

**William L. Batt, Oral History Interview – JFK#1, 10/26/1966**  
Administrative Information

**Creator:** William L. Batt

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**Biographical Note**

Batt, Secretary of the Pennsylvania Department of Labor and Industry from 1957 to 1961 and administrator of the Area Redevelopment Administration (ARA) from 1961-1965, discusses the 1955 Depressed Areas Act, difficulties with operating the ARA within the Commerce Department, and the actions of the ARA around the country, among other issues.

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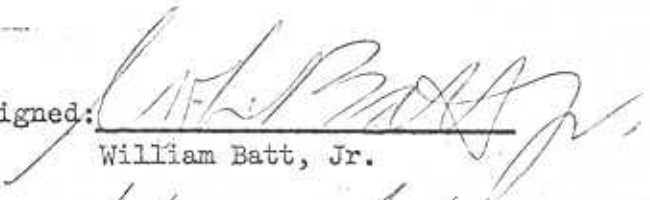
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with The Honorable William Batt, Jr.

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William Batt, Jr.

Date: March 6, 1971

William L. Batt – JFK#1

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First of Three Oral History Interviews

with

William L. Batt

October 26, 1966  
Washington, D.C.

By Larry J. Hackman

For the John F. Kennedy Library

HACKMAN: Mr. Batt, can you tell me when you first met John Kennedy [John F. Kennedy]?

BATT: Yes, Larry. I believe it as when he was a member of Congress from Boston, and I was then Assistant to Secretary of Labor Tobin [Maurice J. Tobin], formerly governor of Massachusetts. I was concerned for the Secretary with problems of area unemployment. I recall visiting several times in the Congressman's office to talk about unemployment

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in Massachusetts. Of course Boston was not an area of unemployment, so that his district was never so classified by the Department of Labor, but the textile towns of Massachusetts, Lowell, Lawrence, Fall River, and New Bedford had been for many years, and he had a very real and direct concern about unemployment there. I knew his Administrative Assistant when he was a Congressman.

HACKMAN: Ted Reardon [Timothy J. Reardon]?

BATT: Ted Reardon. Ted and I had been in college together. Ted and I had

played freshman football at Harvard with Joe [Joseph P. Kennedy, Jr.], the Congressman's older brother who was killed in the war. I visited that office occasionally to compare notes with Ted. I remember once--I don't remember the occasion, it was probably just a happenstance occasion--running into

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him and having lunch or a cup of coffee with the then Congressman Kennedy at the Hot Shoppe over on the Virginia side of the 14th Street Bridge. What we talked about on that occasion, I don't recall. I remember we had a nice long visit.

I knew him better as a Senator because, again, he, with a strong assist from Ted Sorensen [Theodore C. Sorensen], prepared a very comprehensive study on one of the Eisenhower [Dwight D. Eisenhower] recessions that we had, and its effect on New England as a whole. He proposed that New England do some regional planning and make a regional effort to counteract their unemployment on a multi-state basis. This is an idea that emerged later then in the Economic Development Act. But he prepared a very comprehensive paper on it which I remember reading at Ted Sorensen's request.

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This must have been in the.... When was he elected senator?

HACKMAN: '52.

BATT: This must have been very shortly after his election as senator, one of the first Eisenhower recessions. Then out of his concern about unemployment in the textile industry in Massachusetts grew his interest in co-sponsoring the Douglas Bill legislation that emerged around 1955. Senator Douglas [Paul H. Douglas] was the original sponsor of this. He had Senator Kennedy as an original co-sponsor and a number of other senators from both parties. Senator Kennedy was also the second ranking Democrat on the subcommittee of the Senate Labor Committee that had this legislation referred to it for action. Then when the vacancy occurred on the Senate Finance Committee and Senator Douglas had to give

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up one of his committees, he gave up the Labor Committee and Senator Kennedy took over the chairmanship of this subcommittee. This was in the middle fifties. I was at that point just an enormously interested citizen. I was doing industrial development in Toledo at the time. I testified for this bill. I pushed it, helped to organize a lobby to support the bill. I remember coming down to talk to Senator Douglas and his administrative assistant, Frank McCulloch, and asking why the bill was bogged down. They said it was because of this change in the situation within the Senate Labor Committee. He said that the whole matter was up before Senator Kennedy at that time. He was trying to decide whether to pick this up and run with it or to concentrate his time in other matters, that it was in his office

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that the delay was occurring. So I suggested to Frank that I just go upstairs and talk to him about it. I did that. I remember having a brief conference with the Senator, told him of what seemed to be the high priority that should be given to this legislation and urged--it was near the end of the session--that he provide the leadership that Douglas was dropping. He said, "It sounds good. Talk it over with Ted and Mike"--Mike Feldman [Myer Feldman] who was then in the office with him. I remember then, in their cubicle that they called an office, sitting down and talking about the Douglas Bill and what needed to be done and what its chances of passage were and so forth. Well, Senator Kennedy did pick up these hearings, completed the hearings, got the bill reported out, and led the fight on

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the floor. Starting with bi-partisan support from northern and border states with depressed areas, like Kentucky, Pennsylvania, and Maine, he added the support of labor-backed Northern Democratic liberals and the handful of liberal Republicans. With some help from then Senator Johnson [Lyndon Baines Johnson] and some help from the Southern Democrats urged on by Senator Sparkman [John J. Sparkman], who was a leader in this fight, Senator Kennedy won that vote amazingly, much better than we did a couple of years later. This was the bill then that went to the House; and in a closing rush when the Rules Committee chairman, Mr. Smith [Howard W. Smith], disappeared to his farm in Virginia which he was wont to do at the end of the session, we got Rayburn's [Samuel Taliaferro Rayburn] agreement to schedule it if we could get Congressman Martin's [Joseph William Martin, Jr.]

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agreement. Mr. Martin then sent up to the Administration to get their view on it. Our proponents said that they would even be willing to accept the Administration bill in the House which was a far, far reduced version. The Republican leadership in the Administration--Mr. Larson [Arthur Larson] was the Under Secretary of Labor; Mr. Mueller [Frederick H. Mueller] was the Under Secretary of Commerce, and he was largely the determining factor I think in this decision--they decided against it. I chided Mr. Larson about this subsequently. He said, "Well, we felt that this was just a parliamentary shenanigan, that the Democrats would get it into the conference committee and substitute the Senate bill." We certainly would have tried. In this he was quite correct. Of course, the Eisenhower Administration was divided on

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this anyway. The Commerce Department was never for the idea at all, and it welcomed an opportunity, I'm sure, to kill it. The Labor Department was rather for it, and Treasury was against it. So that was.... It was really in connection with that fight--I remember coming down to watch that debate in '55--that I had my first opportunity to work with Senator

Kennedy. I think I was one of the factors that persuaded him to take the active leadership in that fight. Of course, it was a fine thing for him to do.

HACKMAN: This was when you were heading the Area Employment Expansion Committee.

BATT: Yes.

HACKMAN: You were in Toledo. Who else were you working with at this time or what other groups were working with you to pass this legislation?

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BATT: The Labor movement was the principal lobby. We had formed this committee. Sol Barkin [Solomon Barkin] of the Textile Workers Union and I started this committee in an effort to concentrate the fire of the various.... It was a committee of committees really. We were interested in finding someplace that the rather disjointed support for the bill could be concentrated. It was a very small committee. Charley Murphy [Charles Murphy] helped us put it to legal work. We had the support of the AFL-CIO, primarily. They were the largest single body, but we also got a lot of community groups from depressed areas--local industrial development and Chamber of Commerce people from southern Illinois, from Massachusetts, from northern Minnesota, from Pennsylvania, from all over the country--who in this way had a voice. We also

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were able to keep communications open to them and call for help in key spots at key moments in the effort.

HACKMAN: Other than attempting to pass this legislation did you have any discussions with Kennedy at this time that would have given you an indication of his real commitment to this program or of the depth of his knowledge of the whole unemployment situation or the economics of unemployment?

BATT: We knew from the work we had done--I knew from the work I had done with the Senator back when he was first elected--about the sincerity of his concern about unemployment and about the out-migration of the textile industry. Of course, any senator from Massachusetts has to worry about unemployment just like any senator from Illinois or any senator from Pennsylvania

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or West Virginia has to worry about unemployment. They do if they are doing their job. Democrats and liberal Republicans do. Conservative Republicans like Martin [Edward

Martin] of Pennsylvania or Bridges [H. Styles Bridges] of New Hampshire, did not. Perhaps that is why so few conservative Republicans remain, in the Northeastern states at least.

President Kennedy probably got his feel for it both because of his concern with economic development generally--economic growth--and also because every time he went back campaigning he ran into these textile towns and ran into unemployment among them. Then the advice he was getting from economists at Harvard.... Seymour Harris [Seymour E. Harris], in particular. Seymour was a very active member of our Committee. Seymour had always testified

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for the bills. Seymour knew this problem well. Seymour had probably personally done as much about trying to do something about textile unemployment in New England as anybody in the United States.

HACKMAN: I recall the name of a Professor Richard Lester [Richard A. Lester]. Was he involved in this at all?

BATT: No, he wasn't.

HACKMAN: Anything else that you recall about your contact with Kennedy during the Senate in this area....

BATT: No, there isn't.

HACKMAN: Like the fight for the later bill in '59 or '60?

BATT: The later bill, you see, came into the Banking and Currency Committee. Senator Kennedy wasn't on that and Senator Douglas was. Senator Clark [Joseph S. Clark] was. Senator Douglas and Senator Clark carried a lot of the load in leading the fight

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in the Senate in the subsequent years. Senator Douglas did a large part of it himself. I must say that you'd run into Senator Kennedy, though, on any bill of any significance in this field. Everybody tried to get him to sponsor their bills in which they were interested because he had a great deal of influence, far beyond his seniority, in getting bills adopted and getting backing for them from both wings of the Democratic party. This was true. I came down to testify for minimum wage legislation in this period. I testified for unemployment legislation. I remember on one occasion he and I testified together before Senator Byrd [Harry F. Byrd] and the Finance Committee. I believe it was for emergency compensation legislation. I was scheduled ahead of him, and I remember Senator Kennedy

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went on ahead. I would see him on occasions like this and testified before him on occasion. Because we had several recessions in the Eisenhower years and these recessions hit the country hard. They hit my state of Pennsylvania--by then I was Secretary of Labor and Industry in the state of Pennsylvania--hard, and Senator Kennedy was very much involved in labor legislation.

HACKMAN: Let's move on then to the period when you were in Pennsylvania. Did you play any political role in the 1960 campaign in Pennsylvania?

BATT: First of all, those of us who were in the Lawrence [David Leo Lawrence] administration were precluded from taking any active position before the Los Angeles Convention because Governor Lawrence hadn't taken any public position and was known as a supporter of Adlai Stevenson [Adlai E. Stevenson]. So we couldn't do anything

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before the Convention. Afterward, in the state campaign, my principal use there was helping organize union support and talking with union leaders and union-organized meetings up and down the state, which we did very extensively. Then again, while in Washington I visited in the Senator's office with Ted Reardon and suggested that we were not making enough capital out of the depressed areas legislation, out of the area redevelopment legislation, which in states like mine, Pennsylvania, and states like West Virginia, Kentucky, Illinois, Minnesota, Michigan, and places that were affected by this it seemed to me might be very crucial. So it was very shortly after that that somebody in the campaign asked me to organize this conference on full employment.

HACKMAN: This was after the Convention?

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BATT: This was after the Convention.

HACKMAN: But your talk with Reardon had been before the Convention?

BATT: No, this was after the Convention.

HACKMAN: This was after the Convention, too. From your talks with labor leaders around the state of Pennsylvania was there any consensus of opinion on what candidate they preferred at the Convention, any resistance to Kennedy as president?

BATT: No, I think the labor movement probably was very partial to Kennedy all the time.

HACKMAN: Do you remember if you attended the first meeting of the Appalachian governors at Annapolis, Maryland?

BATT: I didn't. No, our state was represented by our Secretary of Commerce, Bill Davlin [William R. Davlin].

HACKMAN: We were discussing earlier your participation in this conference at Charleston. How did you become involved in this?

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BATT: I was asked by the campaign organization--I forget how, I believe it was a letter from the Senator--to organize, along with the present governor of West Virginia [Hulett C. Smith], who was then the chief candidate, I guess, for governor?

HACKMAN: At that point he was the Democratic national committeeman.

BATT: Democratic national committeeman. He'd run for governor, I think, and been defeated. He and I were asked to organize a nationwide conference on the problem of unemployment, particularly depressed area unemployment, in Charleston and then to wind it up with a rally for the President on his arrival there that evening. I arranged with Governor Lawrence to take a couple of weeks off and put in a week in Washington and a week in Charleston, as hectic as any two I remember in a long

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time. We brought in upwards of five hundred delegates, as far west as Illinois and to the east coast, to this conference. We structured it and got speakers and publicity and so forth, as one does for a conference. It was a pretty good one. We didn't expect any vast new departures in economic thought to come out of it, but we stirred up a lot of involvement and made perfectly clear to the country, and particularly that part of the country, the President's identification with the area redevelopment legislation. We got this very substantial group of labor people, academic people and civic people committed to pushing area redevelopment legislation and the President's election as a prerequisite to getting this kind of support out of Congress. I think that was.... The identification of

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the President in his campaign with some relief for depressed areas was, I think, probably the principal aim and the principal accomplishment of that meeting.

HACKMAN: Did you have a chance to talk with Kennedy when he came to give his

speech at the conference?

BATT: Yes. We arranged the conference, broke it down after some preliminary talks into small group meetings, and we tried to get the consensus of.... They were focused on certain areas of particular interest. New industry was one and retraining was another. We then tried to get the recommendations out of each group, and we quickly compiled them into a set of recommendations. When he arrived, I went on the plane and gave this to him. Then I came in town

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met him in his hotel room at the Daniel Boone there and briefly went over the results of the meeting, who was there and some of the recommendations of this conference. Then the President worked these into his remarks to the group later on. Then we had this rally. We invited, of course, all the conference participants there. He talked to them at the same time he was talking to the West Virginia people. It was an ingenious idea, and I think it worked very well. It certainly gave a focus to that particular night of the campaign which certainly otherwise would have been just a stop on a campaign tour. It was a good deal more than that.

HACKMAN: Did you think this growing emphasis on area redevelopment in depressed areas played a significant role in election results in Pennsylvania?

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BATT: Well, it was hard to assess because the areas which were primarily concerned with this issue were the anthracite areas and the soft coal areas, and they were overwhelmingly for the President anyway. Although much of them swing areas.... President Kennedy won Pennsylvania like Grant [Ulysses S. Grant] took Richmond, didn't he?

HACKMAN: Yes, overwhelmingly. [Note: President Kennedy received 51.1 percent of vote in Pennsylvania.]

BATT: I would have thought this was probably a more critical issue in marginal states like Illinois and Kentucky, because the areas in Pennsylvania where this was the biggest issue--and it was a very big issue--he talked about it up and down the anthracite country and the soft coal country, the steel country. There was enough unemployment in 1960 so this hurt. So that it was an enormously useful issue for him to have. In point of fact, he was

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terribly popular in these for a number of reasons. He was a Democrat; he was a liberal Democrat; he was a Catholic; he went over tremendously well in these areas and would have gone over in these areas whether they had our issue or not. On balance it might have had a swing effect in states which were exceedingly close. I didn't realize Kentucky was close, but Illinois was close. This was an effective issue in Southern Illinois, for instance, which is traditionally Republican country.

HACKMAN: Do you remember if you had contacts with Kennedy or members of the campaign staff or his personal staff in the period following the conference previous to the task force?

BATT: I don't recall having any.

HACKMAN: Do you remember if you attended the meeting

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of Appalachian governors in October in 1960 at Lexington, Kentucky?

BATT: No, I didn't.

HACKMAN: Shall we move on now to the task force? Could you describe how the task force worked, how it was organized?

BATT: It was organized largely by Mike Feldman. Paul Douglas was a very active chairman. When questions of policy came up that might impinge on something else that was underway I know we would all look to Mike for guidance. One issue which particularly struck me which Mike came into-- an issue which is not yet resolved.... On the task force, I think, there was a very strong feeling that we ought to get some form of tax incentive for companies to locate in depressed areas so that we would have an inducement for large industry to go there. We had this under the Truman [Harry S. Truman]

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Administration by executive order. No, I'm sorry. We initiated efforts to get it in the Truman Administration. We'd never gotten it actually until about nine months into the Eisenhower Administration when an order put out by the Office of Defense and Management, or whatever it was called, under Arthur Flemming [Arthur S. Flemming], finally put out this directive. This had had some effect on getting some very blue chip companies to locate in depressed areas. Big companies don't give a hoot for government loans. You can get companies into your depressed areas who are marginal, who don't have their own financing and so forth, to whom this is a real inducement. But we wanted inducements for the big ones because when you're just limiting yourself to the small ones and the weak ones financially, in effect you're putting the weakest companies in the weakest areas.

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Mike recommended urgently, in effect vetoed any effort to put anything in the government's task force report on the theory that a group--another task force--was worrying about tax policy and we might impinge on their area of responsibility. Well, we never did sell this to the Kennedy Administration, never sold it to the Johnson Administration, but tried off and on for years because the Treasury Department was just dead set against it and....

HACKMAN: Who other than yourself was involved in this effort during the Kennedy Administration?

BATT: Well, on the task force, everybody. I think there was a clear majority in favor of this kind of approach. Who in the Administration? I suppose primarily ourselves in the ARA [Area Redevelopment Agency]. We were the ones primarily concerned.

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HACKMAN: Was most of the work of the task force done with the group as a whole or with the special panels that were formed, or how did this work?

BATT: Primarily with the panels.

HACKMAN: Do you recall anything new or anything...

BATT: No...

HACKMAN: Or anything that came out of your own panel on labor problems?

BATT: We took primarily.... We'd been over this ground pretty thoroughly with the debates on ARA, you see, and we took pretty much what was in the ARA legislation as a starting point and then added on things like surplus food. Joe Clark felt strongly about aid to dependent children being more adequate. And something, I think, was put in about public works. Fundamentally it was starting with the ARA, and everything that was in the ARA bill was a

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point of departure. We added on both the welfare stuff on the one end and the public works on the other.

HACKMAN: Right. What role did the two senators from West Virginia play? Did

they play an important role in the task force report or....

BATT: I don't think so. I don't recall it.

HACKMAN: I believe also Representative Flood [Daniel John Flood] was on the committee. Did he play an important role?

BATT: The dominant voices were Senator Douglas and Senator Clark. Senator Clark was on it, wasn't he?

HACKMAN: Yes.

BATT: I know that Jim Sundquist [James L. Sundquist], of Joe Clark's staff, administrative assistant, did a lot of the writing, and Jim would know more about this task force than I do I'm sure.

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HACKMAN: Do you recall any vigorous disagreements either by any of the congressional people on the committee or by some of the public representatives on the committee?

BATT: No, I don't think so. We were all, of course, under a high head of steam and working for the deadline of New Year's. We wanted Senator Douglas to have something to take down to see the President with. I think there was a large area of unanimity in the group.

HACKMAN: Were you pleased with the final report?

BATT: Oh yes. I don't think we've ever gotten everything that was in it, but it was a good star to hitch your wagon to.

HACKMAN: Other than the things that were tacked on to the basic Area Redevelopment Bill that resulted, was there anything different from the previous Douglas bills?

BATT: I don't think so. No, when I said ARA bills,

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I meant the previous Douglas bills. This was a kind of point of departure. I think we went in heavier on the public works side, and I think this was one of the factors in helping, perhaps, bring along the Public Works Bill of '62--that and the fact that Congress wanted something that would put people to work fast. ARA by its nature of having to cajole private investment into an area after the area itself has

become organized and itself has gotten started with an industrial development effort--the whole emphasis of ARA, really, the whole focus, was on bringing in new industry--this, of course, was of a very long term type, and the congressmen wanted something that would produce results quickly which was a large factor in getting the Public Works Acceleration Act passed the following year.

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HACKMAN: I recall that President Kennedy met with Governor Lawrence in December of 1960 and they discussed depressed areas. Did you play any role in this meeting or do you remember if you were there?

BATT: Until you mentioned it, I didn't know that it took place. Oh yes. Governor Lawrence came out to his house in Georgetown. It was down here in Washington, wasn't it?

HACKMAN: Yes.

BATT: I heard about that just the other day, but outside of reading the papers I didn't know about it.

HACKMAN: Do you remember any other contacts you might have had before the inauguration with Kennedy or with his staff?

BATT: No, I don't recall any.

HACKMAN: What role did you play in the passage of the Area Redevelopment Act in 1961?

BATT: Well, I worked like a dog on it. I had an

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arrangement with my governor that I could take whatever time was necessary from my duties in Harrisburg, so again our little lobby group worked on it around the country. I came down and testified, I think--I think I brought the Governor with me--probably both in the House and the Senate.

HACKMAN: Yes, you did.

BATT: But testifying is far less important than getting the delegation together. We had an almost solid vote from the Pennsylvania delegation. I did a lot of lobbying myself with key members of Congress, perhaps forty or fifty of them, but one finds that one's principal usefulness is with the members of one's own

state delegation, and there with the Governor's help we were able to get all the Democrats and the help of most Republicans. This

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has always been a bipartisan issue in my state and some very conservative Republicans like the former congressman from Altoona were very aggressive and able advocates of this legislation. We tried to get a unanimous vote out of the delegation, and we didn't quite. We got awfully close.

HACKMAN: Do you recall the name of that congressman from Altoona?

BATT: Yes, Jimmy Van Zandt [James E. Van Zandt]. So that was my principal usefulness, and ours in Pennsylvania was getting the Democrats and Republicans to vote. The President delivered the Democrats--the northern Democrats almost solidly and a good proportion of the southern Democrats. In addition the issue delivered some southern Democrats where they knew they had a lot of unemployment, and they knew they'd be eligible for a lot of help and they definitely

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needed it and they knew it. We got a good southern Democratic support.

HACKMAN: I recall at that time, I believe, Governor Patterson [John Malcolm Patterson] from Alabama testified in favor of....

BATT: He might have. I think we got all the Georgia votes that time around, at least one of those votes. These are no hot liberals, but they've got a lot of problems and they know darn well they've got a lot of problems and they needed help.

And they had done very well with this legislation. The key votes were the Republican votes, though, because the Republicans had taken a fairly strong party line on the negative side of this. It had become a party issue unlike social security or later on in subsequent years, training. So we chipped away more Republican votes than any other state.

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This was due in some parts to the efforts of the Governor and myself and the key people in the delegation like Dan Flood on the Democratic side and Van Zandt on the Republican side. It also was due, of course, to the problem. We've got more unemployment and more depressed area unemployment in Pennsylvania than any state in the union because of the coal industry.

HACKMAN: Do you recall if Larry O'Brien's [Lawrence F. O'Brien] office, which

was probably just getting going in the White House at this time, played any role? Did you have any contact with them?

BATT: Well, we did through the years then and afterward. Was Henry Wilson [Henry Hall Wilson] there then?

HACKMAN: I think he came right to start with.

BATT: One of the usefulnesses of this little

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lobby was to get a place to meet and take head counts during the House fight. We got together with all the labor lobbyists and the other lobbyists--the Conference of Mayors, the American Municipal Association, the Indians and other lobbies that we had interested in his legislation. Henry Wilson used to always come to those conclaves and we would always.... At various times in the House fight, usually when it was getting close to a vote, within a few weeks of the vote, and sometimes for strategy to get it through the Rules Committee, we would get together at a dinner sponsored by the lobby and take nose counts. Henry was always there and he was enormously helpful, and Larry was always helpful.

HACKMAN: This was true, for instance, in 1963 over the fight for expansion or are you

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just talking about 1961?

BATT: That's always true, always. I'm sure, yes.

HACKMAN: Do you recall what your feelings were when the ARA was placed within the Commerce Department as a result of...

BATT: Well, I was opposed to it and never made any bones about it. I think it was a mistake, and I still think it's a mistake. I think the President made a very real error, and I want to find out that whole story from Mike. I always thought he made that decision at about the time that Douglas came down with the report on the advice of people like Dick Neustadt [Richard E. Neustadt] and Dave Bell [David E. Bell] who were down there over that holiday period and talking...

HACKMAN: This was in Palm Beach?

BATT: In Palm Beach. The reason for it--that the decision was made--was quite obvious.

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It was hopefully a way to get some conservative support for a contentious issue and try to get some business support. Well, we never did get organized business support. The problem--and I must say there were advantages of going into an existing agency, but I think the advantages were outweighed by the disadvantages. I was going through the history of it recently and ran into the press conference that Secretary Hodges [Luther H. Hodges] held just, I think it was within a week--it was three days--after Congress acted on our original appropriation. In an answer to a question in this press conference, he said he was dissatisfied with the progress of the agency and the fact that it hadn't made more loans.

HACKMAN: This was in the fall of 1961.

BATT: The fall of '61. First of all, I think

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it's much wiser--and as a student of public administration; I teach it occasionally--an agency does much better launched new if it's not put under the aegis of an existing government department, unless conceivably the constituencies of both the new agency and the government department are identical. This was not true. Our principal constituency was labor and unemployed people and depressed areas, and the constituency of the Commerce Department was primarily the business community, most of who were opposed to this program. Now we did all we could to woo the business community but I can't say with any conviction that we ever succeeded, and haven't succeeded yet. To launch a new agency requires a kind of zealotry and you spend large part of your time fighting the existing agency,

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and this is ridiculous. You shouldn't have to. There's always a tendency in the existing agency to treat the new one as a kind of stepchild and downgrade it. Despite the fact that I had the warmest relationships personally with Secretary Hodges--I had a great affection for him, got along with him fine--and also with Secretary Connor [John T. Connor]-- you'd have a hard time finding two finer individuals--I think it was a terrible mistake for the agency, and I'd be happy to write a book about that any time.

HACKMAN: I take it Senator Douglas shared your views.

BATT: Oh yes. He was opposed to it from the beginning. The labor movement who were our principal.... If you go back in the history of the act, you see originally the bill had set it up as a separate agency.

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Then this had been criticized by Eisenhower in a veto so that next time around we put it under the Home Finance, HHFA [Housing and Home Finance Administration], which didn't make too much sense, but at least it was an existing agency and it would obviate that criticism. Then in the original draft of the Douglas bill made in the task force report it was going to be an independent agency. Secretary Hodges, I never did know whether he wanted it or what his involvement with the early history of it was. But I think it was a very great mistake. To go back to how did it get in the Commerce Department, he and Senator Fulbright [J. William Fulbright] wanted it to be in the Commerce Department, I gather. Senator Fulbright, who was after all the chairman of the committee that had action on the bill, wanted it in the

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Commerce Department. I guess he figured it would be more safe in the Commerce Department with some established businessman looking out for it. Fulbright was against the bill in the first place. Since then, of course, he's become an active supporter of it because he's seen what it can do for Arkansas. Fulbright insisted upon it, and Paul Douglas badly wanted back door financing. They made a swap. I remember coming into Washington for the debate. I called the Senator [Douglas] on the phone and said, "How's it coming?" This was in the morning of the day the debate was going to begin. I wanted to wish him well and time was getting late. I called him from the Esso station down there on the parkway. He said, "Bill, I had to give up on the location of the agency. I agreed to put it in the

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Commerce Department. I could fight the Southerners and I could fight the Republicans, but I couldn't fight the Southerners and the Republicans and the White House too." So he tossed in the sponge on that. As a *quid pro quo*, he got back door financing. But then the House took back door financing away from us. We never did get back door financing in the agency so I think we were sold down the river for a mess of potage on this issue.

HACKMAN: I have a note that on March 29, 1961, you had a short meeting with President Kennedy. Do you recall what that meeting was about offhand?

BATT: March 29?

HACKMAN: Do you recall any short meetings with the President in this period?

BATT: Where was it?

HACKMAN: At the White House.

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BATT: The next meeting I remember with the President was when he signed the bill on the first of May.

HACKMAN: Possibly this record is inaccurate.

BATT: I think I would have remembered it.

HACKMAN: When did you first find out about your appointment?

BATT: Well, this is one job that I never sought. I was kind of a logical person for it, I suppose. I was awfully available. I was in a state government, and the Governor had come in at a critical time, and the state had done well by President Kennedy. But this really had nothing to do with it. The politics were secondary. I think the President thought I knew something about administration. I had been in state, federal and local government for a long time and certainly had a passion for the act. I heard about various people

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promoting me. Paul Douglas told me. I was talking to him on something else, and he said he had spoken to the President about me as the logical administrator for it or something like that. I ran into Ken Galbraith [John Kenneth Galbraith] at the Sheraton Park [Hotel]. He told me that he'd recommended me. Right out of the blue--I hadn't asked him--he'd recommended me to the President to run this bill. At some point, shortly before May 1, the President talked to Governor Lawrence because the Governor spoke to me. He called me over to his office, I think, and spoke to me about White House interest. He asked me what did I think about it. I said, "I'd hate to leave the state, but this is one job I'd love to do. There are a lot of jobs in government that I wouldn't give a darn for, but this is

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one I'd love to do." I talked to my family about it and they hated the idea of moving to Washington again. We'd been in and out a number of times. But there was no question in my mind that I would do it if I was asked. I guess it was through Governor Lawrence that I heard that the President was going to appoint me. Then I got an invitation to go to the signing ceremony, and the President spoke to me there. I had been down by then, I think, doing some advance planning at the invitation of Secretary Hodges. I think Secretary Hodges got in touch with the Governor or with me. I went down to talk to Secretary Hodges about it. I think this must have been in April. I remember I came down and got borrowed for several days--a couple of weeks work, maybe--on a

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consultant basis before.... No, maybe that was in May. That was when I did this work. I don't know. I know the President spoke to me about it at the signing ceremony which I almost didn't make because I missed my plane and then drove down from Harrisburg that morning much too fast, broke all the speed laws, and got there ten minutes ahead of the signing, ten minutes of eleven, parked in the West Executive Avenue, went in out of breath and everything else. The President was shaking hands with a whole long line of people. When he came to me, he said, "I hope you're going to run this for us." I said, "I'd love to do it." So that was about two sentences, and he had himself an administrator.

HACKMAN: Do you know if anyone else had ever been considered for the job, if there was any competition?

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BATT: I never heard of the President talking to anybody else. But I did hear that at one point Milt Schapp [Milton Schapp] wanted it and that Secretary Hodges had talked to him. Whether it was at the Secretary's initiation or at Milt's initiation, I don't know. Milt had hoped to get the job. I heard that from some source; I don't know.

HACKMAN: Well, let's move on then and talk about the organization of the Area Redevelopment Administration within the Commerce Department. What were the major problems you faced in organizing within the Department, setting up the organization?

BATT: Getting an adequate budget approved, getting enough people. I remember all we could get approval for was three hundred and twenty-five people which seemed awfully thin at the time and still seems thin.

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Gene Foley [Eugene P. Foley] has gotten more out of this Administration--more people, less money because of the war, I dare say. Getting the budgets put together and approved through the Department, through the Budget Bureau, getting them submitted, going after appropriations from Mr. Rooney [John James Rooney], which was always a traumatic experience. Finding the people wasn't so hard. I must say it had something of the appeal of the Peace Corps, I think. It was a wonderful time to come to work for the government, and to recruit people for the government, because the President caught the imagination of a lot of the people in the country. Really, people found us. I didn't bring in people. I brought in my principal.... One man who became my deputy, Harold Williams [Harold L. Williams], who had been an invaluable person to me

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in Harrisburg and who knew this field very well indeed. He helped in the organizing phases and became the assistant administrator for field operations, and later became my deputy. Most of the other people found us.

HACKMAN: Was the program hampered by Civil Service?

BATT: Working with Civil Service was terribly frustrating. We had to make a choice--whether to go through Civil Service, set all the jobs up under Civil Service or set them up under the excepted appointment. What's that called?

HACKMAN: Schedule C?

BATT: Schedule C, which would have meant coping with the [Democratic] National Committee, and we decided we'd take our chances with the Civil Service Commission. In retrospect I'm glad we did although the Civil Service Commission was not at that time at all

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equipped to handle the fast staffing of an agency, and they gave us a miserable time, a miserable time. Some highly qualified people took a year to get on board. I had a long argument with the Civil Service Commission on this and went over to see John Macy [John W. Macy, Jr.] about it at one point. It's hard to win a battle, though, with the Civil Service Commission. We never did lick this one. But we got staffed and we got the bottlenecks vastly improved, and we eventually, a couple of years later, amalgamated our personnel division with the Department personnel division. The Department got a new personnel man in; that was a vast improvement. I think things moved a lot more smoothly later, but it was an uphill battle until then.

HACKMAN: Were there many people who had worked in, was it the Office of Area Development that had existed?

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BATT: We took over the whole thing. These people stayed with us.

HACKMAN: Were there any problems here in a new authority coming in and taking over this?

BATT: Well, no, I don't think so because we had known them for years. Vick Roterus [Victor Roterus] who was the head of it stayed with me. The Department of Commerce objected to this, but I wanted to keep Vic and I think he was an invaluable person, personally and as a link between the old and the new. I think we got the best out of that group.

HACKMAN: Did you face any political pressure for appointments under Schedule C?

BATT: Yes, a great deal. There were very few Schedule C appointments. The position we took with the political people was that we're terribly anxious to get your recommendations, but we insist on qualified

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people and we insist that if they don't cut the mustard, we have the right of veto. Most of them accepted this. Some of them didn't. By and large, I think we had one of the most highly motivated and devoted organizations I've ever worked with. We had a few weak sisters, not, curiously enough, the ones that looked as if they'd be weak on paper. They all had to pass muster, even if they came from the Majority Leader of the Senate who had a nominee for a man in Montana. They all had to get approval of the Civil Service Commission which determined the qualifications of the job. I must say these men came in to us from all kinds of backgrounds--a small town mayor, a Dodge agency owner, industrial development, Chamber of Commerce work, labor unions--all kinds of backgrounds.

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This work has required ability to organize your own time and be self starters and be alone in a state or alone in half a state. They had to organize their own time, had to put a new program on the road, had to be promotion minded, had to work far more than forty hours a week, and had to be on the road most of the time operating out of their cars in large part. They've done some awfully good work, I must say. Most of the field people are still with us. We took over, too, some nuclei. The Air Force had a first class field organization that had been developing community relations between the Air Force installations and communities which was first class, and I knew about it. Harold Williams had worked on it. We took over a number of their field people. So we picked up good

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people from other agencies.

[BEGIN TAPE I, SIDE II]

HACKMAN: We are resuming the interview with Mr. William Batt. Mr. Batt, we were discussing political pressures which might have been exerted for appointments in the Area of Redevelopment Administration. Can you think of any specific instance that you might discuss?

BATT: I can think of two. One was a former mayor and undertaker who was recommended to us by the Majority Leader of the Senate. We didn't

feel on the basis of his experience that he was qualified. We finally left it up to the Civil Service Commission, and the Civil Service Commission decided eventually that he was qualified. We took him on, and he turned out to be very effective much to our amazement. We

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had another more recently. We had a man in the state of Washington whom Scoop Jackson [Henry M. Jackson] was backing for a regional directorship. We had an unhappy experience with him. We appointed him, and he looked quite adequate as a state representative for the agency but had not worked out very well there because we didn't feel that he was devoting his time entirely to the agency's concerns. As it happened, we did not appoint him to the regional directorship. I don't know whether the Senator has ever forgiven us for this, but I'm sure it was the best thing.

HACKMAN: Was this ARA or is this since OEO [Office of Economic Opportunity]?

BATT: This was ARA.

HACKMAN: Did staffing problems continue to be a real problem?

BATT: I don't think in a sense they ever were a problem because an awful lot of talented

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people came to the agency and we just had to sort them out and pick the best qualified of them. By and large, we had a lot of freedom to pick qualified people. I think everybody wanted the agency to succeed. We made some mistakes, but I think that, by and large, the people we succeeded in getting were very talented and very devoted, and they stuck with us and performed exceedingly well. And the morale was unparalleled. We had excellent morale.

HACKMAN: You mentioned before that the problem, if there was one, was more of understaffing.

BATT: Yes.

HACKMAN: Could the White House have been of some help here or someone in the Commerce Department who might have been able to push for a larger staff?

BATT: I don't think it was that. What it

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meant was that everybody worked over their heads and put out a lot. I think perhaps on balance this is better than being overstaffed and having not enough to do. I don't think it was fatal at all, but I think we probably would have come closer to accomplishing the objectives of the agency, which were exceedingly high anyway, if we'd been more generous in calculating the staff requirements and not quite so chintzy. One person to a state is absurd unless it's a state with only a few counties like Vermont. We covered Pennsylvania with four people. It was much, too much, more than four people could possibly handle. I think this was a mistake in retrospect. I think we probably would have been able to do more and work more effectively with these communities, especially in tangential areas

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like training, if we had had more staff working on it.

HACKMAN: You mentioned before that on occasion Secretary Hodges had expressed dissatisfaction at the slow start. Was this a continuing feeling on his part?

BATT: The Secretary was one of the grandest people I've known to work for in many respects. He left us alone. He gave us our head. But in terms of being an all-out advocate for the objectives of the agency--that he wasn't. I don't think that he was ideologically attuned to what we were doing, and I think that he shared the reservations of the Chamber of Commerce and other groups like this. And he'd come from a state which was a well-to-do state. They had a lot of leadership in the state government in this area, much of which

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he supplied himself, and he was rather unsympathetic to depressed areas in a state where perhaps the state government didn't give a damn about them and never put out in their behalf. He thought you might as well leave these alone.

HACKMAN: What type of problems did this feeling on his part create for you?

BATT: Well, I think the usefulness of a cabinet member is to fight battles for the agency within the cabinet and publicly, getting public support for the agency. I think this is where we might have used more help--in press conferences, in public speeches, in going around to visit our projects. We had a hard time getting him to go and take a look at what was happening.

HACKMAN: How were other units within the commerce Department coordinated with the Area

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Redevelopment Administration effort?

BATT: We didn't have much to do with them. Again, the Department of Commerce didn't have much to do with us. It's a funny department anyway. It's transportation and census....

HACKMAN: Travel service.

BATT: It's a whole gang of things of interest to various businesses, none of which touched on us. We used the Census, but we bought all the services we got from them. We used the BDSA [Business and Defense Services Administration], but we bought everything we got from them. Generally, we didn't have an awful lot of contact with the Department except with the fifth floor, that is, with the administrative end--I with the Secretary and the Under Secretary and occasional assistant secretaries. My budget man

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had to deal with their budget office, my personnel man with their personnel office, my public relations man with their public relations office. It was up to our fellows then to try and keep the Department people on board and abreast of what we were trying to do. But for an old line department made up of agencies like the Coast and Geodetic Survey, which has been here since Ben Franklin [Benjamin Franklin], it's very hard for them to shift gears and get going at the pace that we wanted them to go.

HACKMAN: I had thought possibly since the constituency, as you mentioned earlier, was different from most of the other programs and that this constituency to a great degree opposed your program that this might have caused some problems in relationships within the Department.

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BATT: Well, that might have been a factor. I think principally.... Secretary of Commerce in a Democratic Administration is a tough job anyway. After all, the business community belongs to the Republicans and the Secretary of Commerce is a sort of ambassador from a Democratic president to the US Chamber of Commerce and the National Association of manufacturers and guys who are 99 percent out of sympathy with what he is doing. So it's a tough row to hoe. We were selected by the conservatives.... We were one of the few innovations on the domestic front of the Kennedy Administration, and we were selected then by *Readers' Digest*, by the US Chamber, as a whipping boy, and this is the constituency that the Secretary liked to have at his back. The people that backed us primarily were the labor

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movement. We had a meeting once of the executive board of the Steelworkers of America, in the Commerce Department. It was the first time any of these people had ever been in the Commerce Department.

HACKMAN: It's amazing. Could we discuss the relationships of the ARA with other governmental departments and agencies?

BATT: Oh yes.

HACKMAN: For instance, if you would want to run down the list of Interior, HEW [Department of Health, Education and Welfare]....

BATT: Sure. Our relationships with all the other agencies by and large were good. We had cost funding relationships and mixed responsibilities with about seven different departments. This is a miserable way to run a railroad. Again, we were to some extent the victim of a myth of the public administration fraternity—

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that it's best to do things through existing agencies. This is hogwash, and I'd love to pursue this at some time--the existing agencies misconception. The idea is that you save money this way. This is nonsense. They charge you through the nose for everything that they produce for you. But our relationships were best with those agencies where our missions were parallel or supplementary. A good case is the Bureau of Indian Affairs. We had very fine work relationship with the Bureau of Indian Affairs. Why? Because they had a mission to help out industry on the Indian reservations, and we had a mission to help put industry on Indian reservations. They did not have enough money to carry out their mission. They saw us as a way to do a better job of what Congress had given them to do anyway.

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I'm sorry. Our mission was not just to put industry on, or locate or finance industry on all reservations, but on the poor ones or on the ones that were economically in bad shape. We didn't care about the rich ones; they had plenty of money already. We were concerned about unemployment of the Indians, and we trained them. This was also their concern. We worked hand in glove with the Bureau of Indian Affairs.

Agriculture? I must say the Forest Service we worked very well with. The Department of Agriculture, not so well initially, later on very well. Initially they wanted to take us over. They wanted to run the entire rural end of the program. The act was obscure on this and said we should work through existing agencies as much as possible. What they wanted to do was set up their own loan program, their

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own criteria, their own people, hire their own people, and run a separate ARA, run ARA in rural America. We thought this was nonsense to have in one state, one labor market area in contiguous counties.... We call one rural and the Agriculture Department has a system by which you get loans there and the criteria, and the next one you call urban and there you get loans on a different basis from a different agency of government. We thought this was absurd. We convinced Secretary Hodges to make this fight for us, and he did. We won that one, took it to the Budget Bureau. Once that was resolved, we worked rather well with Agriculture. Agriculture, too, you must remember is kind of fighting for its existence. Its constituency is disappearing and it's got an enormous overhead and it's looking

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for something to do. They see the only way that rural America is going to be saved is to get jobs out there near the farms, within commuting distance, so that people can commute to them and they can continue to live on their substandard farms that they could never make a decent living on, but they can combine both. In West Virginia, for example, they're converting all their county agents into economic development agents to try and get industry in. Well, we funded the rural development section of the Agriculture Department. Really, we gave them funds to do that. We never gave them as much as they liked, but this was always a source of some friction Their function in life was to try to get all the bureaus of the Department of Agriculture which are quite independent and quite autonomous to

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use their field men to supplement our field men, particularly in rural areas, and to try to promote this industrialization of rural America. That's still going on, and that's a very worthwhile effort. Some of those bureaus do a crackerjack job. One of the best promoters of our program in West Virginia is a Farmers' Home Administration fellow.

HACKMAN:            Could you comment in a similar manner on HEW or the Labor Department?

BATT:                Well, with HEW our primary contact was on training. There we worked quite well with them. Prime responsibility for training went to Labor and HEW, and we were just promoting the general thing and helping in depressed areas, helping to get it underway in those states where it couldn't seem to get off the ground.

HACKMAN:            I wondered if there was any real friction

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between your retraining programs and the vocational education people in the Office of Education.

BATT: Generally speaking, no. We worked with them very closely because they spent the money and they had the responsibility for it. There was friction in a sense, yes, between us and the state voc. ed. people because many of them were totally out of sympathy with the program. I remember meeting all of them once at a meeting at HEW to talk about this and explore it with them. I found that the majority of them just didn't want to touch it with a ten foot pole. This to me seemed criminal and totally frustrating the purpose of the Congress and the act, and I told them as much and we had some static. But over a period of years I think that the

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vocational educators are coming around to this. I think this was another mistake. We put the training into existing institutions and we put MDTA [Manpower Development and Training Act] into the existing institutions, and this was a ghastly error because we needed their political support. We made this compromise initially, and we're still fighting it. The guys who are supposed to run the program in many states are the principal opponents of this.

Now, how about SBA [Small Business Administration]? They were delegate agencies, and I think that they did perform certain functions for us. This did not work as well as the Bureau of Indian Affairs. Why? Because we had conflicting directives. The SBA's function was to make loans to small business; we didn't give a hoot about the size of the business.

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The SBA was an increasingly conservative organization who are interested in getting security to cover the risk completely, so that there was very little risk involved for the government dollar. We were interested in taking a risk, taking a longer risk, and we didn't care so much about getting security to cover our loans as we did to get jobs. We were measuring against growth possibilities, against job opportunity, the jobs that would be created. So that our criteria were more parallel, more comfortable, to an investment banker as distinct from SBA's who were more comparable to a commercial banker. The commercial banker likes to make a loan on a car, and he attaches the car and there's no risk. If you don't make the payments, he takes the car. This is the kind of loan SBA makes. This didn't interest us. We were interested in the loans where they had the potentiality of creating a new

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industry and employing a lot of people in a depressed area. So we were betting on future growth possibilities and on things which the SBA loan had no experience whatsoever in judging.

HACKMAN: How about the Defense Department?

BATT: We didn't have much dealings with them.

HACKMAN: Housing and Home Finance?

BATT: Well, Housing and Home Finance, again they were a delegate agency. We dealt with them very well in the Public Works Act, and we had a lot of trouble in the ARA Act because of a policy difference which we never could get resolved by the Budget Bureau or anybody else. It went to the way in which loans would be judged. Now, let me see. For all our public works in that act we had a combination of loan and grant. The big differences we always had with CFA [Community Facilities Administration]

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were on this question of how much should be grant and how much should be loan. The CFA wanted to make it loan as much as possible to get their money back. The community wanted it grant as much as possible to reduce the loan. Now most of the communities we were dealing with were exceedingly hard up so we were usually on the community's side of these arguments. We felt CFA was too tight fisted in judging the community's ability to repay a loan. This was the basic difference. So that when the public works law came along, we argued strenuously up to and including the President--I talked to the President personally about this--urging that this be fixed by law and this not be negotiated out on a case by case basis because the ability to repay in a city is too obscure a science. The accountants didn't know a

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damn thing about it, and they had evolved some long and difficult and absolutely incredibly complicated formulas which we had no sympathy with and we felt were absolutely impossible to administer. So in the APW [Accelerated Public Works] Act we put the percentage loan and the percentage grant so everybody knew the rules of the game before the game began. It went so smoothly it is incredible. The success of the APW program really is, I'm convinced, based in large part on the problems we had with the public works sections of the Area Redevelopment Act.

HACKMAN: Was this change a result of your conversation with the President?

BATT: Yes.

HACKMAN: How did the Area Redevelopment policy...

BATT: It wasn't changed. The APW Act was written that way, and the new act uses

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the APW language and the APW approach which was great. The other difference we had with CFA was that they were traditionally people who sat in their offices--we had this argument always with SBA, too--and everybody came to them. We wanted them to get out in the communities and help these communities do the paper work and get the applications in. They would not do it, and this was a source of great frustration. Our city managers or our mayors in these small communities, many of them in the foothills of Kentucky or West Virginia, were just not equipped and not staffed to do the kind of paperwork that is required in those CFA applications, not staffed like the city of Philadelphia is or some of these groups who have a big staff to do nothing but that.

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HACKMAN: How effective was the Area Redevelopment Advisory Policy Board that was set up to coordinate the efforts of all the departments and agencies involved with the ARA?

BATT: That was totally ineffective. Let me say the top board was just window dressing. It only met once or twice a year. We'd try and set the meeting up in the White House and get the President to give them a pep talk. But we couldn't see that this had any particular effect. We had an interagency working committee which was really for all practical purposes a subcommittee of that group. This did help to air the differences and work out a lot of these difficulties although the toughest ones had to be ironed out either with the Budget Bureau at sessions devoted exclusively to this which didn't lend themselves to committees. It was a useful group but

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mostly for an exchange of information.

HACKMAN: What implications did the passage of the Manpower Act of 1962 have for the training programs under ARA?

BATT: Well, of course, it took them over in terms of size. It picked up the whole idea and vastly expanded it. It was in many respects a great improvement. It took away the geographical limitations, put a lot more money in the act, and was just great. Also, eventually, over my objections, they took over the sections of the ARA Act. This was in the past year or so in the amendments to the MDTA Act. ARA was running out and the amendments to the ARA Act provided that ARA training would be taken over by MDTA. This, I think, was a mistake, but it was done again at the advice of the public administrators to put everything under

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one tent. This is folly. Roosevelt [Franklin Delano Roosevelt] never did it. But it's tidy. It looks good on the organization charts.

HACKMAN: On this whole problem of coordination did you ever go to anyone in the White House for help on this problem and get cooperation from anyone?

BATT: Yes, all the time, and the White House was very helpful.

HACKMAN: Who did you go to specifically?

BATT: Mike Feldman was used and Lee White [Lee C. White] was helpful, but we tried to resolve it in the interagency level where possible and then, if we couldn't, we tried to get the Budget Bureau in to referee it.

HACKMAN: Was someone in the White House specifically assigned as the person you would go to or was this sort of a hit or miss proposition?

BATT: No, it was always Feldman and White. Feldman had everything to do with the Commerce Department.

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HACKMAN: In view of the disenchantment of some people at the supposedly slow start the ARA got off to, what was the attitude of the White House? Did they become disillusioned?

BATT: Well, it was never evident.

HACKMAN: Was over-optimism a problem either on the part of the White House or the backers of the bill?

BATT: You mean in getting the bill passed?

HACKMAN: Some of the criticism that increased concerning ARA--it seems that some people became disillusioned. I was wondering if you felt that too much was expected initially?

BATT: We were all to blame for that. In the effort to sell the bill--and this is true of the Poverty Program; it's true of anything new--you claim too much for it. Its backers claim that this would

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solve the problem of east Kentucky and the problem of West Virgin and the problem of western Pennsylvania, and it hasn't and it didn't. Again, because it became a hot political issue, the proponents, the Democrats running on the issue--that included President Kennedy--tended to oversell it. We all tended to oversell it as a cure for everything, including fallen arches. Well, when you've had it for a year or so and the arches still were fallen, there was a certain amount of disaffection, not from those, I think, who had ever had experience with getting new programs started or with those who understood the nature of the economic development beast. It does not go fast any more than retraining a chronically unemployed coal miner can be done overnight. You can't do it. We had some startling

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successes. The President was able to somehow whipsaw a California food machinery company from San Jose into a Naval Ordnance plant to make tanks in Charleston. We put an ARA training program in there, a sixteen week training program, and trained over a thousand former coal miners and chemical workers into doing welding and other work connected with tanks. They've all been hired, and they've done exceedingly well. Lord, it's just fantastic, the improvement that's been made in these guys' lives. It's well over a thousand people now. It's the biggest training program in all of western West Virginia.

HACKMAN:           What other types of problems did you frequently take to someone in the White House? How was this for you?

BATT:                We would perhaps occasionally yell for help when we had a particular hassle with

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                          a particular senator or congressman who wanted us to hire somebody or wanted us to make a loan which was totally unacceptable. Usually it was the other way around. Usually they would come to us after the senator had gone to them and say, "How about thus and so?" One instance I remember particularly because the President called me on it personally. It had to do with Winder, Georgia, and Senator Russell [Richard B. Russell, Jr.]. This is Senator Russell's home town. Winder came in for a sewer line, I guess; a sewer line and I believe a water line which was badly needed, no doubt about it. The mayor from Winder is apparently Senator Russell's weekly fishing companion. He put in an application for his sewer line or for the largest grant he could get, and the CFA experts went down and studied Winder's capacity to repay and came up with a split which I think was 60 percent

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federal, 40 percent local, something like that. The mayor thought this was much too low a grant so he raised hell with Senator Russell who raised hell with the President and the President raised the problem with me. "Why can't we give Winder a higher percentage?" I'd been in it so I knew the facts pretty well. I said, "Mr. President, we've had our best experts

review this thing, and they've gone into it, and they've found out that Winder can well afford to float the necessary loan. This is the way the law is written, and Winder can pay this back. They ought to float this loan. We don't see how we can justify giving them a larger percentage of grant." We went back and forth on this a few times. I remember he said, "Bill, it may not make much sense but if it can be done at all, we ought to do it. Senator Russell runs half of our party in the Senate,

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and this is just one of the facts of life, and we've got to live with it." So I replied, "All right, I'll see what we can do to work something out that will make the mayor happy." We discussed the details. I said, "Shall I go see the Senator's AA [administrative assistant], or do you want me to talk to the Senator?" "No," he said, "The Senator gets touchy about that. I'll talk to the Senator." So that's the way we left it. The President was going to talk to the Senator. So I set the wheels in motion, got everybody cranked up, and said, "Boys, we've got to make Senator Russell happy, and that means make the mayor happy. Do whatever is necessary. The President wants it that way." Then I had to go out on a trip. Russell nailed the President about three or four days later--maybe a week

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later--and gave him a hard time because that sewer hadn't been fixed up yet in Winder, Georgia. I wasn't there. The President called Hal Williams, my deputy, and had him go over to the White House and gave him a hard time because he'd given the order, and he'd assumed it had been done and, why wasn't it done. So that mayor got what he wanted. Maybe instead of getting a 50 percent grant or a 60 percent grant he got a 70 percent grant. I don't know, but he got what he wanted.

HACKMAN: Any other instances comparable to this?

BATT: Mostly it had to do with the field relations. It would be some senator or some congressman putting the heat on Larry O'Brien or Larry's people for this loan or that grant or this or that. They'd come up and say, "Look, we've got to get this guy's support.

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Is there anything you can do for him?" We'd investigate it honestly, and if we could honestly do it, we'd do it, and if we couldn't, we'd tell them, "Sorry, we can't. Please back us up on this. We'll have a flood if you don't." Nine times out ten they'd back us up. Then there was the tenth time, like Winder, Georgia.

HACKMAN: Speaking of the success of the program, how did you go about measuring how successful you were? It strikes me that this would be very difficult to do.

BATT: It is. It is exceedingly. We had a hunch, and we think this program really was enormously successful. When we go out to a town like Mount Union, Pennsylvania, as I did on OEO business a couple of months ago and the city clerk, who is the top official there and who has talked to us

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about the project, showed me the things that the agency had done, that the loans had made possible. He showed me what had formerly been a slag heap and was now a playground with tennis courts and a big pavilion all of which they'd built with 50 percent APW money. He showed me a sewage disposal plant. They'd been dumping their sewage raw into that gorgeous Juniata River, and now they've got a sewage disposal plant for the first time in the city's history, and that has only been made possible through the 50 percent grant. He showed me a factory that they'd gotten with a 65 percent ARA loan where five hundred people were working. He told me, you know, this is what this program meant for this town. It was just a new lease on life. You get this kind of a feeling in a community. I don't know

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how you measure these things. You can for argument purposes take the statistics and say that there are vastly less depressed areas now than there were in '61, but, hell, 75 percent, anyway, is a result of the general improvement in the economy. You can find other statistics, and we did, which showed that depressed areas were recovering faster than the nation as a whole, but this will happen in any recovery from any recession. I think the only way you can evaluate it is to go to the communities concerned and say, "Look, what have these programs meant to you?" All I can tell you is that the votes that we got out of the Congress show bipartisan support. Chamber of Commerces in every depressed area in the United States, with one exception, Terre Haute, Indiana, have always supported this

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program. In the communities concerned, there's been one *quid pro quo*. The community had to work like hell to get these programs going in their home town and the communities that have worked effectively together and have gotten new industry in with our finances--they think this is the second coming. They think this is the greatest program you could ever find. There are some disaffected ones. If you go to Scranton, Pennsylvania, and they'll show you the new industrial park which we built with our funds in large part, a sewer line and a water line. Well, they're underground, but they'll show you the factory. "Well, we got this one with our money, but you people financed the bulk of this one." I don't know.... Or you go through that training program at the FMC [food machinery company] plant

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in Charleston. You talk to a hundred people in the course of a day who have come out of patch towns and coal mining country, and they've got a new life. We've retrained thirty-five thousand people under this program. How do you evaluate the fact that a guy's got a new life as a result of this? Well, I don't know how you evaluate it, put a dollar figure on that.

HACKMAN:           Who did most of your statistical work? Did you use the Bureau of Labor Statistics or the Census Bureau?

BATT:                We used them all, but we had a little shop of our own to do our research and statistical work.

HACKMAN:           How are we doing?

BATT:                I think we'd probably better fold up, Larry, and call it a day.

[END OF INTERVIEW #1]

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