.S. held to an artificial gold price, and unless we released the exchange rate we could not expect countervailing forces to develop which would bring the balance of payments back into balance. So the President did not find an intellectually satisfying consensus of underlying

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judgment in this field, and I'm sure that was a part of the reason for his discomfort with this area of public policy.

As he approached this matter, I think he felt that he found in Doug Dillon a person who by and large shared his view of the seriousness of the matter, and also who shared his sense of what was feasible and what was not feasible in a practical sense. Accordingly, he relied quite heavily on Secretary Dillon's recommendations, which at times were strongly opposed by members of the Council of Economic Advisors, the President's own staff officers like Carl Kaysen, and leading economists from outside the government like Paul Samuelson and Bob Solow.

There was a great deal of suppressed dissent within the Administration on this general subject matter, a great deal of unhappiness with the attitudes and actions of the Treasury. I

think by and large the bulk of the leading economists in the field would assess the actions of the Administration in this field as rather over-cautious, and as having in certain respects adverse effects which would not have been necessary had a broader view of the problem been taken. For example, the President directed a very severe policy of restricting the use of foreign aid funds to procurement in the U.S. This was a significant backward step in the view of many economists. It added to the costs of many products and items of equipment that were sent to the less-developed countries, and many economists would argue that it was not a desirable intervention in the natural market situation.

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These are matters on which there were strong and widely conflicting views within the Administration. The President by and large accepted the Secretary of the Treasury's advice, which was heavily influenced, as far as I could see, by the Secretary's views as to what was feasible having regard to the attitudes of New York and European bankers.

It was my impression that President Kennedy's understanding of these issues improved markedly over the time of his Presidency, and that by 1962 he was privately persuaded that the attitudes of the New York and European bankers were not necessarily constructive. I heard the President express unhappiness at feeling himself constrained to follow policy courses which deferred to the views of international bankers and hampered the freedom of action of the U.S. in accomplishing significant foreign policy objectives. It might well have been that had he lived his views might have moved farther along these lines. There had already been a series of efforts by Carl Kaysen and others to propose alternatives to the Treasury's policy line. The President had considered these matters seriously and on occasion had seemed to move in the direction of accepting some of them. The Treasury itself had modified its initial positions in a number of respects, and was developing in its own way much expanded and much more flexible arrangements for financing balance of payments deficits without requiring the international flow of gold.

So that there was an evolution over the President's term in these matters. There was also of course some improvement in the balance of payments position,

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partly owing to a strong effort to obtain pre-payments on debts, and partly owing to the very excellent performance of American exports, probably resulting in part from our stable price level in comparison to the Europeans, and undoubtedly for other reasons as well.

But this was a field of policy which troubled the President very much and on which he received sharply conflicting advice stemming from a wider divergence of policy views than existed, I suppose, in any other area of U.S. economic policy during Mr. Kennedy's term of office. My own feeling about this is that it reflected the fact that the balance of payments of the U.S. had not been a problem that required the major attention of leading economists until the middle and late 1950's and a solid intellectual consensus had not yet been developed by the time Mr. Kennedy had to face these problems as a practical matter.

TURNER: One of the other major developments in the Kennedy Administration in the

foreign economic policy area was the enactment of the Trade Expansion Act.

Are there any reminiscences you have in respect to that Act and its implementation that would be useful to put into the record?

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BELL: I think there might be just one or two things. This was a very difficult legislative matter to bring to a head in the Executive Branch, as well as a difficult matter on which to obtain Congressional support. There were necessarily a lot of Executive Branch agencies involved, and there was a lot of staff work necessary to pull it all together. The occasion I particularly remember which I should record here was an occasion which I believe to have been in the late fall of calendar 1961 when the question was brought to the President whether a major proposal should be made to the Congress for new legislation, or whether the President should simply ask for a one year extension of the Reciprocal Trade Act which was then in effect.

The meeting was held in the upstairs oval room in the White House proper. It was a lovely afternoon with the sun shining in on all that yellow covered furniture. Quite a large number of persons were there. As I recall the dramatic highlight of the afternoon was that George Ball [George W. Ball], Undersecretary of State, argued the point of view that it would be best not to propose a major change in the legislation but to defer such a recommendation. The leading spokesmen for the opposite point of view, and whose views the President accepted, were the incongruous pair of Dean Rusk and Larry O'Brien—Larry arguing that from a Congressional point of view in this instance, boldness was clearly the proper course to take, and the Secretary of State speaking up—as he did not normally do in major gatherings of this kind, normally preferring to give his advice to the President privately—but on this occasion Secretary Rusk speaking up and arguing the case for bold action.

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With respect to the Trade Expansion Act itself, Ken Hansen represented the Budget Bureau on the Inter-Departmental Committee which was responsible for preparing and supporting the act and working out the proposed method for its implementation. Ken played a significant role in a number of respects.

TURNER: During your period as Director of the Budget Bureau you introduced a number of innovations in budget procedures and methods, in each case with the approval of the President, innovations which most people I think would agree have improved the effectiveness of the President's control over the budgetary process. For the record would you be willing to describe several of these innovations.

BELL: Yes, I have described these matters in speeches during those months and years and there is no reason for me to go into them at particular length here.

Looking back and considering what was significant, it seems to me that the effort to extend government-wide the practice of making projections forward for several

years—which had already been adopted in one or two agencies like the Veterans Administration and the Federal Aviation Administration—that effort to put the Federal budget on a longer term forward-planning basis was sensible, helpful, and will be permanently useful. This, I am sure, seemed to him to be a technical matter that made sense, but not the kind of thing that would engage his attention very much.

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We did try to put together about June of each of the years I was Budget Director ('61 and '62) figures four or five years ahead for each agency and for the budget as a whole. We went over these data briefly with the President. I remember distinctly the occasion when we did so in 1961. It was in the President's bedroom in the White House. I imagine it was during the time when his back was troubling him. In any event, we were over there, and one of his principal concerns was the feeling that we ought to make extremely sure that copies of these documents were not widely available, because, of course, they showed budget expenditures rising by several billion dollars a year, each year into the future.

I think it is fair to say, looking back, that the effort to put together overall budget totals for several years into the future, while it had some value, did not turn out to be a tremendously useful innovation. The figures were honestly put together, but they necessarily rested on so many assumptions that they did not describe particularly usefully the alternatives that actually faced the President at any given time. Furthermore, looking back we probably were guilty, as one usually is in looking several years ahead, of projecting things as they are and not recognizing the changes that would take place. During 1961 and 1962 there were major increases in defense and space outlays, and when we projected fiscal years '64, '65, '66, and so on, by and large we showed a continuation of those upward trends.

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In fact, what has happened is that by the fiscal year '65 budget, the increase in defense expenditures had come to a plateau, and the '65 budget expenditures presented by the President were about the same as those estimated for fiscal year '64—whereas our projections a year or two earlier would have shown a 4, 5, and 6 billion dollar increase in expenditure between those two years.

There is a lot more to be said about this matter and I have not looked into it in detail, but it is a matter that might be of some interest to fiscal economists at some stage to check into. There were plainly a number of policy decisions taken by President Johnson [Lyndon Baines Johnson] in preparing the 1965 budget which contributed to this outcome; decisions, for example, about the enlargement of the sale of government assets such as housing mortgages, decisions about the timing of expenditures, and various other things which affected these totals. I think, however, that one important element which might well be demonstrated by a study of the matter is that those first attempts we made in 1961 and 1962 to project expenditures for several year periods turned out to have been significantly wide of the mark because the assumptions we used were not borne out by subsequent events. I think on the other hand that the effort to encourage government agencies to make their own

projections and base their own programs and plans on longer-term forward projections, that this effort was and is very helpful and undoubtedly has been useful in many different ways.

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The biggest change of course came about in the Defense Department budget. When I was first briefed by the Budget Bureau staff in the Defense field, Bill Schaub [William F. Schaub], Ellis Veatch. and the rest, in December 1960 and January 1961, they pressed on me the inadequacies of the budgeting system which was then used in the Defense Department, and illustrated this in many practical ways. Their presentation impressed me sufficiently so that in January, at my suggestion, Bob McNamara joined us and spent a full Saturday with us going over the Defense Department budget with the key people in the Budget Bureau Military Division, going over these same points that they had been over with me. From this, and from the many other conversations I'm sure that Bob had, there were developed major changes in the Defense Department budgeting system.

We went over these with the President in late January or early February in 1961. The changes involved included putting a uniform longer time span on the Defense budgeting process—five years; organizing the Defense budget by outputs, not simply by inputs, that is to say considering the strategic forces jointly and in competition with each other, rather than putting together an Army budget which included strategic missiles, and a Navy budget which included strategic missiles, and an Air Force budget which included strategic missiles. The basic pattern in budgeting for the Defense Department since McNamara came in was devised in those early days. It was based on Budget Bureau staff work and also on a lot of work

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which had been done by the Rand Corporation over the previous years. A longer time span, with categories organized by purpose or output of the forces.

TURNER: That was called a program budget.

BELL: Yes, in its application to the field of defense; also an attempt to use more uniform underlying assumptions about the kind of world situation we were in and the kind of war we might have to fight.

Apart from the improvement in concepts, we tried to improve the processing of the budget. Again the most notable change was in the Defense budget where the system we used essentially was to have the Budget Bureau staff work in the Pentagon with the budget offices of the Department of Defense and of the Military Departments—Army, Navy, Air Force, to begin to isolate and bring to a head major issues which needed to be considered. We discussed those issues usually in a half day session with Secretary McNamara, Secretary Gilpatric [Roswell L. Gilpatric], Charlie Hitch [Charles J. Hitch] and ourselves. Usually Jerry Weisner [Jerome Weisner] and Carl Kaysen were brought in, and if there remained issues between us, and often there did, we raised those issues in a meeting with the President.

I can recall two or three meetings with the President at different times at which issues were raised and discussed with him where we were not necessarily in accord with

McNamara. For example, I suppose this was in 1961, the question of how many Titan missiles should be installed came up. Secretary McNamara recommended a number and we recommended

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a smaller number, and this was one occasion on which the President accepted our recommendation and cut out I think it was the last two squadrons of Titan missiles which had been planned, and this was a significant matter so far as the amount of money that was involved.

We tried to stress with all agencies the importance of what you were referring to a few minutes ago, the concept of program budgeting—that is, of trying to decide what programs we wanted to carry out and to relate our funding decisions to the programs and the objectives of the programs rather than to operate on arbitrary bases, percentage of increases, or some arbitrary fixed total of the budget within which we would cram everything come what may. I would not want to exaggerate, however, the degree of improved rationality that we brought to the budget process. I think we did bring some significant and substantial improvement.

Nevertheless, in each of the two years that I helped to prepare the budget, when we got down to the last month or so, and had managed to bring together the various considerations relating to the budget totals, and had before us quite an accurate picture of the different expenditure estimates for the different departments and what those meant in program terms, there was a substantial and significant directed adjustment, in which the President said in effect, “you're bringing me a budget that would add up to \$94.5 billion, but I want those figures brought down to \$92.5 billion, because that's the figure that fits with my anticipated receipts and my planned fiscal

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policy.” We reviewed programs, we adjusted policies toward the sale of assets, and otherwise managed to squeeze the figures into the mold the President had indicated.

However, I think if you look at the overall picture of what happened during those first couple of years, the main thrust of the Kennedy budgets, the first two Kennedy budgets, were first to raise expenditures very sizably, by over \$10 billion in two years if my recollection is right—the bulk of which was for defense and for space, but the increase also included substantial rises, deliberately designed and proposed as such, in Federal expenditures for education, health, welfare, labor, conservation and other public works, and other non-military fields. Secondly, in spite of the complexities of describing the President's attitude toward compensatory fiscal policy, I think, looking back, that the other major change brought in with the Kennedy Administration apart from the rise in expenditures, was the acceptance of deficits as appropriate and necessary when unemployment was high, and the willingness to face the economic common sense of budget deficits—and indeed in the '63 situation, tax reductions—in order to contribute to better performance in the economy.

TURNER: What were President Kennedy's instincts and way of thinking about the

Foreign Aid Program? Was he essentially sympathetic and what insights did he have into it that helped you and presumably the Congress?

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BELL: I was much struck by the extent to which he had a natural—or perhaps had absorbed in his years in the Senate—the basic notions of a strong and effective U.S. foreign assistance program. He seized and pushed the ideas of the Alliance for Progress with great enthusiasm. He was sensitive to the needs and the attitudes of the leaders of the less-developed countries. Of course many of them visited him, and in his conversations with them, and in his discussions about them, it was apparent that he had a deep sensitivity to the way they felt and what they were trying to do. I heard him talk about Prime Minister Nehru [Jawaharlal Nehru] of India, for example, and about President Nkrumah [Kwame Nkrumah] of Ghana, and various other leaders of these countries. His attitudes were very positive toward the appropriateness of a strong and large foreign assistance program.

The development of the Kennedy aid program, so to speak, was a job that began with some of the Task Force reports to him before the Inauguration. Then there was a formal arrangement, with George Ball as Under Secretary of State for Economic Affairs being responsible for putting together a series of Task Forces. Henry Labouisse [Henry Richardson Labouisse], Director of the International Cooperation Administration, was placed in charge, under Ball. Jack Bell, Deputy Coordinator for Foreign Assistance, State Department, did a lot of work on it, also Frank Coffin [Frank M. Coffin], Managing Director of the Development Loan Fund, and they brought quite a few issues to the Budget Bureau and to the White House. Most of them were settled with me or with Ted Sorensen

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About the only issue I remember that was taken to the President personally was the issue of whether there should continue to be a separate Public Law 480 program or whether Public Law 480 should be incorporated in the Foreign Aid Bill and managed by the new foreign aid agency that was being proposed rather than being managed by the Department of Agriculture. This issue was decided by the President in favor of leaving the situation as it was I think this was an eminently correct judgment on the President's part because this meant the Agriculture Committees of the Congress would continue to handle the Public Law 480 legislation, and they were and remained strongly favorable to the idea of disposing of U.S. surpluses. What the President did say in the meeting that I recall which was very significant, was that while he wanted the legislation for Public Law 480 to continue to go through the Agriculture Committees, and the Secretary of Agriculture to remain responsible for the execution of that law, he wanted arrangements to be made so that the resources represented by these surplus agricultural commodities would be applied in the less-developed countries as part of the program of U.S. assistance. He strongly endorsed the notion that all the U.S. resources going into a less-developed country should be considered together and planned for combined use in the most effective way. This conception was adopted and is in effect today, and I think working reasonably well.



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The President, I thought, was not particularly well served by his own staff, by me in the Budget Bureau, by the Secretary of State, in the foreign aid field with respect to the problem of obtaining and placing in charge of the foreign aid effort someone who would command public respect and instill Congressional confidence. I think that looking back it would have been far preferable had the President at the beginning of his term, as one of his first major appointments, named somebody, I don't know who the person would have been, but someone roughly of the stature of Paul Hoffman, to come into the foreign aid scene to head up a task force with the mission of organizing proposals for the Congress and then to follow through, get the legislation, and to put it into effect. The Congress was not impressed with the President's feeling of urgency about this matter and of his feeling of importance about the foreign aid matter because he did not seem to place in charge a man of cabinet stature. I do not know whether the President deliberately decided against any such course or simply that nobody came up with a proposal for a person who would be satisfactory. To answer your question specifically, I think the President understood remarkably clearly the significance of the U.S. assistance to less-developed countries, but his follow-through in an appointment sense in those early months left something to be desired.

This same point, incidentally, came up later on when, about October of 1962, he indicated that he was thinking of making a change, and asked me

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whether I would be willing to move over and take on the job of AID Administrator. After thinking about it over the weekend. I told him that I was prepared to do so if he wished me to; on the other hand, I thought that I lacked one of the major attributes which such an appointee should have—namely, the ability to promote the program effectively with the Congress and with the public. I told him I thought Sarge Shriver would be a far more satisfactory selection from his point of view for this reason—Sarge Shriver or someone else who was much more naturally effective with, and had experience and thought in terms of emotional impact both with the Congress and with the public. The President, I think, thought there was a good deal to this point, and I know he talked to Shriver about the possibility of taking the job. Then, some days later, he called me in and said he made his decision and wanted me to do it. This change was made for reasons which I do not know very much about. I never knew why the President was dissatisfied with Fowler Hamilton and wanted to make the change. I do not know anything more than I have just said about the considerations that led to my selection.

TURNER: Some rather important changes in foreign aid policy were made during the Kennedy Administration, changes which I believe he had a personal hand in. Do you have impressions that you want to put in the record on those?

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BELL: The biggest change of course related to the Alliance for Progress. Under the Alliance for Progress, the U.S. embarked on a ten year partnership with the Latin American countries. This was an effort on a scale and with a sweep of imagination which was vastly larger than anything that had preceded it. On the other hand, it is noteworthy that in the last couple of years of the Eisenhower Administration there had begun to be important steps taken toward enlarging the American aid effort in Latin America. Under the Act of Bogota, the so-called Inter-American Program for Social Progress, several hundred million dollars were proposed for assistance to Latin America. The Alliance for Progress, while it was a much larger, bolder, clearer program than anything that had come up before, nevertheless was in a sense a carrying on and enlargement of an interest in Latin America which had found expression in the last year or two of the Eisenhower Administration.

I'm sure that Doug Dillon, who had been instrumental in the change of policy in the Eisenhower years, was also one of those who was influential in urging the President in this direction in the beginning of his term. Dick Goodwin [Richard N. Goodwin], of course, was instrumental in this. Goodwin and Linc Gordon [Lincoln Gordon] drafted the President's speech to the Ambassadors and the message to the Congress which launched the Alliance for Progress. I do not know the extent to which Goodwin actually initiated the effort, although I believe it is accurate that he christened the Alliance for Progress. Apart from this change, which was really very significant because all through the late 1940's

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and most of the 1950s the only aid program the United States had in Latin America was essentially technical assistance, and under the Alliance, by 1964, we are now making available assistance in the form of capital to the tune of several hundred million dollars a year--\$400 million plus in each of the last couple of years.

Apart from the change with respect to Latin America, there were other important changes in policy. It was a clear decision in the 1961 legislation to provide longer-term authority to the Executive Branch—there was a big fight about this in Congress. In fact we have not used these longer-term authorities as much as had been anticipated at that time. There was a conscious and deliberate decision to focus U.S. resources in a given country around a program that fitted that particular country rather than having a blueprint program that would apply to each and all countries. There was a deliberate decision to stress more heavily the self-help measures that the aid-receiving countries themselves should undertake as a condition of our aid. These are matters on which the President agreed with and concurred with and fought hard for insofar as they required Congressional action. They came to him, however, from the foreign aid task force essentially as recommendations and were not in a strict sense the result of his own initiative. The Alliance for Progress was an initiative as far as I am aware that did come from the White House itself and to a large extent presumably from the President personally.

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TURNER: Two incidents that occurred may throw some light onto the personality and character of the President. What I have in mind is the possibility of taking Jackson Place, the Park that is across from the White House and using it as space for the erection of an Executive Office Building, and the other is the suggestion that was made that the present Executive Office Building, sometimes called "Old State," be torn down and replaced by a newer and more modern building. In each of these instances, as I understand it, President Kennedy interested himself personally and influenced the decision and perhaps made it. Do you have some recollections on that for the record?

BELL: Yes, I do. I suspect that Bill Walton [William Walton], Chairman, Commission on Fine Arts, probably knows more of the story than anybody else. And of course Mrs. Kennedy also. But the parts of the story I know are about as follows. When President Kennedy came into office there were already plans to construct two federal office buildings, not on the park land itself, on Jackson Place, but on the two blocks that faced Jackson Place. The General Services Administration plans had advanced quite substantially, so that there was a plan to erect a modern stone and glass building, much like those that have since been finished on the south side of Independence Avenue, or the private ones that have been built up along Connecticut Avenue, to house the bulk of the Executive Offices of the President, the Bureau of the Budget, the Council of Economic Advisers,

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and so on, to be built in the block bounded by 17th Street, Pennsylvania Avenue, H Street, and Jackson Place.

There already had been a good deal of discussion and argument over how many of the old buildings in that block should be retained, and there had been general agreement that the Blair and Blair Lee Houses and the Decatur House would be retained. But that was about all. Everything else would be torn down and a modern glass and stone building would go up on this side of the square.

At the opposite side, across the street from the Treasury, a parallel building would be erected, also largely glass and stone, for the Court of Claims. This was the situation. I heard about it from Elmer Staats and Sam Broadbent. All of us had some feeling about the undesirability of tearing down all the old houses that fronted the square on both sides—the old houses over on the Treasury side that the Cosmos Club used to be in, the Dolly Madison House, and so on, and the old houses on the west side of the square which were still standing.

So far as I remember, we took the initiative in getting hold of Bill Walton, (he has since been named as Chairman of the Fine Arts Commission in the District of Columbia). At that time he was a friend of the President, an artist living in Georgetown. He worked for the President during the campaign and turned out to be an excellent natural politician, and a very fine fellow. I had come to know him very slightly as I became

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acquainted a little bit with the Kennedy family and their friends. Walton shared our concern and conveyed that concern to the President. And we in turn, together with Walton, urged the General Services Administration to have their architects reconsider the problem and see whether they couldn't change the design in some fashion.

The architects at that time were a Boston firm, I've forgotten the name. They sent a couple of fellows down and we met with them and explained the problem, went over it with them, and they drew several alternative sketches of how the buildings might appear. First they tried to set the building back from the street. Then they tried to design a Georgian style building, brick with white trim, like the old buildings in the Harvard Yard. I remember that some sketches along these lines were sent over to the White House, and the President and Mrs. Kennedy looked at them and were still not satisfied.

Then—and all I know about this part of the story I get from the newspapers—the President had an acquaintance visiting him who was an architect from San Francisco named John Carl Warnecke. They got talking about this problem, and Warnecke and the President walked around the square and looked at the problem and Warnecke went home and puzzled about it and finally came up with the idea, which was later accepted, of leaving the old houses which directly front on the square—and indeed replacing one or two modern buildings, at least on the west side of the square, like

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the old Brookings Institution, with new buildings designed like Blair House and Blair Lee House in an 18th or early 19th Century style—and setting the new Executive Office Building back in the rear part of the block over on the 17th Street side. A parallel decision was worked out at the opposite side of Jackson Place for the Court of Claims. Those new plans when worked out more thoroughly and carefully were accepted and are now in the process of construction.

Simultaneously, that is to say at the beginning of President Kennedy's term of office, and when this matter of putting a new Executive Office Building up in the block north of the Old State building was considered, the question arose as to what would happen to the existing Executive Office Building. It turned out that in the latter years of the Eisenhower Administration, perhaps in 1957 or 1958, there had been a committee appointed on the President's office space and that committee had published a report. The report recommended that the Old State building be torn down, and replaced primarily with a park, but with a small building at the center where the Old State building now is, which would contain the President's own office. The West Wing of the White House would be torn down and that area made into a park also. This was approximately what the recommendation was, and the people who are now in Old State would of course move into the new building in the block across Pennsylvania Avenue.

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Many of us who worked in the Budget Bureau over the years considered that the Old State building, while frequently criticized as very ugly on the outside, nevertheless had a stateliness and a tradition and a grace inside which should not be lost. Accordingly, we

considered the matter, Elmer Staats, Mac Bundy, and I, and others, and decided that we did not feel it would be advisable to have the Old State building torn down. Instead, the long-term plan should be that when the new building is ready in the block north of Pennsylvania Avenue, to clear out half of the Old State building and renovate it by putting in air conditioning, modernizing the plumbing and the wiring, replacing the elevators, and otherwise making it a more comfortable building for modern working conditions, but retaining the basic structure as is. We had Warnecke look the building over and he thoroughly agreed with this conception, and I believe this is now the plan. This also was checked out with the President and of course he was enthusiastically in accord.

To nail down the likelihood that this solution would be followed, we undertook to have the Old State building cleaned, probably for the first time since it was finished about 1870. It was extremely black and grimy. This was done, and the building did of course turn out to be very handsome, a light color gray granite. The general theory on which the cleaning was done was that nobody would be able to achieve the tearing down of a clean building. We hope this will be borne out by events.

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TURNER: Before we bring this interview to a close, do you have any final observations that you could make about President Kennedy as a man that historians would find of value?

BELL: I'm not sure I have anything to add to what has been said. I might comment on two or three matters, however, that impressed me particularly, apart from what I have already said above. I think the President at some stage made a fundamental commitment to political activity which was of striking significance, not only in his own life, but to American political life for this generation. This was to me perhaps the sharpest contrast between the significance of this man as President, and his predecessor, or most of his predecessors. Here was an able, intelligent, active, charming man, with all the talent in the world and all the money in the world, who committed himself to political life, and who brought to it standards of personal behavior which were as high as I think you could find going back a long, long way. I believe his example came close to restoring politics, in the eyes of young Americans, to its old place as the first of the professions.

His approach to public issues was essentially an approach like that say of President Jefferson [Thomas Jefferson], probably closer to Jefferson's than to anybody else in our history. He was a rationalist. He started with the merits of the issue and the logic of the issue, and he delighted indeed in wrestling with public issues as intellectual problems. At the same time, he was a total activist. He wanted to wrestle with issues in order to reach decisions

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and do something about them. He was impatient with theoretical discussion, but he was excited by and delighted with imaginative and analytical discussions about a real problem, and that meant something in practical and actual terms and about which he could do

something, or something could be done. He combined intellectual competence and an action impulse in a way that struck me as highly admirable in a politician

I think looking back, and particularly in considering the impact of Lyndon Johnson on the legislative process in comparison to John Kennedy's impact, I think it is probably true that Johnson is more naturally at home in the legislative process than Kennedy was. I think, however, as of the date we are making this recorded interview, that the effect of this is being greatly exaggerated by many observers who consider that Johnson is having much more success with the Congress than Kennedy did. I personally don't think that's true. I think that Kennedy was extremely successful with the Congress, and I think moreover that the Tax Bill and the Civil Rights Bill which have been passed in 1964 would have been passed had Mr. Kennedy lived. So that the legislative achievements of these four years really represent the Kennedy program.

I think Mr. Kennedy did not delight in the company of politicians, and I think perhaps Mr. Johnson does find more delight in the company of politicians. On the other hand, I think Mr. Kennedy delighted in the company of some politicians who shared his particular intellectual bents, his

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particular brand of humor, his particular outlook on life, and this was equally true in any other field. I think Mr. Kennedy applied standards to the people he spent time with which were essentially the same standards whatever the background or line of work the person was in. I was impressed, and remained impressed, by the obvious desire of the President and his wife to raise the quality of American life—everything from improving education and research in the broad sense, to the improvement of the arts and cultural life, and their own personal example not only in refurbishing the White House and influencing the redevelopment of the Jackson Place area, but also in the way they spent their spare time. These were all reflective of people who were acquainted with and enjoyed the company of the more shining intellects and more outstanding talents that existed in the United States, and indeed in the world, in their time.

There was a feeling on the part of unwary or unknowing observers that the Kennedys shared many of the attitudes and enjoyed the society and company of wealthy Americans. This is a vast oversimplification. They surely did enjoy being well-to-do and using their money for personal enjoyment, as well as for family charities and all the rest of it. But people are not aware I think of the extent to which they were selective in their companions, and indeed the extent to which the Kennedys were still affected by the fact of the recentness of their rise to wealth. When we were down in Palm Beach at Christmas time in 1961 this was borne in on me in a very sharp fashion when Ted Clifton [Chester V. Clifton, Jr.], the President's Military

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Aide, invited me to play golf one day. We went to the Palm Beach Country Club—I believe that was the name of it—and played. It was a very nice Club. It turned out that this was the Jewish Country Club in Palm Beach, and as I learned the story more fully it seems that the

President's father had never been accepted as a member at the gentile Country Club, which was called, I think, the Country Club of Palm Beach. Joe Kennedy and the fellow who ran the Chesapeake and Ohio Railroad, Robert something or other, were the two wealthy men who lived in Palm Beach who had not been admitted to the gentile Country Club, but were members of the Jewish Country Club, the two Gentile members.

Naturally when John Kennedy became President he and all his family and all his friends utilized the facilities of the Jewish Country Club, even though at that point quite obviously he would have been more than welcome at the gentile Country Club.

I think this story is quite significant of the President's character, indeed of the character of all the Kennedys, because they were not at all a typical wealthy Eastern American family. They were most atypical. Not only their clannishness, but also their independence of judgment and their wariness in committing themselves to people and events, I think stems in significant measure from their very recent rise from immigrant status in Boston. I think it is in a sense the more impressive or the more surprising that when one saw President Kennedy, when one thinks of

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him today, one usually thinks of the highest attributes of the American character: the reserved and patrician manner; the public-spirited willingness to serve the public interest; the conviction that talented Americans should put their services to the benefit of their country. These are attitudes which were prominent in the early days of the Republic. They characterized Washington [George Washington], Jefferson, the Adamases [John Adams; John Quincy Adams], and lots of others in those times. They are attitudes which have been retained in various ways in the stream of American history; most conspicuously probably in New England, but also in Virginia and many parts of the South. Those attributes were extraordinarily strong in John Kennedy, even though his family was of fairly recent vintage in the United States, and even though his father was a rather successful speculator and fairly ruthless businessman in the 1920's and 1930's. I think that his biographers are going to need to puzzle about the question of how the President obtained these particular attributes, where he got them, why he got them.

I fully shared the views that were so eloquently expressed after his death about his grace, his style, his humor. He was, as David Lloyd once said about Adlai Stevenson [Adlai E. Stevenson], a deeply serious man with an extraordinary sense of humor, in contrast to many other public figures in the United States, past and present, who are essentially frivolous even though they may have a superficially hearty and humorous manner.

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TURNER: Did you ever see him lose his temper?

BELL: I don't believe I ever did. He was extraordinarily in control of himself. Under all circumstances, as was typified by his unwillingness to wear funny hats or Indian warbonnets, he disliked any public show of emotion. I can remember him flushing red on occasion. I cannot remember just what happened, but I can remember the

impression of his obviously feeling upset and angry, but retaining complete control of himself. I don't believe I ever saw or heard of him blowing up at anything. This isn't to say that it hasn't happened, it's just that I never saw it, never heard of it.

I think I would add one other point. This is not particularly unusual in people who are accustomed to public office. He was very natural under any circumstances. He was not uncomfortable, did not seem to be uncomfortable. He was accustomed to being interrupted. His family life and his public life were intermixed constantly and he was used to this and it did not seem to trouble him.

For example, we were sitting in the Cabinet Room at a meeting one day, probably in 1961, when young Caroline [Caroline Bouvier Kennedy] came into the room and came over to her father and said, "Daddy, Mommy wants you,"—which was very amusing to all of us in the room who were fathers, because it's what any child of three or four says to his parents. It didn't trouble the President. He smiled and encircled her with his arm and we went right on with the

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business, and he evidently pressed a button or something because Evelyn Lincoln [Evelyn N. Lincoln] or somebody came in and persuaded Caroline to go out. But this sort of willingness to accept the inter-mixture of personal and public life was very apparent.

I remember I went into his bedroom at Palm Beach at something like 10:00 on the morning of New Year's Day of 1962 to close out the budget message with him. I had been all through it with Sorensen, and Dillon had signed off, but we needed the President's personal okay. I checked with him the afternoon before and that's when he asked me to come in. He was just waking up and hadn't even had breakfast yet. He sat there with his hair tousled and no pajama jacket. He was a very fast reader, and he ran his eye quickly down the first few pages, made a word change or two, characteristically reducing rather extravagant adjectives to something cooler and more restrained, and then told me it was fine, and that was all there was to it. This seemed to him a perfectly natural and normal way to do business, and it was, for a President, necessarily so.

I can confirm, not that it's needed, the President's interest in and facility with words. Mary McGrory or somebody wrote about him that he never opened his mouth unless he had something to say, and it embarrassed him greatly to have to make a speech unless he had some useful purpose to accomplish. He was indeed facile and adept and thoughtful in writing and in speech, and the extemporaneous remarks that he made

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constantly and continuously, everything from toasts to political speeches, are evidence of his competence along these lines. Sorensen wrote, I am sure, in a literal sense most of the words that the President uttered, but if the President had had time he could have written them equally well and the interplay between the two was constant and continuous. The President in the many occasions in which I saw him work upon messages and speeches had a very distinctive and strong effect. It was quite clear what he wanted to say and how he wanted to say it. As he ran through a speech or message he would be continuously altering phrases or



structures, or dropping out paragraphs, or adding new ideas—sort of thinking them out loud as he went along, and Sorensen would seemingly catch them on the fly and in the next draft they would be there word for word as the President had uttered them, even though he had not dictated them in the formal sense to a secretary. The interplay between the two men was a beautiful thing to watch.

TURNER: This concludes the interview. Thank you very much.

[END OF INTERVIEW #1]

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