

David E. Bell, Oral History Interview – JFK#2, 1/2/1965
Administrative Information

Creator: David E. Bell
Interviewer: William T. Dentzer, Jr.
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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 discusses U.S. AID during the Kennedy administration including the process of and difficulties with getting Congressional appropriations for foreign aid; and Vietnam and Laos, among other issues.

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David E. Bell

David E. Bell

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David E. Bell—JFK #2

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Second of Two Oral History Interviews

with

David E. Bell

January 2, 1965
Washington, D.C.

By William T. Dentzer, Jr.

For the John F. Kennedy Library

DENTZER: This is an interview with Mr. David E. Bell, Administrator of the Agency for International Development (AID), in connection with the Oral History Project for the Kennedy Library. I am William T. Dentzer, Jr., interviewing Mr. Bell in his office at the Department of State, Washington, D.C., on January 2, 1965.

Mr. Bell, you served for approximately one year as head of the foreign aid agency under President Kennedy [John F. Kennedy], having moved to that post after about two years as Director of the Budget Bureau under President Kennedy. Why do you believe President Kennedy selected you to succeed Fowler Hamilton of AID? In what manner did he come to appoint you, and in what way did he discuss the job with you initially?

BELL: Yes, I can tell you something about it, although I don't know some important elements of the appointment.

Mr. Kennedy spoke to me about the job either in late October or November, 1962. Ralph Dungan [Ralph A. Dungan] had spoken to me earlier and warned me that he would be asking me to consider this. I do not know why Mr. Kennedy decided that he wanted to replace Fowler Hamilton. My observation of Hamilton, while I was Budget Director, had indicated that he was gathering a good team of top people, and improving the competence

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of the organization steadily. The President did not go into why Hamilton was departing. When he talked to me, he simply said that Hamilton was going to be leaving and that he wanted me to consider taking the job.

I told him that first of all, I was very happy where I was. I felt that I had gotten on top of the Budget Bureau job and was now in a position to manage it successfully, in his interest, since the Budget Bureau is the top staff agency for the President. I said that with respect to the AID job, while I had certain qualifications, having worked abroad in Pakistan during the middle '50s and having studied and taught economic development at Harvard, there were at least two aspects of the job of Administrator of AID for which I did not feel well qualified. One was the continuous interchange and leadership for the President on Capitol Hill, which was an area in which I had little experience; the other was the wide-ranging public information effort which was obviously necessary to improve the support for foreign aid throughout the United States. For those reasons, I strongly urged the President to consider other possibilities. Sargent Shriver [R. Sargent Shriver, Jr.] was the most obvious alternative, but I also suggested Roswell Gilpatric [Roswell L. Gilpatric], who was at that time Deputy Secretary of Defense. The President said that he was thinking of other people and would consider them further, but he

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wanted to know if I would take the job if he asked me to do it. I spent a weekend or so in considering the matter with my wife and finally decided that if he asked me to take the job, I should do it—in effect I either had to do it or quit.

Nevertheless, I spoke with Ted Sorensen [Theodore C. Sorensen], Ralph Dungan, Mac Bundy [McGeorge Bundy], and, I believe, with Dean Rusk, urging on them the importance of the points I had made to the President and suggesting that they consider carefully whether Shriver in particular would not make a substantially better AID Administrator. I know that the President talked with Shriver on at least one subsequent occasion, but for reasons I do not know, decided Shriver would not be appointed to this job. A week or ten days after he first talked to me about it, the President called me and said that he would like me to undertake the job and I said I would be glad to do so.

DENTZER: Mr. Bell, considering President Kennedy's attitude toward foreign aid, can you tell us something about how his thinking evolved? For example, at the outset of his Administration, there was much emphasis on a period of long term and assured development assistance to countries so that they could plan on it. There was evolution in thinking on this point after the first year of experience, when self-help problems

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became apparent in giving a country a long-term commitment that it would have a continuous, steady, reliable stream of foreign aid flowing over a period of several years. Can you tell us something about how the President's attitudes evolved in the initial year of the

period in which you knew him?

BELL: Yes, I can respond to that to some extent, in part because I was involved as Budget Director in the early stages of the Kennedy Administration in developing the proposals for a revision of the foreign aid program which went to the Congress in the spring of 1961.

It was my impression that the proposals that went to the Congress in the spring of 1961, so far as their precise shape and content were concerned, were developed largely as a result of the efforts of the task force that President Kennedy had set up just after he was elected, and of the thinking of the top government officials in the aid field in the early months of 1961. Specifically, there had been a task force under George Ball's [George W. Ball] leadership which had considered foreign economic policy in December, 1960, and January, 1961. That task force, if I am not mistaken, had recommended major concentration in the foreign aid field on the economic development of the countries we were aiding. The model that was very much in people's minds in those days was the effort

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which was underway with India, whereby the Indians had done a reasonably good job of planning their own development and considering the priorities for their economic growth, and the World Bank had put together a consortium of donor countries which met annually to consider the requirements for external assistance to the Indian effort.

It had been conceived, and was an element of the opinion of the leading people in and out of government in the economic aid field, that it would be helpful to countries like India if the U.S. and other donors were prepared to offer support for a developmental effort on the part of a less-developed country over a period of years, so that we could commit ourselves to providing certain amounts of assistance for three or four years into the future. The argument ran that this would permit the developing country to undertake the kind of difficult political measures, such as raising taxes or accomplishing a land reform program, which needed to be undertaken if development was to be achieved.

This set of ideas was expressed in the Ball task force report. It was also common ground among people in the Administration, notably the staff under John O. Bell, which had been assisting Doug Dillon [C. Douglas Dillon] in his job as coordinator of economic and military assistance in the closing years of the Eisenhower [Dwight D. Eisenhower] Administration. Jack Bell's staff included a number of people who later moved into the aid agency and were significant in the intellectual development of the guiding ideas in the Kennedy Administration's aid program.

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Furthermore, during the early months of the Kennedy Administration, a special intra-Administration task force was established. It was under George Ball's general direction, and Jack Bell, Frank Coffin [Frank M. Coffin], and Henry Labouisse [Henry Richardson Labouisse] were leading members. Labouisse, I believe, was named to head the task force in his capacity as head of the International Cooperation Administration (ICA), and they brought

in outside help. I remember that I suggested they bring down George Gant from the Ford Foundation in New York to advise them on the organization of the new agency, which they did. They brought in Max Milliken, Arthur Smithies, and others from the academic community to help in working out the basic pattern of ideas on which the new aid program was to be founded.

Now I stress that all of this work was undertaken by people who were in a sense professionally concerned with the aid program. There was very little input into this effort by anyone who had seen the aid program from the standpoint of the problems in the legislative process, except in the sense that people like Jack Bell and Jim Grant who had been working in the State Department and ICA had experienced the legislative process and were familiar with it.

Not many issues from that task force's product were put to President Kennedy, as far as I recall. I believe the principal issue which reached him was discussed in the Cabinet Room at a special meeting sometime in the spring of 1961. It had to do with the Food for Peace

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Program, the PL 480 program for use of surplus agricultural commodities. The question was whether the responsibility for that kind of U.S. resources to be made available to developing countries should be transferred to the new economic aid agency, or whether the responsibility should be left with the Secretary of Agriculture, where it had been ever since the Food for Peace Program had been started in 1954. At the meeting in the Cabinet Room, I believe Charlie Murphy [Charles S. Murphy] represented Orville Freeman [Orville Lothrop Freeman], Freeman presumably being out of town. George McGovern [George S. McGovern] was there, I was there, and I'm sure George Ball must have been there, as well as Ralph Dungan and probably Mac Bundy.

The President's judgment, which I personally thought was correct and think today was correct, was to leave the responsibility for PL 480 in the Secretary of Agriculture, with appropriate arrangements for coordinating the views of the State Department, the aid agency, and others, before the Secretary took his decisions, to ensure that the agricultural commodities provided under PL 480 legislation would be made available in ways, in amounts, and by methods, which would ensure that those resources fitted into the country program of assistance which the U.S. was making available to a given less-developed country. The notion obviously was that the Secretary of Agriculture should not make independent decisions about PL 480 commodities going into a given aid-receiving country; they

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had to go in in proper relationship to the country's own development problems, its own development efforts, and to the other resources that were being put into the country by the United States.

The reason why the President decided the issue in this way rather than following the simple program logic of the case, which would have argued for transferring responsibility to

the aid agency, was that he felt the PL 480 program was a product of the Agriculture committees of the Congress. It was supported and carried through the Congress by the Agriculture committees and in the agriculture interest of the United States. If the authority were proposed to be transferred to the economic aid agency, it was quite clear that the Agriculture committees would strongly oppose any such move, and this \$1 to \$2 billion worth of resources being provided under PL 480 through the agriculture channels in the Congress might well not be provided in the future. This was obviously a major strategic decision which the President took in early 1961, looking to his new aid program. Most of the other decisions, while there were a number of major ones, were not matters on which there was significant controversy. Therefore, they could be checked with the President, and were, of course, checked with him, but he did not need to play a major role in settling them.

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I recall at least two large meetings in the White House itself, chaired if I'm not mistaken by Ted Sorensen, at which the outline of the plan for establishing the new aid program was gone over and a number of matters were discussed and general agreement reached. Among the issues discussed at those meetings, for example, was the decision to consolidate the Development Loan Fund (DLF) and the ICA into a single new aid agency. There were some who felt that this was a mistake, but by and large it was generally supported by those who were working on the problem.

Another decision that was taken was to transfer from the Ex-Im Bank to the new aid agency, the authority and responsibility for dealing with the so-called Cooley loan funds, the local currencies generated from PL 480 transactions in less-developed countries which were made available for loans to American business in those countries.

Another decision that was significant was that the new aid agency should be an agency whose head reported to the Secretary of State, but not through any intervening layer. This was a very important structural decision which was taken without major difference of view within the Administration, to upgrade the level of the top jobs in the aid agency in contrast to what they had been in ICA days. The new decision meant that the head of the aid agency would have the status of an Under Secretary of State,

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and the Assistant Administrators for the various regions and top staff offices would have the status of Assistant Secretaries of State.

It was believed, and I think quite correctly, that this was an essential step if the aid agency was to be able to exercise a sufficient degree of strength and independent judgment as against the views and judgments of the State Department proper. There was a strong feeling among most of us in the new Administration that aid decisions had been improperly subordinated in the previous arrangement to the views and judgments of the State Department's Assistant Secretaries and office chiefs. All these decisions were checked with President Kennedy and he approved them, but they were decisions that were presented to him as the product of the staff process in which his own staff—Sorensen, Bundy, Dungan and Mike Feldman [Myer Feldman]—had participated.

It is my impression, not only from this experience but also from my later relationships with President Kennedy on aid matters, that he was fairly impatient with the technical elements of the problem. The particular ins and outs of Cooley loans or PL 480 were not what he was interested in. He was interested in foreign aid resources as means to support and advance U.S. interests around the world. He used foreign aid boldly, vigorously, and imaginatively for those ends. He thought of foreign aid as a major tool for the President. He could not understand

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the continuous carping and restrictive attitude of so many members of Congress. He saw that attitude as limiting the office of the President and the powers of the President in dealing with a turbulent, complicated, dynamic world. This was the point he emphasized time and again to General Clay [Lucius Dubignon Clay, Sr.], for example, and to members of the Congress with whom he talked in my presence, so I am quite clear that this was the heart of the matter as he saw it. I personally think he was entirely right in this—it is the heart of the matter. It was the key element in what he was seeking to sustain in his recommendations to the Congress

In the spring of 1961, the main legislative fight was over the issue of long-term borrowing authority. The President had asked for authority to make development loans on a scale of, I think, \$1.5 billion a year for each of the five ensuing fiscal years, and to make these loans on the basis of using Treasury borrowing authority as the source for the funds so that it would not be necessary to go up to the Congress each year and request appropriations. The President came very close to winning this fight; much closer than many of us would have expected when the battle began. There had been for several years prior to this a continuing attack on the use of Treasury borrowing authority, contract authority, and other forms of what are called in the Congress “back-door financing”—meaning the making available of funds to Executive agencies

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without the necessity for annual appropriations to be voted. The move to cut out back-door financing had been led by the House Appropriations Committee and generally was supported by the Budget Bureau in the several years preceding President Kennedy's coming to office, and a good deal of headway had been made in eliminating the various types of back-door financing.

I do not recall, although I have not checked the record on this and may be wrong, that as Budget Director I opposed the recommendation asking for borrowing authority for foreign aid. My recollection, although I could be wrong, is that it seemed to me, as it seemed to people in the State Department and the aid agency at that time, that this was a case in which the advantages were very plain and very large. It would have been very helpful had the Congress been willing to give us five years of major fund availability against which to plan and execute the major element of the foreign aid program, development loans.

Looking back, there was another decision made at that time which seems to me now to have been of very great significance, but I do not recall much discussion about it then.

This was the decision to shift the pattern of lending from the DLF pattern, which allowed for repayment in local currency, and in the future to provide only for loans repayable in dollars with interest repayable in dollars as well. Presumably this decision came out of the increasing Congressional discontent with the

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notion of lending American dollars and getting back foreign currency, which might or might not have a great deal of value or have corresponding value. I repeat that looking back, this seems to me to have been a shift of very major significance, but I believe it was taken very much as a matter of course in 1961, and did not cause a great deal of soul-searching in the process of putting the legislative package together.

Incidentally, anyone who might wish to pursue the subject of how the 1961 program was put together should see a study on this prepared by Ed Weidner [Edward William Weidner], who was at that time at Michigan State University and later was at the East-West Center in Hawaii. I have forgotten who commissioned Weidner to do this—it may have been the inter-university case program, and I believe the Carnegie Foundation financed the study. In any event, he was around in late 1961 and early 1962, as I recall it, interviewing some of us who had had any part in the preparation of the 1961 legislative recommendations. I saw his summary at one stage or other in 1962, I believe, before I came over to the aid agency.

Therefore, in summary I would say that President Kennedy saw the foreign aid program as an extremely important element in the foreign policy authorities of the President of the United States. He wanted a strong and vigorous program, and his staff both in the White House and in the executive agencies of the government put together a program with which he was satisfied and which he strongly supported during the legislative process in 1961.

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I recall the preparation of the foreign aid message in 1961 and the draft that Ted Sorensen prepared, which was a great shock to Chet Bowles [Chester B. Bowles] and some of the other strong proponents of the aid program within the Administration. Sorensen's draft stated firmly and baldly that the preceding aid programs had been wasteful, overextended, inefficient, and that major changes needed to be made. The views that the President and Sorensen brought down from the Hill of the operations of the aid agency were not dissimilar from those of a great many people on the Hill at the end of the Eisenhower Administration who felt that aid was being spread around the world too widely. They believed that we were overextended, that we were running a sloppy show, and in general that the program needed very great modification and overhauling. To Bowles and others in the Administration, this seemed to be a gratuitous and unnecessary slap in the face to a great many people who were still on the job and who had been doing their best in what they regarded as difficult circumstances.

This particular aspect of the foreign aid message in 1961 was substantially modified in later drafts. Nevertheless, it can still be discerned in the message that went forward, and I think indicates an important element of the President's readiness and willingness to make

substantial changes in organization and personnel. He felt, as did many

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of his congressional colleagues, that the program had gotten into fairly poor shape in the latter years of the Eisenhower Administration and really needed major overhauling.

DENTZER: Mr. Bell, can you tell us something about your judgment concerning the evolution of the President's thinking from the time he went into office as President until his death. There was a strong feeling among a number of the President's associates at the outset of his administration that a new organization with new people, better people, a broader philosophy, and a more coherent use of its resources, could bring about an aid program vastly better than that of previous years. How, if at all, did his expectation level change about the uses of foreign assistance?

BELL: I am not sure I have a very clear impression with which to respond to that question. I don't want to imagine an answer where one doesn't exist. I think you are right that some of the people around the President certainly did think a better organized program with stronger leadership, and better concepts, could make a big difference and right a number of things in the world that were wrong in a hurry. Insofar as this was true,

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I'm sure they became aware during the Kennedy years of the inherent difficulties with which the United States was trying to deal in the less-developed countries—the very stubborn obstacles to change, the enormous political, emotional, cultural obstacles to the rapid achievement of economic and social progress, and the limited extent to which American aid, either capital or technical, could achieve rapid change in those circumstances.

The President was a very pragmatic person. I doubt that he had a greatly exaggerated notion of how fast things could be changed. He was certainly all for giving it a try. He welcomed enthusiastically the ideas that became the Alliance for Progress, which was truly a major initiative of his Administration in the foreign aid field. This was a concept which he participated in developing and which meant a great deal to him. He saw quite clearly the inadequacies of U.S. relationships with Latin America, and he vigorously put forth the ideas that we have been following since in that part of the world.

He was aided in putting those ideas together by Linc Gordon [Lincoln Gordon], Dick Goodwin [Richard N. Goodwin], Ralph Dungan, and others. But there was no doubt the President's own personal commitment to the Alliance for Progress was very deep. In one sense, the Alliance was a more characteristically Kennedy initiative than the broader changes in the aid program as a whole. The Alliance had all the elements of the Kennedy style and flare. It had the slogan. The Alliance for Progress was put forth in a speech to the Latin American

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Ambassadors, and the message to the Congress went up virtually simultaneously. I forget which came first. The Alliance had a solid political content as well as an economic content. My judgment is that it was better fitted to the circumstances in Latin America than the general changes in the aid program were fitted, say, to the circumstances in Africa, where the political strength of the new African countries was and is so limited. The concepts of the long term support for major development efforts, which were central to the general recommendations the President made in the aid field, are in Africa by and large premature and apply only to a few countries. The general aid recommendations of the Kennedy Administration in 1961 represented, I think, a very substantial series of steps forward, and were so regarded by all the technicians in the field. The Alliance for Progress, however, had that something extra which not only used the best ideas that were available in the aid field, but also had a very effective political content as well, which was not true, generally speaking, of the aid program elsewhere in the world.

The President, I know personally, came to feel that the Alliance for Progress did not move nearly as quickly as he had hoped it would. I was present by accident on an evening—I don't know just when this would have been, but the event could be checked—it was an evening when

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the President asked Ted Moscoso [Teodoro Moscoso] to become the head of the Alliance for Progress. I suppose this would have been in October or thereabouts in 1961. This was in the study in the White House proper—the upstairs oval study—and I suppose I had been checking something out with the President. Indeed it may well have been something to do with the organizational arrangements for the Alliance for Progress, the authorities for the Coordinator, possibly the Executive Order if there was one, to set him up. The President was full of enthusiasm and so was Moscoso and Ralph Dungan, who was there also.

Moscoso had been in Venezuela doing a very good job as the American Ambassador. Moscoso was thoroughly a part of the group of liberal democratic Latin American leaders, including Betancourt [Rómulo Betancourt] of Venezuela, and Pepe Figueres [José Figueres Ferrer] of Costa Rica, and several more with whom President Kennedy was extremely *simpatico*, and the President saw Moscoso as combining the assets of a person who had been a very important part of the economic renaissance of Puerto Rico, an effective American Ambassador, and a person politically sensitive to his fingertips to the kinds of changes and kinds of leaders who are needed in Latin America. The President's sense of the importance of radical political modifications in Latin America, radical in the sense of sizeable and major changes away from oligarchical patterns and toward modern liberal democratic

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patterns, was very keen. This, I am sure, led him to appoint Moscoso as much as, or probably more than, Moscoso's experience in the economic development of Puerto Rico.

Now over the subsequent two years there was a series of very difficult circumstances in Latin America. The Goulart [João Goulart] administration came in in Brazil and spiraled

downward in its sorry path. There was a *golpe* in Peru with a group of military leaders taking over, which set back the cause of democratic progress in Peru for a year or so. There were numerous additional difficulties. The effectiveness of the Alliance for Progress in influencing these events was not, I am sure, nearly as great as the President had hoped. For a long time he followed the projects of the Alliance personally and very closely, and he had a series of reports brought to him very frequently. It almost seemed as though he wanted to know the progress in building each school, signing each loan, etc. It was, I suspect, but this is only a suspicion—he never said this to me in words like this—I suspect that it was distressing to him, maybe somewhat disillusioning, that the Alliance seemed to be as slow-moving as it was, and seemed to have as limited an effect as it did. It is a pity that he died when he did, because the Alliance has been looking steadily better. The experience of the first couple of years which President Kennedy saw was in truth a period of growing pains, a period of getting concepts established, getting changes made which would yield good results and are yielding good results today.

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I think to answer your question directly my guess is—largely a guess—that the President by the end of his term in office probably felt that foreign aid was a more limited tool and could be counted on to achieve less rapid and more limited results than he may have thought at the outset.

Now I might add here something that I think is rather significant in this connection. Shortly before he died, President Kennedy was considering an organizational move very much like the one that President Johnson [Lyndon Baines Johnson] made shortly after he took office, in combining the jobs of Assistant Secretary of State for Inter-American Affairs and Assistant Administrator of the aid agency for Latin America. Specifically, President Kennedy was considering the establishment of an Under Secretary of State for Inter-American Affairs. I assume had he done so that there might well have been both an Assistant Secretary and an Assistant Administrator retained. I don't know. In any event, the idea of an Under Secretary of State for a geographic area was stoutly opposed by Senator Fulbright [J. William Fulbright] and others on the Hill on the grounds that it simply meant you would have to have Under Secretaries for each geographic area, and then you would have to have a superstructure for the Department on top of that. They believed the result would be simply to elevate the status of the present set of officers in the Department with no basic

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improvement in the efficiency of the place. So far as I am aware, President Kennedy had not come to the solution which President Johnson adopted in appointing one man to both jobs.

Also, I assume that President Kennedy would not have appointed Tom Mann [Thomas Clifton Mann] to this job. I think he respected Mann's abilities highly but felt that Mann was not as sympathetic to the democratic left, so to speak, in Latin America as the President himself was and as he wanted his top men in the Latin American field to be. I believe this was the principal reason why Mann, who had been an Assistant Secretary of State for Inter-American Affairs in the early part of 1961, was transferred and became

Ambassador to Mexico, where he was of course extremely competent and successful.

Another area in which I suspect President Kennedy came to have a somewhat different opinion of the efficacy of American assistance was Southeast Asia. The policies that were followed in his Administration and are being followed today in Southeast Asia were largely worked out in 1961 by two major assignments. One was the assignment of Walt Rostow [Walt Whitman Rostow] and Max Taylor [Maxwell D. Taylor] to visit Vietnam in the fall of 1961 and report to the President on what needed to be done. From that visit and their report came the basic concept of helping the Vietnamese Government try to overcome the Viet Cong guerrilla activity in the manner which has been

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followed since. This concept recognizes that the problem in Vietnam was guerrilla warfare in the Mao Tse-tung [Tse-tung Mao] sense; that it could not be met by the standard types of military organization and tactics which had been taught, with small exceptions, until then by the military assistance advisers in Vietnam; that larger military assistance efforts should be made with smaller units of the Vietnamese military forces which had to be trained and advised to get out into the boondocks, do a great deal of patrolling, go in for small unit action, etc. All this was contrary to what they had been teaching up to then.

In addition to the major changes in the military assistance and advice which the United States was providing in Vietnam, there needed to be a substantial change on the economic front, with much more of the American economic aid reaching the villagers, affecting their lives, encouraging them to stand up against the guerrillas, defending their villages against raids and terrorism, and so on. This set of ideas was largely crystallized by the Taylor-Rostow mission. It appealed to President Kennedy very much, as indeed it should have. It was a much more alert and understanding view of the nature of the problem. It affected an enormous amount of the thinking of the Kennedy Administration in many different ways. It contributed greatly, for example, to the establishment of the Army Special Forces and their school at Fort Bragg. It contributed to the emphasis the President and Bobby Kennedy [Robert F. Kennedy]

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put so strongly on seeking to influence young leaders in less-developed countries. President Kennedy and his brother saw the situation in the less-developed countries in most parts of the world as a highly dynamic, indeed a revolutionary situation in which, if the United States was to be influential, we had to influence the rising generation of leadership. This required a series of vigorous and imaginative changes in how we conducted our affairs, particularly in the aid field.

Another evidence of the change that was brought about as a result of this line of thinking was the emphasis on assistance to the police forces and security forces in less-developed countries. President Kennedy stimulated the establishment of the Alex Johnson task force which led to a great deal more emphasis on police assistance in the American aid program, police assistance run by the AID agency.

The other line of thought which developed in 1961 in Southeast Asia, which was and

is very important for American foreign policy, although it had less to do with the aid program than what I was just talking about, was the effort in Laos, which was under the direction of Averell Harriman [William Averell Harriman], at that time Ambassador at large, to bring about some sort of accommodation with the Soviets participating to neutralize Laos and avoid further conflict there. This was a brilliantly successful diplomatic effort by Harriman and his staff, principally Bill Sullivan [William H. Sullivan], who is now Ambassador to Laos, and was evidence of President Kennedy's flexibility

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and understanding of the ways in which change needed to be accommodated. The policy of neutralization in Laos was a far more sensible policy than that had been followed there in the previous year or two under the Eisenhower Administration, where a right-wing general had been supported by the U.S. and his position was seriously and steadily eroding. Had we not been able to stabilize the position in this diplomatic approach, it was only a matter of time before Laos would have been taken over completely by Communist dominated elements.

I can recall an NSC meeting, probably in the spring of 1961. The Chiefs of Staff at the time were all there—General White of the Air Force, General Shoup [David M. Shoup] of the Marine Corps, General Lemnitzer [Lyman L. Lemnitzer], and Admiral Burke [Arleigh Albert Burke]. The President had asked them for recommendations, and their recommendations were rather horrifying, because all, except Shoup's, involved in one degree or another the commitment of U.S. forces on a major scale to bomb Hanoi, or put troops into Laos, or whatnot. All of which seemed to the President, and to most of the rest of his advisers, to be vastly exaggerated in trying to respond to the situation as it then was.

If you consider the changes in Southeast Asia in 1962 and 1963, it would seem to me that the President would necessarily have become aware of the extraordinary difficulty and complexity of the problems in that part of the world, and the limited impact which could be expected

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from U.S. aid. The Laos policy was of course not one which called heavily on U.S. assistance following the neutralization. We did continue and indeed stepped up the economic assistance effort intended to bring about some degree of economic stability and progress in Laos, which is a very primitive country, and we have been working on such matters as training school teachers for elementary schools, since there have been very few teachers in that country with any training at all, and indeed very few schools. We have been working with very simple types of village improvement programs, and we have been financing the bulk of the imported goods going into Laos. We have also been providing some military assistance to the neutralist government. All this aid, however, as anyone who would examine the situation would realize, has brought about only slow progress, and I am sure the President would not have anticipated anything else.

On the other hand, in Vietnam, the early views turned out to have been rather rosy as to what could be accomplished there if military and economic assistance were put in on a major scale and oriented toward the kind of anti-guerrilla program which seemed to be called

for, based upon experience since World War II in the Philippines and in Malaya, where such guerrilla warfare has been successfully waged.

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In 1962 and 1963 there were a series of visits by Secretary McNamara [Robert S. McNamara], and others—I made one myself in January 1963—virtually all of which resulted in reports to the President that the problem was difficult, that there was a long struggle ahead, but that the American tactics were correct and gave evidence of being successful. This was certainly what I reported to the President in January, 1963. I had seen a substantial area in the north central part of South Vietnam—Phu Yen Province—which had been almost completely cleared of guerrillas during the previous eighteen months. I talked to the province chief, who described to me how a year earlier he had to have a battery of 75s placed in his backyard in the provincial capital and could not travel a mile from that capital without a large armed escort. At the time I visited there, the valleys for 25 to 30 miles in from the sea had been cleared of guerrillas, the Vietnamese army units were way up in the back country chasing guerrillas in the hills, the villagers were able to move freely in the valley and harvest their rice, and so on.

That experience, while this was one of the better areas of Vietnam at the time, was being duplicated elsewhere so that through '62 and '63, there were some grounds for feeling that headway was being made. All of this, however, it turns out, was upset and lost when in the spring of 1963, the trouble between the Diem [Ngo Dinh Diem] regime and the Buddhists occurred and the situation steadily got worse during the summer and fall.

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I think the main lesson which is evident from that period and which President Kennedy, of course, reflected in meetings within the Executive Branch, discussions with members of Congress, and in public statements, was that the United States could not achieve success in a situation like Vietnam by itself or on its own initiative. Success can be achieved in that kind of situation if there is a sufficiently vigorous local leadership and if there is a sufficiently strong local political situation with which to work. Everyone had thought that was the case in Vietnam under Diem, but it turned out not to be so.

I am sure that by the time of his death, President Kennedy was deeply disturbed and perplexed by the ever increasing commitment of U.S. resources to Vietnam, without corresponding improvement in the chances for success by the Vietnamese Government and indeed, in the closing months of 1963, with a steadily worsening situation there.

DENTZER: Mr. Bell, continuing to explore President Kennedy's attitudes toward foreign assistance, could you comment on his attitude with regard to the management of the program and its implementation. Most legislators are thought to have relatively little sense of the administrative nature of problems which they pass on in a policy sense. President Kennedy was regarded by some as having been a very great administrator, by others as

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being a very bad administrator in the use of his staff as far as the House was concerned. Did he have a full conception of the administrative magnitude of the agency's management problems? How did he become aware of this, if he did, in the course of this tenure as President?

BELL: I thought he had a very exceptional White House staff. I have commented on that in my other interview for the Kennedy Library and needed not repeat it here. In McGeorge Bundy, Ralph Dungan, Ted Sorensen, and in others, he had extremely able men whose relationships within the Executive Branch were continuous and extensive so that the President's intelligence, you might say, on how things were going around town and notably in the foreign policy field was very good.

Ralph Dungan, in particular, was continually in touch with the aid agency. Indeed when I joined AID, I was made aware by some that there was a feeling over here that Dungan had had his fingers too far into the Agency and that he was trying to control relatively subordinate appointments and organizational action. My own impression was that Dungan had a very keen awareness of the problems of the aid program; he had been among those who had seen it from Capitol Hill in the closing days of the Eisenhower Administration and felt that an enormous upgrading in the quality of personnel was needed. He had followed the evolution of the development of the aid program in 1961, which I described earlier.

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He had participated in finding key staff men—the Administrators, Assistant Administrators, and so on—who were brought into the organization. He had himself been a major, perhaps the major, stimulant to what was called “Operation Tycoon.” This involved the searching out of a couple of dozen businessmen by a committee headed, I believe, by Tom Watson [Thomas J. Watson, Jr.]. It must have operated in late 1961 and early 1962, and through it a number of younger businessmen were brought in to serve primarily as Mission Directors and Deputy Mission Directors overseas. A number of those men are still with the Agency, and the bulk of them did quite well; a couple of them did extremely well.

Dungan had been a major participant in the effort to staff and manage the aid agency effectively, and so far as he seemed to be pushing the Agency in one direction or another, I am sure, from his point of view, this was simply a reflection of his desire that the Agency become as strong and effective an organization as was needed. In this I am sure he was reflecting President Kennedy's judgment very accurately. The President did feel, as indeed did most people on the Hill—and this was an attitude that was, for example, very thoroughly shared by Vice President Johnson—that there needed to be a fairly wholesale replacement of the top management of the aid agency, and this was indeed accomplished.

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When I joined the Agency, the top staff were virtually all in place. They were virtually all new and had been brought in during the previous year and a half. There had been

a major restaffing job done at the top, which the President wanted done and which Dungan had largely been the executive agent for, and in consequence of this Dungan had an almost daily sense of what was going on in the aid agency, which I am sure he reported to the President and others on the White House staff. To a lesser extent Bundy, Sorensen and others on the White House staff would also be currently informed as to how the Agency was doing.

Another way in which the President got some personal sense of the effectiveness, or lack thereof, of the management of AID was through his deep concern with the balance of payments problem. He came into office with this concern, and this is also something I have commented on in my other interview. He retained a very strong sense that the balance of payments problem was not being fully solved. He did not feel comfortable about it, and he did not feel that the Administration had licked that problem.

In all this, incidentally, I think he was entirely right. One of the changes which the President wanted to accomplish, in order to contribute to the improvement of the balance of payments, was the greater tying of aid loans and grants to procurement in the United States. Instead

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of making dollars available which would be spent wherever in the world competitive price and quality factors would indicate, AID by and large would arrange for the exportation from the United States of goods and services and not make available dollars which would add to the claims of those in other countries against our balance of payments. I think probably the President had an exaggerated idea of how valuable aid tying is in relation to an improvement of the balance of payments. Nevertheless, there was certainly some real gain to be achieved for the balance of payments by a higher degree of aid tying, although obviously at some cost to the budget. That is to say, it meant that some higher priced American products would be made available under the aid program rather than lower priced foreign products.

In trying to get this policy adopted, that is to say the AID tying policy and corresponding policies by other government agencies, the President by and large ran into a series of what must have seemed to him to have been obstructive tactics, or at least lack of understanding and fully responsive action on the part of various agencies. I was a personal observer of this because the Budget Director was instructed to prepare a set of figures which were called the "gold budget," which were intended to reflect the direct effect on the balance of payments of the expenditures by the various government agencies. The Defense Department and AID were the agencies most sharply affected by the balance of payments policies.

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The President by and large received the customary efficient response from Secretary McNamara, but he felt that he did not receive an efficient response from Hamilton and his associates. The President personally had at least two meetings with Hamilton and his top associates in which, to some extent, I am sure the President got the impression that the Agency was giving him excuses for not complying rather than a report on how they were complying with his instructions. Because of his impatience with the aid agency on this score,

there was a period of some months in which each decision by AID—each loan, each project entered into—had to be cleared in advance with Carl Kaysen on the President's behalf, in order to make sure that the transaction in question was fully in accord with the President's instructions on the balance of payments. I think to some extent the Agency was doing a better job of complying in this period than it appeared to be, but its officials put their worst foot forward rather than their best foot forward.

Nevertheless, I saw the President's impatience with the administration of AID in that one respect. This is about the only respect in which I personally saw anything resembling serious concern on his part about the administration of AID. I did gather at the time, mainly from Dungan and to some extent from my colleagues in the Budget Bureau, that the President felt that the Agency continued to be slow moving, inefficient, and unresponsive to the President's policy and to the problems that existed.

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Another source from which I am sure he received this impression was his brother, who sat as a member of the so-called Special Group (Counter Insurgency). This group was established in the fall of 1961 after the Cuban Bay of Pigs, partly as a result of Max Taylor's and Bob Kennedy's investigation of that effort. The Special Group (Counter Insurgency) was chaired by Max Taylor, when he was the President's White House Military Adviser and before he became Chairman of the Joint Chiefs. Bob Kennedy sat as a member.

The Administrator of AID was a member of the Special Group (CI), although I believe as a rule Fowler Hamilton did not attend the meetings personally but sent Frank Coffin, who was his Deputy for Program. Frank did not, I am sure, convey to the Special Group (CI) the impression of a hard driving, fast moving, effectively managed enterprise, but probably in a number of instances gave the Special Group (CI) and Bob Kennedy particularly the sense of an agency which was tanglefooted, unable to accomplish anything on time and efficiently. For all these reasons and from all these various directions, I suspect that the President felt that the management of AID was not being improved as rapidly as it should have been.

On the other hand, insofar as I had an insight into the reasons for Hamilton's resignation and the decision to appoint a new Administrator, I gather from Ralph Dungan it had to do in large part with the problem of

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obtaining Congressional support for the program. This part of the story is particularly obscure to me. I do not know much about the legislative season of 1962. The legislative season of 1961 was, of course, concentrated on the fight for borrowing authority and the new aid program. The new aid program was adopted by the Congress, and while borrowing authority was not obtained, a long term authorization was included in the bill, subject to the annual appropriation of funds. The legislative season of 1962 apparently was regarded by the President as an unhappy one. A major cut was made by the Congress in his request, and there seems to have been a very strong feeling of unhappiness expressed by the relevant members of Congress that the administration of the program was not being improved as rapidly as it

should have been. Certainly when the President spoke to me about taking the job, he emphasized that one of the things he wanted was a strong improvement in the rapidity of action—quick response and efficiency in the administration of the aid program.

DENTZER: Mr. Bell, while we are on this point regarding Fowler Hamilton's resignation, my understanding was that the resignation came at his initiative—that he had reached the conclusion for one reason or another that he wished to leave the Agency and return to New York. You may

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not be explicitly aware of the facts, but you have the same impression that the initiative came from Hamilton and that the President, for reasons you have mentioned and perhaps other as well, was perhaps more than willing to make a change in the Agency's leadership.

BELL: I don't know the inside story, as I have indicated. I would assume that Ralph Dungan, Bundy, and Sorensen would know. My impression, however, certainly was that it was not Mr. Hamilton's initiative, but the President's, which led to the replacement. I could easily be wrong. I was never told explicitly by anyone just what the circumstances were.

DENTZER: Mr. Bell, in December of 1962, President Kennedy appointed the Committee to Strengthen the Security of the Free World, headed by retired General Lucius D. Clay. This action came after, as you noted earlier, a particularly difficult year for the aid bill in the Congress. The Clay Committee, in addition to General Clay, was composed of Eugene Black [Eugene Robert Black], former head of the World Bank; Robert Anderson [Robert B. Anderson], President Eisenhower's last Secretary of the Treasury; Ed Mason [Edward S. Mason] from Harvard, and many other distinguished gentlemen. Can you tell us why the Committee was appointed, insofar as you know that reason? How were its members chosen? What

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did the President hope to achieve through the appointment and report by the Committee? What was the evolution of his own thinking with regard to the Committee as it proceeded to make its report and as Congressional and public reaction came after that report?

BELL: The President mentioned his intention to appoint such a committee when he first spoke to me about coming to this job. He said that he felt it was desirable to get a view of the program by a group of very distinguished people whose opinions would carry weight with the Congress, and that he was thinking of someone like Lucius Clay as the chairman of such a committee. I discussed this with Ralph Dungan and Mac Bundy, and checked with Ed Mason perhaps—I don't recall precisely—and one or two others, including Charlie Stauffacher, a close friend of mine who had gone up to Continental Can to join Clay ten years earlier. The advice I received was that Clay's attitude

on foreign aid was very conservative and that he might well come to conclusions about the program which would be different from those of the President. Accordingly, I reported to Dungan, and I believe also to the President personally, that I had some concern about appointing Clay as the chairman of the committee and wondered whether Black, or Mason, or Lovett [Robert Abercrombie Lovett] might not be a better

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chairman. The President said that he was convinced that Clay would not take an antagonistic attitude toward the aid program and that all things considered, Clay would be the best man to head the group.

Dungan and I had worked out a series of suggestions for members, which included Black, Lovett, and Mason. We had inquired from Orville Freeman as to who might make a good member from the agricultural field and from him and received the name of Cliff Hardin, President of the University of Nebraska, who later became a member. The President in talking with Clay had agreed to appoint two or three people whom Clay thought would be good members. This, I believe, is the origin of Bob Anderson and of McCollum [Leonard McCollum] of Continental Oil both of whom were named as members. The President's intention, therefore, in appointing the committee was quite clear: he wanted a group to review the program on the assumption that it would come out with a strong endorsement of approximately the program that he was recommending, and that this would have a beneficial impact in the Congress. The immediate staff who were concerned with the problem, including Dungan and myself, had recommended against the appointment of Clay as chairman, but the President felt that Clay would be the best man he could get for the purpose.

I suspect the President felt later in 1963 that the appointment of Clay had not turned out to be as successful as he had hoped for two reasons. First, the Committee's report, while it was a far better report than might

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have been drafted by Clay and several of his colleagues on the Committee, nevertheless contained a number of fairly harsh strictures with respect to the aid program and had a mixed impact in the Congress and in the country. The Committee's report was in fact a solid endorsement of a major aid program, but to some extent this solid endorsement was offset by some of the strictures of the Committee included in its report about aid having been extended in circumstances which were not calculated to advance United States interests strongly—strictures about the lack of U.S. interest, generally speaking, in Africa, and remarks that in too many cases it looked as though aid had been extended without an end in sight or indeed in mind, which was a Lovett phrase. Parenthetically, Lovett turned out to be perhaps the most conservative member of the Committee in terms of his attitude toward foreign aid, and I'm sure he would have made a poor chairman rather than a good one. In this sense, the President was quite right not to accept the recommendation we had made to him.

While the President never discussed in any detail with me his views of the Clay Committee, I would feel quite confident that he was disappointed in the Clay Committee's report as such, in spite of the fact that its underlying message was a strong endorsement of a

major aid program.

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The only incident I remember that bears directly on this point is a furious call I received from the President, at about 9:00 a.m. on the Sunday morning the Clay Committee's report was reported in the press. The lead in the *Washington Post* story was the statement that the Committee had recommended a cut of \$500 million in the President's program—which was not what the report had said, though both the report and Clay's background briefing were rather ambiguous. The President was very unhappy because of his understanding from Clay and from us of what the report would say was different. While other newspapers had more accurate stories than the *Post*, none I'm sure conveyed the impression the President had hoped for when he appointed the Committee, because their report didn't say what the President had hoped the Committee would say.

Furthermore, I suspect that he was even more disappointed in the lack of effort by the Clay Committee members, including General Clay himself, to organize support for the foreign aid program in the business community and among the leading members of Congress. General Clay did testify before the House Foreign Affairs Committee and also before the Senate Foreign Relations Committee, but certainly the Clay Committee did not eventuate in a widespread surge of support among American businessmen, strongly expressed both publicly and privately to members of Congress.

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One of the last meetings I had with the President was at Hyannis Port, I believe in September. This was a meeting at which Ralph Dungan, General Clay and I met with President Kennedy at his request. Clay was someplace on Cape Cod—Orleans, I believe, is where he has a place—and drove over to Hyannis Port. Dungan and I flew up from Washington. We discussed quite frankly the situation in the Congress at that time, which I believe was prior to the reporting of the bill by the Senate Committee, either just before or just after action in the House on the bill

At that meeting, the President discussed with General Clay the possibility of President Eisenhower being asked to make a statement in support of the President's program. General Clay said he thought President Eisenhower would certainly be willing to make a statement at all appropriate time. He thought that President Eisenhower before doing so would want to consult with Senator Dirksen [Everett M. Dirksen], and therefore he thought the President might want to talk with Senator Dirksen in order to prepare the way for a later discussion between Dirksen and Eisenhower.

There were other elements of the discussion about the Congress. The President also raised with General Clay the question whether he and some of the other leading American businessmen could not organize some support for the program. Clay undertook to talk with a number of people and to try to have some impact with respect to specific members of the

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Congress. It was not my impression, nor do I think that it was the President's impression, that a great deal was ever done along these lines.

The legislative process in 1963 was, of course, not completed at the time of the President's death. The Senate-House Conference approval of the authorization bill did not occur until December 6; the Senate Appropriations Committee hearings did not begin until November 18; and, of course, the final passage of the appropriations bill did not take place until the famous pre-Christmas session to which President Johnson had insisted that the members of the House return despite the fact that it was a traditional holiday period. It was the day before Christmas that they finally finished. But members of Congress had drifted away from Washington in large numbers on the Friday preceding, and President Johnson had to undertake a strenuous campaign getting members back to Washington to finish up action on the foreign aid bill, which was finally done at a session which I believe began at 7:00 a.m. on the day before Christmas. All in all, the impact of the Clay Committee on the legislative process in 1963 was a mixed one, and certainly nowhere near as favorable as President Kennedy had hoped when he appointed it.

In a different sense the impact of the Clay Committee was very substantial because in the process of the Clay Committee's hearings, a searching, frequently rather acid, review was made of the aid program

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which highlighted a series of policy issues which did in fact become the basis for the much more successful aid presentation in 1964. Among issues were the questions of what the objective of the aid program ought to be and whether the United States should not deliberately aim at objectives which would permit aid to be terminated in every case at some stage. This bore a logical relation to the underlying developmental philosophy of the aid program as it had been put together in 1961. The emphasis on phasing out programs where substantial success had been achieved and where aid was no longer needed was incorporated in the 1964 presentation much more clearly and strongly than it had ever been before, with a consequent improvement in the clarity with which the program could be defended on the Hill—as a temporary one with an end in mind and frequently in sight.

Another element of emphasis, which was strengthened in the thinking of myself and others in the aid program as a result of the Clay Committee discussions, was the strong conception of U.S. aid being related to self-help measures on the part of aid-receiving countries, with a pattern of disbursements of major aid program loans geared to a step-by-step process of commitment and review of performance under those commitments by the aid-receiving countries. This idea was not a new one in the aid program, but it was one which warranted much stronger

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emphasis and received it following the spotlighting that it received during the Clay Committee's discussions with the top administrators of AID.

A third element which was highlighted in the Clay Committee's discussions was the significance of the aid program in relation to supporting U.S. private business investment

overseas and the need for a broader objective of stimulating the private sector in aid-receiving countries.

I cite these illustrations in part because they were significant to me and to other senior members of the AID management in our discussions and sessions with the Clay Committee, which were quite extensive over a period of two or three months. We found ourselves facing skeptical, intelligent, and experienced questioning of a kind which we typically did not get from the Congressional committees, where the questioning seemed to center much more on political problems and frequently on issues which were secondary or irrelevant to the bulk of the business of the aid agency. But in the Clay Committee, we found ourselves confronting very extensive business-oriented, sharply-pointed questioning which made us think through our programs and strengthen the emphasis on the points such as those to which I have just referred. In this sense, the Clay Committee was a very beneficial experience and led to a series of judgments on policy questions which made the program substantially more acceptable to many people on Capitol Hill and to many informed people in the U.S. business community.

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DENTZER: Mr. Bell, a number of people seem to have regarded the appointment of the Clay Committee to have been a major gaffe by President Kennedy—a major mistake on his part. As you have indicated, there are some signs that this was in fact President Kennedy's judgment, at least in some part. I recall that in October and November of 1963, George Ball remarked that the President told him it was probably a mistake to have appointed the Clay Committee. The assumption, of course, is that President Kennedy thought he would get a committee which would strongly back aid in its report and thereafter strongly back it in a public campaign throughout the country.

As Executive Secretary of the Committee, I thought that while the report was not what the President had hoped it would be, the report itself was not so bad for the aid program as was the public reaction to it. That is to say, the President may have been somewhat dismayed at the popular reaction to the report, centering as it did on the report's negative aspects instead of on its more positive aspects and its underlying endorsement for foreign assistance. I think the President thereafter hoped that General Clay could remedy this, and subsequently he did in part. I think that General Clay testified in support of an appropriation level of about \$3.9 to \$4 billion out of President Kennedy's \$4.5 billion aid request, saying that this amount was absolutely essential to the national security.

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President Kennedy hoped a public support campaign would be mounted by the Committee, notwithstanding the mixed reaction to the report. This, of course, was not done to the full extent that the President had hoped, and this presumably helped lead him to the conclusion that he had not received the kind of backing for the foreign assistance program that he hoped for in appointing the Committee.

It is difficult to speculate on what might have happened to the Committee had the President not died—whether the Committee would have endorsed strongly, as General Clay

was doing in public statements at the time, the leadership of AID and its program under your administration, which he thought were great improvements over the past, or whether President Kennedy might have let the Committee expire. Would you agree generally with some of these observations I have made? What is your own speculation about the possible future of the Committee after the time the President died?

BELL: Well, I am sure you are right; the President did not obtain from the Clay Committee what he had originally hoped, and now that you mention the figures, you remind me that I should have made plain that the Committee presented the President with a major legislative difficulty when in its report it said that the aid program could be reduced by \$500 million. The Committee report was not clear as to from what level the \$500 million

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should be subtracted. Nevertheless, the President had before the Congress a recommendation of \$4.9 billion for economic and military assistance. The Committee he had appointed indicated that that should be reduced, and Secretary McNamara and I after some discussion recommended to him that his proposal should be reduced to \$4.5 billion, a recommendation which he accepted on our suggestion and that of Ted Sorensen.

There were, incidentally, opposing voices both in Kenny O'Donnell [Kenneth P. O'Donnell] and Larry O'Brien [Lawrence F. O'Brien]. Both thought it was a major political mistake for the President to reduce his own budget figure and a sign of weakness in the Congressional process. One can argue about this; it is a controversial point. In my opinion, it was the Clay Committee's action that put the President in a weak position with the Congress, and it was necessary for him to respond in some way, so he was correct in reducing his figure to \$4 1/2 billion. If I remember correctly, General Clay in his appearance before the House Foreign Affairs Committee, actually endorsed authorization of as much as \$4.3 billion, although I think his private view was, as you indicated, that \$3.9 or \$4 billion was indeed a generous amount.

Running through all the legislative handling of the aid bill in the first two or three years of the Kennedy Administration, including the period during which the Clay Committee was in existence, was what

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Frank Coffin in his book on aid called the "minuet" relationship between the request by the President and action by the Congress on foreign aid appropriations. During the closing years of the Eisenhower Administration, increasingly there had developed a practice under which the President asked for a relatively generous sum, recognizing that if he got it all he might well not have to use all of it in the year in question. This sum was stoutly defended as essential to the national security, in the full understanding and with recognition on all sides that it would be cut substantially in the Congress, but that the resulting figure appropriated would really be high enough to cover the essential minimum for the national interest. In consequence, the debate and discussion about the foreign aid budget each year had an

increasingly unreal aspect to it, everyone knowing that the President had deliberately put some padding in his figures and that the Congress and the Executive were really arguing about some figure lower than the President had formally requested

Whether President Kennedy would have broken this tradition in the 1965 budget, which was under preparation when he died, is a matter of uncertainty. What would have happened to the Clay Committee had he lived is also a matter of real uncertainty. Clay himself had agreed to serve only for a year, and definitely would not have wanted to continue. Nevertheless, the Committee would have been continued under another Chairman had the President so wished. At the time President Kennedy died,

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the foreign aid budget for fiscal year 1965 has not been settled, and if I remember correctly, discussions had occurred between Kermit Gordon and me as to whether it might not be desirable to cut through the past practice and propose to the Congress a minimum budget—not a generous budget—and defend it on the Hill in those terms. I am sure I had not talked personally about this idea with President Kennedy; I don't know whether Gordon had. It appealed to both of us on the basis that it would put the dialogue with Congress on a wholly new footing. The idea was incorporated in a memorandum which was presented to and discussed with President Johnson on about December 12 or thereabout in 1963. President Johnson did opt for the minimum alternative which we put in that memorandum. He did so, incidentally, over some expressed concern by Larry O'Brien and by Doug Dillon, but on the recommendation of Gordon, McNamara, and myself.

I think there is really no way of saying what President Kennedy would have wanted to do with the Clay Committee had he lived, because the legislative process had still not run its course and there was no basis, therefore, for making a decision. In fact, had the President opted for presenting a barebones budget to the Congress in January of 1964, he could then have had, I am sure, the enthusiastic endorsement of virtually all the members of the Clay Committee, certainly General Clay himself, and there might well have been some real benefit from the

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Committee in the subsequent legislative process. But that is all speculation, and I simply do not know what was in the President's mind at the time he died.

DENTZER: President Kennedy's appointment of General Clay strikes me as a very interesting phenomenon. Here was a man who had disagreed with President Kennedy strongly with respect to the establishment of the Berlin Wall. He was a man who had strongly backed President Eisenhower, who had become identified as a key Republican and a key Republican fundraiser. Here was a man whom the President had had some previous disagreements with in the short years of his Administration, prior to the Clay Committee's appointment. Yet for various reasons, President Kennedy made a calculated decision to appoint General Clay to that post, and he later took General Clay with him to Berlin when he made his famous trip to that city during the course of 1963

Perhaps it is a commentary on the qualities of mind of the President and his belief in foreign assistance that he thought General Clay, and a committee composed of members much like General Clay, could and would be in the end convinced that foreign aid was essential to the national security of the United States. This raises an interesting question as to the qualities of mind President Kennedy brought to his job. For example, I think he found much to agree with in Clay's point of view on some aid questions. What do you think?

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BELL: I think that first of all, the appointment of the Clay Committee, and the selection of Clay or someone like him as Chairman, was a reflection of President Kennedy's judgment that the foreign aid program was in serious difficulty on Capitol Hill and that he had to build a greater degree of bipartisan, business-oriented, national support for the program if it was to continue. He was looking for somebody, therefore, who, like Clay, represented the conservative business establishment and a power in the Republican Party. He was also, of course, looking for someone who basically understood the reasons for foreign aid and its significance to the security of the United States. Not only did he consider that Clay was such a man, because of Clay's personal experience in Europe at the time of the Marshall Plan, but I am sure he made certain of this point in his discussions with Clay before he was appointed.

This is what he meant, I am sure, when Dungan and I expressed concern to him about the appointment of Clay. The President assured us that he had talked to him and was confident that Clay did believe strongly in the foreign aid program. And this indeed is the fact, as you know. There's no question whatever that Clay believed, and does believe, in a strong foreign aid effort. He puts his belief in a rather negative cast when he describes it either orally or in writing, so that the depth of his conviction rarely shines through. Instead, the qualifications on his convictions and the doubts he has about some countries and

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some specific aspects of aid tend to overshadow the solid, basic strength of his support for the aid effort. But the President was right in the sense that Clay did and does support the attitude that the President had as to the value of foreign aid to United States foreign policy.

You have raised a very interesting though which is certainly relevant to this discussion on which I can't shed much light, I'm afraid. You're raising the thought that possibly the President had in mind that too many of the judgments about foreign aid and about its amount, nature, and direction that had been made in his Administration had in fact reflected "fuzzy-minded do-gooders" and not enough of the "hard judgment of experienced businessmen." In other words, the President may have been looking for a relatively conservative review, and somewhat of a conservative turn in his aid policy.

I don't really believe this is so. I think the President did believe that conservative, business-minded people, so long as they understood and agreed with an activist foreign policy on the part of the United States, would support the aid program at about the same level that he had. I think what disappointed him about the Clay Committee was that it was not willing, as he had been willing, to endorse a \$4.9 billion budget, recognizing that the

Congress was going to cut that substantially, that a figure in the order of \$4 billion was really necessary for the security and advancement of U.S. foreign policy interests, and that to get \$4 billion from the Congress one had to ask for about a billion dollars more. I

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think Clay agreed with the President that a figure on the order of \$4 billion was necessary, but he could not bring himself to recommend a much higher figure in the expectation that the Congress would cut it and end up at about the level he thought was correct. This, I think, is the point at which the President and Clay ended in disagreement—essentially a matter of legislative tactics rather than a disagreement on the approximate nature and scope of a desirable aid program.

DENTZER: Mr. Bell, we just talked a bit about the Clay Committee and its disposition to publicly support foreign assistance programs. What about President Kennedy's record and attitude on this score? There have been some people who have been enthusiastic backers for the foreign assistance program and who have thought the President could have spoken up more forcefully and more frequently in support of the aid program. There are others who have maintained that the President could not get too far out ahead on this one because his prestige alone was not adequate enough to bring the program the kind of public support that he hoped for and, indeed, had created the Clay Committee to help generate. What is your own view on this subject?

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BELL: It seemed to me that President Kennedy was very strongly on record at all stages for a vigorous foreign aid program, that he was not at all adverse to saying so repeatedly, and that in general the strength of his commitment was properly expressed in his messages to Congress and his speeches around the country. There were zealots for foreign aid as there are zealots for all other aspects of the President's program—education for example, or conservation—who from time to time felt that the President could do something specific that he wasn't doing. A frequent suggestion, which I have seen over the years made to every President, is that he should go on nationwide television and make a special speech about the given subject—foreign aid, education, conservation, or whatever it may be. Any President, whether it is Truman [Harry S. Truman], or Eisenhower, or Kennedy, or Johnson, must calculate the impact of his public appearances—in particular his television appearances—and make a judgment as to what is the proper use of the impression that he can make on the public. If he is on television every week with a speech about the importance of each element of his program, the judgment has been made by every President I know that he would soon lose the effectiveness of that kind of a forum. I agree with that. Therefore, my impression is that President Kennedy was thoroughly forceful within the normal and proper limits that any President faces in expressing his support and conviction in the field of foreign aid.

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I can remember the very excellent speeches he made on the subject when he visited several Western states, the last trip he made before the one on which he was killed. He made a speech in Salt Lake City, expressing among other things his deep concern that the American people were said to be tired of carrying the burdens they had been carrying in the world since the end of World War II. He said essentially that we can't afford to be tired, that people who want to be free cannot allow themselves to be tired, that this is something we have to be engaged in and these are problems we have to wrestle with indefinitely into the future. He made the same point in the famous television interview—the rocking chair interview—in late '62 or early '63. He made the same point in a very eloquent speech in New York to a church group, as I recall it. I've forgotten whether that was in '62 or '63.

No, I feel that there is no doubt whatever that the President's views and convictions on these matters were appropriately expressed to the public in speeches as well as in messages to the Congress. He also, to my knowledge, consulted and sought to persuade members of Congress with respect to these matters. He went through, as I know President Eisenhower did and as I know President Johnson did, the unpleasant ordeal of having Otto Passman [Otto Ernest Passman] down to the White House at the urging of the House leadership, obtaining no satisfactory agreement from Passman but nevertheless making the effort, distasteful as he knew

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it would be. President Kennedy, of course, was very different from President Johnson in his approach to the leaders of Congress—I would say on the whole significantly less effective, at least in some situations. But he was quite willing, when we advised him it was necessary, to talk to anyone in the Congress to urge him to support the program the President had put forward.

DENTZER: Mr. Bell, as Administrator of AID you had a chance to see the President react to questions, come to decisions, manifest patterns of thought and attitudes toward a number of questions—policy questions, questions of relations between the Executive Branch and the Legislative Branch, questions involving intra-governmental organization; questions which gave indications of his disposition in a number of different areas. I would like to open that area for discussion, beginning with foreign policy questions. You have already alluded in this interview to the President's attitude toward Vietnam and Laos, and to the Alliance for Progress. Are there other areas of foreign policy with regard to the aid program that come to mind which manifest President Kennedy's foreign policy beliefs? I'm thinking in particular of one question you might comment on, with respect to the proposed Bokaro steel mill for India.

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BELL: Yes, I would say that perhaps the most important observation that I would offer on this is the remarkable extent to which President Kennedy was

attuned to the attitudes, problems, thoughts, and concerns of the leaders of the new countries—the less-developed countries in Asia, Africa, and Latin America.

It was astonishing to see how he could establish a rapport with leaders such as Sékou Touré of Guinea, Houphouët-Boigny [Felix Houphouët-Boigny] of the Ivory Coast, Nkrumah [Kwame Nkrumah] of Ghana, the Shah of Iran [Mohammad Reza Shah Pahlavi], Nasser [Gamel Abdel Nasser] for that matter, although they never met personally so far as I know, and with the leaders of Latin America. Through some near magic, President Kennedy made it evident to each and all of these persons—I don't believe he ever had a failure along these lines—that he understood the problems they confronted, was sympathetic to them, and wanted the United States to be as helpful as possible. He did all this without giving away U.S. interests, indeed advancing them in every case, and without in any sense backing off from the notion that it was necessary for these leaders and their people to undertake major efforts on their own—in the Latin American case, reform measures. His response was to the forces of dynamism, revolution, and evolution in these areas. He was not at all simply getting on good terms with whoever the rulers of the country happened to be.

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His relationship with the Shah of Iran, for example, was one in which he was quite clearly saying to the Shah that if he was to be an effective ruler and if U.S. assistance was to be helpful to him, the Shah had to undertake to become the leader of the positive, modernizing forces in his country, and that on this basis we would be delighted to help and to contribute to the security, independence and progress of Iran.

I don't quite know why President Kennedy was so instinctively on the side of revolution, change, the democratic left, dynamic progress, and reform in less-developed countries. It was certainly something he was clear about long before he became President. You'll recall his famous speech on Algeria—I think in 1957—in which he came out strongly for the independence of Algeria from France.

I think this reflects an aspect of President Kennedy's own beliefs and attitudes which is easily overlooked. He was by bearing and manner and other aspects of his personal life—his acquaintances and friends and so on—he was an aristocrat, a member of the wealthy establishment in the United States. His father [Joseph P. Kennedy] was certainly an example of the rock-hard, acquisitive, successful business entrepreneur. And yet this was essentially a less significant aspect of President Kennedy's character than the aspect of which I am now speaking. In the United States, and with respect to internal United States policy measures, he was solidly progressive or liberal—whatever term seems appropriate—and

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internationally, he expressed better than any President has done, since Wilson [Woodrow Wilson] certainly, the support of the U.S. for improvement of the social structures, social systems, and economic livelihood of people all around the world. His impact in consequence in Latin America and in other less-developed areas of the world was enormous, and the confidence he generated in those areas was very great indeed. You will recall the enormous impact he made on his visits to Venezuela, Colombia, Mexico, Central America—and the

tremendously moving reaction there was to his death throughout the developing continents, especially in Latin America and Africa.

To summarize, the point that was most impressive to me was the extent to which he understood, could sympathize, and could communicate that sympathy to, the leaders and the people of the countries which are seeking very rapid change.

The President coupled this with the same pragmatic attitude which he exhibited in the United States in many aspects of his policy and which again frequently was misunderstood and characterized as a chilliness, an unwillingness to commit himself. What this is usually meant to imply is that he had no ideological convictions. In reality what he detested was wasting time on ideological arguments. He wanted to get things done—get on with the job—and with respect to your Bokaro example, it was a total waste of time as far as he was concerned to argue about whether steel mills in India ought to be in the private sector or the public sector.

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The Government of India had decided that the next steel mill was going to be in the public sector, and the question was whether it made sense for the United States to support the establishment of that mill.

As far as the President was concerned, after he had analyzed the matter, it did make sense; the Indians needed the steel, and the United States could provide the know-how and the capital that were necessary for it. He thought it would be advantageous from the standpoint of the United States to have participated in building in India an effective and efficient steel mill. Indeed, there was a chance that by doing this the United States could increase its effectiveness in influencing Indian policy. Of course, we were influencing it, and we wanted to influence it, in the direction of giving more play to the private sector—not just private business but all aspects of private activity—so that the Bokaro case was open and shut in the President's mind and he could not understand why it was not equally clear to the majority in the Congress and in the country.

Of course, it was not equally clear. The majority in the Congress certainly was persuaded on essentially ideological grounds that we should not support a "socialistic" steel mill in India. I think that in logic the President was entirely right and the majority in Congress was entirely wrong. But legislatively, I think it should have been clear to anyone that the Congress would not support the use of several hundred million dollars

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of American aid money for such a mill. It was undoubtedly a mistake for the President to have gotten as far committed to this project as he did. Indeed the Eisenhower Administration began to be committed at the end of its term, when Vance Brand headed the DLF. President Kennedy became firmly committed in 1961 and 1962 with the advice of Ambassador Galbraith [John Kenneth Galbraith], the Secretary of State, and the AID Administrator at that time.

The President's concern with foreign policy matters and especially perhaps with matters of the less-developed countries was very deep. He was constantly following

developments in those countries, far more I am sure, than any President before him had done. The President liked to get to know these people personally, and he liked to feel that he himself was in communication with these leaders. He followed closely the elections and political developments in individual countries in Latin America, Africa, and Asia. He spent a great deal of time, not necessarily reading cables personally, although he did read many, but listening to his own staff and meeting visitors. He was prepared to meet, for example, privately and informally with a political leader from a Latin American country who might not even be in office at that time but was a leader of a party which in the future was going to be more significant in that country. The President was delighted to get to know such a person, to feel him out, and perhaps to argue with him about some of his policy positions.

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His interest and commitment to change and progress in the less-developed parts of the world was constant and deep and felt throughout the foreign affairs establishment. He was continually pressing questions on the people in charge of these agencies as to what was going on here and why something wasn't happening there. While the illustration I gave earlier on about his intimate following of many of the projects of the Alliance for Progress was perhaps the most extreme case, it was nevertheless only an illustration of his general attitude. He followed, for example, very closely the steps of what we were trying to do with Egypt, surely one of the most difficult foreign policy areas during his Administration. He sent Ed Mason to see Nasser, and he talked personally with Mason before and after the trip. In a sense he was developing in that way a line of communication, one avenue of influence, which would be helpful.

I remember being present at a luncheon in the White House one day when I was Budget Director. I don't remember just when this was, probably sometime in 1961, when the question of whether or not the United States should agree to make a loan to support the Volta River project in Ghana was being discussed. Gene Black was at that luncheon and Clarence Randall [Clarence Belden Randall], who had recently gone out as a special analyst for the President, and the pros and cons of Nkrumah and the Volta project—what it would or would not mean in Africa—were very thoroughly discussed. The President was very much in touch with developments. I guess this was a time when Walt Rostow was number two to Bundy, and I had helped

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to organize this luncheon because Rostow was going to be away and had asked me to do it for him. I remember the President's thorough understanding of the issue that confronted him. I also remember, incidentally, that Gene Black and Clarence Randall both flatly and explicitly recommended that we go into the Volta River project, recognizing the difficulties and possible risks involved and the odds that the project might not succeed.

DENTZER: Mr. Bell, what were the President's attitudes concerning the relationship of the Agency for International Development with the Department of State? Under his Administration, AID was established within the State

Department and responsive to the overall foreign policy direction of the United States in various countries. Yet it was administratively separate within the State Department to give a degree of tension in the balance between political considerations on the one hand and economic on the other.

BELL: The President was aware in 1961, when the present organization was devised and established, of the importance of having an aid agency which could take responsibility and be in a position to establish some sort of central policy in the aid field for the United States. He wanted the aid program more centralized than it had been previously with the ICA and

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the DLF, and he wanted it elevated so that the AID Administrator would report directly to the Secretary of State and the President rather than reporting through an Under Secretary, as had been the case in prior years. It was also clear that the President approved and concurred in the idea that the Assistant Administrators in AID should rank as Assistant Secretaries, and therefore could not be overridden by the Assistant Secretaries of State for the various geographic areas. The notion here was to accomplish, as you have suggested, an organizational arrangement which was clearly under the foreign policy control of the Secretary of State, but which also permitted the establishment and maintenance of safeguards against short-range political pressures—a structure in which aid policy could use U.S. funds to the maximum advantage in accomplishing permanent change in the less-developed areas of the world.

The President, as I say, was quite aware of this and approved it explicitly. Everyone knew exactly what we were trying to accomplish when this was done in 1961. He did not design the structure—that was done by George Gant, by the Budget Bureau people, and by the Ball/Labouisse task force arrangement—but the President was perfectly clear that this was the way he wanted it to be and he made it plain when I came into the job. I double checked him on it at the time to make certain that this was the way he saw it, that he expected me to keep his staff informed of

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issues, events, and happenings in the aid field, and that if necessary at any time he was quite prepared for me to communicate with him directly, not just through the Secretary of State. He was not inviting me to go around Secretary Rusk in any sense, and it has not been necessary to do so. But the President was indicating his personal interest in the aid program and his feeling that he was relying on me or any other man in this job as the man to whom he looked as being responsible for the aid program and the use of funds voted by the Congress for aid purposes. He wanted me to feel personally responsible to him for using those funds correctly, for standing up and being prepared to defend any policy judgments that were involved, and for making the most effective use of the money.

DENTZER: Mr. Bell, what is your understanding of the President's attitude toward the

Congress and your understanding of his pattern of dealing with the Congress in the context of your experience with him as head of the foreign aid agency? I recall, one point of hearing the President speak to General Clay about this “Congress of Committees.” What is your view or understanding of President Kennedy’s approach to the Congress as to the best way the Executive Branch could deal with it?

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BELL: My own observations, of course, are limited in response to this question. It is my impression that he was concerned about his lack of rapport with a number of senior men in the Congress. President Kennedy was essentially a man who approached questions in terms of the substance and the merits. He was interested in the merits of any issue that came to him. He felt that United States policy should be established very largely in terms of the merits of any issue. It troubled him that merits were often—not subordinated necessarily—but blurred in the Congressional context by personal biases and attitudes of a few key members.

For example, the foreign aid appropriations process in the House of Representatives was what it was basically because of two men—Clarence Cannon, the Chairman of the House Appropriations Committee, and Otto Passman, the Chairman of the Subcommittee on Foreign Operations. These two men both held the view essentially that the aid program was wasteful and should be done away with. This was not the majority view in the House of Representatives, but these two men were in sufficiently key spots so that they would make sure that aid appropriations were cut sharply each year although the President, whether he were Eisenhower, Kennedy, or anybody else, thought aid was necessary. The theory of the House Appropriations Committee—which is to provide the amount of appropriations necessary to execute policy which has been

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determined by the Congress through the authorizations bill—this theory, of course, bore no relation to what Mr. Cannon and Mr. Passman sought to do through the Appropriations Committee. They were not interested in supporting the authorizing action that Congress had voted. They were interested in undercutting that authorizing action and bringing about a different outcome. President Kennedy was unhappy and found it very difficult to deal with a situation like that because his own instinct and attitude was to reason about a problem and then act accordingly.

The Kennedy legislative record, in my opinion, was enormously successful, recognizing the paper-thin margin by which he was elected in 1960, and the thin working majority he had in fact in the House of Representatives and to a lesser extent in the Senate. The work that he and his very competent staff, notably Sorensen and O’Brien and his associates, did under these circumstances is not usually given nearly as much credit as in my opinion is due. What I’m saying is not that President Kennedy was unsuccessful in dealing with Congress, but that he was uncomfortable in dealing with Congress. He did not like and did not enjoy the personal persuasions, the elements of political pressure, the use of patronage and public work projects, and the other methods that are available to a President

for affecting actions of individual Congressmen. He was prepared to use them and did use them, but he always did so with

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an air of faint distaste. I'm sure that air was communicated and understood in the Congress, and consequently there was a basic hostility between the President's attitudes and those of most of the Congress.

In this sense, President Kennedy always seemed to me to be a natural and instinctive member of the Executive Branch rather than of the Legislative Branch. It seemed to me that his natural talents for administration were very great. He had an enormous, very strong feeling that he wanted to place responsibility clearly and singly on individuals, not on committees. He had a very strong feeling of wanting direct communications constantly and continuously as to what was going on, as was exemplified by his frequent phone calls to people well down the line of hierarchy in various agencies. He was not trying to bypass the senior responsible official; he was just trying to establish personal communications so he could know what the story was on a given issue.

He had an enormously strong feeling that he wanted quick and effective action. He pursued this interest somewhat differently than President Johnson does. For example, in President Kennedy's case, responsibility was placed, an assignment was given, and the man who had it felt pretty much that it was then up to him to do the job and report back. In President Johnson's case, the assignment is given to a man, and it is clear, but the President is apt to be on the phone in a half-hour later asking how far he has gotten with it and to call up the next morning to ask why it has not been finished by now. Thus, the sort of continuous

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prodding in the Executive Branch that one has under President Johnson was not present under President Kennedy. It may well be that the administrative performance under Mr. Kennedy may not have been as good for this reason, at least in some cases, but it was a happier ship to work on.

The key point I am making, in response to your question, is that President Kennedy, I believe, felt more at home in working in the Executive Branch, working with leaders of other governments in the foreign policy aspects of his job, and working to create program ideas, express them, and put them before the Congress and the country, than he did in the continuous work of getting a legislative consensus or majority and applying it to the particular bills that were part of his program.

DENTZER: Mr. Bell, we have looked at President Kennedy through your window of foreign aid experience under him, and you have spoken of him in relation to his attitudes toward the foreign assistance programs, his relations with Congress, his instincts concerning foreign policy, and to some extent his views on governmental organization. By way of concluding, what more can you tell us other than that which was explicit or implicit in your comments earlier about the President—his attitudes of mind and patterns of thought—the manner and behavior of this man who was President of

the United States?

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BELL: I don't know that I have much to add to what I already said. When working with him, one always had a feeling of the quickness of his mind and his impatience to get through the subject at hand and on to the next piece of business. He did not like to linger, delay, and argue at length. The process of completing a message to Congress, for example, with President Kennedy was one in which he would skim through the draft, and would make comments on it, would frequently almost dictate off alternative sentences and paragraphs about which Sorensen would make scribbled notes on his copy. The President would dash through it so to speak, frequently ordering wholesale revisions, sometimes just changing words or a few paragraphs, and then he expected the people who were working on it to go out and modify it as he had suggested. That would be it. There was no feeling that he wanted to supervise the precise modification of the draft and sit there while alternative language was being worked out and so on. It would have made him extremely impatient to have done any such thing. In consequence, when policy matters were brought up, he liked to be in a position of getting to the heart of the matter quickly, getting it discussed, and getting to the next subject.

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As has often been noted, he was always expressing his point of view humorously and ironically; he would frequently make wry or ironic remarks in a discussion of issues. This was a manner with which most of his associates felt very much at home. I suspect it made some people feel that he was not really serious, although this feeling could not have survived any significant exposure to him because it became clear how deeply the President went into subjects, how carefully he considered them, and how basically serious he was about them.

I think perhaps the final thing I might say in this area is that regardless of the field—foreign aid, foreign policy, or domestic policy—President Kennedy impressed me as being continuously concerned with the uses of American power to accomplish fruitful, beneficial, progressive results. This is what he thought he was doing. He wanted to move the world, he wanted to have an impact. I don't mean that in a personal sense—he wanted the United States to have an impact which was constructive. He was continually and pragmatically endeavoring to affect the lives of people all around the world in directions which seemed to him to be correct. Those directions could be described as those which were expressed by Jefferson [Thomas Jefferson] in the Declaration of Independence and through the encyclicals of the more liberal Popes in modern times.

The President was not widely read in economics, but he was widely read in history. He was thoroughly at home in the politics of any country and was a political man in a position of power, trying to use that

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power vigorously. He would have thought it a terrible waste of his position had he not been

seeking to apply the strength that could be applied to situations all around the world that seemed to him important and to need attention. Consequently, one continually had a feeling of a positive, strong, active intellect and force, pushing in the direction of change and social and economic progress.

At times it seemed to me—I may well have been wrong—that he was more interested in matters going on abroad than those within the United States. I may well be inferring more here than was present, but it seemed to me that sometimes he acted as though the problems elsewhere in the world were more challenging, more interesting, more difficult, more worthy of attention, than most of the problems in the United States, which was, after all, wealthy, strong, and secure during this period.

DENTZER: That concludes this interview.

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