

Booker T. McGraw Oral History Interview – JFK#1, 9/11/1968
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Biographical Note

Booker T. McGraw (1898-1978) was the Assistant to the Administrator of the Housing and Home Finance Agency from 1961 to 1963. This interview focuses on the workings of the Housing and Home Finance Agency during the Kennedy administration and efforts to include African Americans in public housing, among other topics.

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Oral History Interview

Of

Booker T. McGraw

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Booker T. McGraw– JFK #1
Table of Contents

<u>Page</u>	<u>Topic</u>
1	Work to find African Americans housing during World War II
2	Erosion of the Intergroup Relations Service during the Eisenhower administration
4	New leadership under the Eisenhower administration
5	Appointments of African Americans to Intergroup Relations
6	Finding qualified people to work in Intergroup Relations
7	Working to have Bob Weaver appointed as the head of the Housing and Home Finance Agency [HHFA]
8	Responsibilities of the head of HHFA
9	Role of the employment policy officer in the Kennedy administration
11	Considerations when hiring new employees
12	Issues with programs during the Kennedy administration
13	Waiting for an executive order to staff the department
14	Pressure for John F. Kennedy to issue the executive order
16	Change in operation after the executive order
19	Statements from other agencies
20	Urban Renewal Administration
21	Responsibilities in Urban Renewal
22	Complaints that it was harder for African Americans to get loans with the Federal Housing Authority
23	Commitment to increasing participation
25	Climate in the public housing office
26	Leadership in public housing
27	Lack of effectiveness of the freedom of choice plan
28	Segregation in urban renewal efforts
29	Meeting with Governor David Lawrence’s advisory committee
31	Style of the Kennedy administration
32	The Civil Service Commission’s work to employ more minorities
33	Role of statistics in Civil Rights efforts

Oral History Interview

with

BOOKER T. McGRAW

September 11, 1968
Washington, D.C.

By William McHugh

For the John F. Kennedy Library

McHUGH: Dr. McGraw was the head of the Intergroup Relations Bureau of the Housing and Home Finance Administration during President Kennedy's Administration. Can you tell us generally how you were invited to fill the position you took, Dr. McGraw?

McGRAW: Well, I guess it runs back--it's kind of an evolutionary thing. I came down here during the war--World War II--in January 31, 1942, with one of the predecessors of the Housing and Home Finance Agency during the war, in fact, prior to the establishment of the National Housing Agency, which was administered by John Blandford [John B. Blandford]. At that time I was consultant on housing for minorities during the war, when we were programming war housing to house essential in-migrant war workers, so I've been working around that area one way or another ever since.

McHUGH: You've been continuously in government service?

McGRAW: That's right, since that time. At the particular time, I was with the war agencies in housing, principally the National Housing Agency which around February 25, 1942, pulled together some fifteen or sixteen different agencies trying to do war housing by Executive order of President Roosevelt [Franklin D. Roosevelt] at that time, try to get some sense and order out of this multiplicity of competing units trying to get a piece of the war housing action.

At that time Bob Weaver [Robert C. Weaver], who had been the advisor on this area with the US Housing Authority, the public housing part of the shop that was pulled together under the NHA [National Housing Authority]. He'd just left that and gone over to War Manpower--was a unit over there that tried to open up employment, wartime employment for Negroes, at that time. Of course, I'd known Bob before then.

We were at Harvard together, both studying for our doctorates in economics at the same time. And he left the housing job in charge of Frank Horne [Frank S. Horne] over there, and he moved over to rebuild a unit in War Manpower, try to break down discrimination in wartime employment and, naturally, in programming housing for essential in-migrant war workers. We had to get them employed in war work before they'd be eligible for any of the housing we were building because everything was under strict control. You couldn't buy a nail without a priority, so that the only way you could get any allocation to build or rehabilitate housing--you'd have to establish the need for housing essential in-migrant war workers. Now Negroes were migrating, but they weren't getting war jobs at that time. And it was only a year or so later when we began to scrape the bottom of the barrel, and along about the Battle of the Bulge, every time our fighting forces seemed to have a hard going, then we'd find it was easier to make some progress on this front over here. And when things were going well, why, people saw no need to concern themselves with opportunities for minorities. So this is a roundabout way to answer your question, but I think it has some pertinence as to how I became assistant to Bob Weaver when he took over the Housing and Home Finance Agency for the area of Intergroup Relations.

McHUGH: When you took over the--oh, would you call that a bureau...?

McGRAW: Well, it wouldn't be quite a bureau. We call it Intergroup Relation Service. It's a staff function rather than a bureau. What we try to do is advise and assist the program people, to condition their program and activities so that they'll operate inclusively rather than the traditional exclusive nature of our institutional arrangements in this country, which have traditionally excluded--tend to exclude certain elements in the population.

McHUGH: What was the situation of the Intergroup Relation Service when you took it over?

McGRAW: Well, it has consistently eroded--been eroded during the Eisenhower [Dwight D. Eisenhower] interlude.

McHUGH: Can you elaborate on that a little bit?

McGRAW: Well, when they first came in--at that time Frank Horne was heading the Service, and I was the deputy. This arrangement had come about during the Wilson Wyatt emergency housing program right after the war, when he was given the emergency housing setup as well as the old National Housing Agency. This was prior to HHFA's [Housing and Home Finance Agency] establishment. Frank and I combined our offices so we'd have one setup operating across the board and establish people in the

field, and we maintained that kind of relationship through the regime of Ray Foley [Raymond M. Foley], who succeeded Wyatt when Wyatt went back home after the collapse of the veterans emergency program which naturally elapsed when price controls went off because we were using the same type of incentive payment for production that is used in war production--that kind of thing, premium payments to get people to produce certain materials and so forth--to go into housing, that sort of thing, so that that kind of program couldn't operate in a decontrolled price control.

And then the question then was to get a permanent agency, peacetime agency, and get the '49 housing act through. Now that was before Congress and had been before Congress two or three years. Of course we finally got the HHFA established through Executive order, I think in 1947, as I remember--correct me. I wouldn't like to be held to these dates, but I think they are approximately correct. And then we finally got the '49 housing act, which had been up on the Hill battling its way through for about three years; started out with the Wagner-Ellender [Robert F. Wagner-Allen J. Ellender] bill and then finally Taft [Robert A. Taft] joined this and then finally got it through after about three years' battle. So then we had a post-war housing program to go on there.

Well, Frank and I had operated this service. We called it then the Race Relations Service up until the Eisenhower interlude. Well, the first thing to happen when they came in, why--the committee apparently were pressuring Albert Cole, who was appointed the administrator, to take on a real estate broker from Louisville, put him in Frank's spot. There was, according to all evidence, a plan to dismantle our operation. First they'd knock Frank out, I was supposed to be next, and then they'd go out in the field and knock each of the people out in the regions off.

McHUGH: Do you know who this plan originated with, particularly?

McGRAW: Well, I can't tell you the genesis of the plan, but the National Committee was committed to it.

McHUGH: Really? [INTERRUPTION]

McGRAW: There was a push to dismantle our service, even though the new administrator, Mr. Cole, wanted to retain it. They forced him to hire this old man from-- Joseph Ray, who was a real estate broker from Louisville--to head this service, which was all right except he didn't know his way around, and it's almost like asking me to fly a jet machine.

McHUGH: You said his name was Joseph Bray?

McGRAW: Ray. R-A-Y.

McHUGH: And what connection did the National Committee have with that?

McGRAW: Well, there was every evidence that this had their blessing, and there's some indication that Mr. Cole was happy to retain the Service as it was, but he

wasn't permitted to do so. He had to hire this man. But this created such a hassle that by the time they got Frank out, they kind of called off this bold attack on it because I think as many Republicans were out countering this push as there were fostering it. So there was a split among the Republican constituency.

See, heretofore we had operated and were willing to do business with any legitimate person who was really trying to rid our society of discrimination and give people equal opportunity. And we were never so conscious of who was a Republican or who was a Democrat, and we hadn't made any distinction in working with people into community level, so that all kinds of protests against this kind of thing--as a matter of fact, the *Post* [*Washington Post*] had two editorials on the thing. There was no way in the world for anybody to run a campaign and generate the support that came to us from all over the country except that when you've been working with people and they see a service here that they want and it's about to be taken away from them, they raise a question about it. And this came from public officials, North, South, East, and West, as well as lay people and a few industry people. And many of them were Republicans.

McHUGH: Can you bring that up to 1960?

McGRAW: Well, instead of going all the way with this, Mr. Cole hired Mr. Ray and gave him Frank's job, but at the same time he created a new job for Horne. He didn't want to get rid of Horne. Well, I was left over with Ray, but actually there wasn't any way to--it finally turned out that they had to let Mr. Ray just kind of sit, because the things he brought forth just didn't make sense. So the operation so far as Washington was concerned was kind of pushed off to the side and was sitting....

McHUGH: When you say, "It didn't make sense," what did you mean, his thinking about what didn't make sense?

McGRAW: That's right, he never understood this kind of activity.

McHUGH: I see. Well, his purpose in being brought here in the first place was not particularly to foster this activity, was it?

McGRAW: Well, they were going to turn it around and run it their way. Well, I wouldn't.... Well, let's look at it this way: when a new party comes in it doesn't make any difference whether it's the Democratic party or Republican party or some party unborn. There's a certain element of that party that always feels to the victor belong the spoils, so they're looking for every job that they can get their hands on to put their people in whether they're qualified to run the job or not. Let's put it this way. I mean, you find that kind of thrust in every change of Administration, so that I want to be perfectly fair, and I don't want to say that they had no interest in thus activity. They had interest in it insofar as it provided a job. If you don't understand what an activity consists of or how it should be run or what they're doing--you don't know if they had known and understood.

I think even if they wanted the job they would have pushed a little bit different to be sure that they got competent people rather than just look at this as a boondoggle, a chance to get somebody a job, which is what new people coming in the government tend to feel about all people who are already in the government anyway. They just think that everybody is just sitting down boondoggling and not doing anything essential. This is a typical attitude of newcomers coming in, new administrators tend to feel that way. As you can go back over the testimony of many administrations--the guys after they come in who run--topside people come in, especially business people. After they've spent a year around, then they change their attitude and admit that they have not found any more dedicated, competent people in private industry. But they come in with a different concept. They feel the people are not doing anything, they're no good, they're just sitting here, drawing their breath and their salary.

McHUGH: It's been said at times that appointments of Negroes to the Intergroup Relations Service was merely a token appointment to executive positions. Do you have any comment on that?

McGRAW: Well, sometimes that's true. I think you can find examples of that.

McHUGH: Do you think it was true during the Kennedy Administration?

McGRAW: No, I don't.

McHUGH: Why not?

McGRAW: Well, I think they tried to go further than being a token. I think you start out trying to establish some beachheads, which amount to nothing much more than a token, but I think this was one of the times when a president tried to cut deeper.

McHUGH: What were the first indications that you had that he was interested in something deeper?

McGRAW: Well, I think he began to mouth this in his campaign. And when he came in he gave--well, before he even took office there was every evidence, with the small groups he had Shriver [R. Sargent Shriver, Jr.] working on there, this talent scout operation that he set up, that he was really looking for first-rate people and not just people who had supported him in the campaign, but looking for the best talent he could get: white, black, brown, yellow, or what not. And I knew some of the people sitting in on those sessions regularly, and this convinced me--I got a little quicker insight than most people because I happened to know what was going on there.

McHUGH: Were you in contact with Harris Wofford at all?

McGRAW: Well, yes, somewhat, but there was a guy over there that was a little more

essential than Harris, and that's one Louis Martin [Louis E. Martin].

McHUGH: You knew Louis Martin?

McGRAW: Well, ever since the war riots in Detroit when he was running the newspaper there, and that's what I cut my teeth in when I came back here--always a germ of truth out there.

McHUGH: You cut your teeth on what--excuse me?

McGRAW: On war riots in Detroit during the war. My first year down here, they were exploding over housing projects out there, public housing projects out there, and Louis was with a delegation from Detroit--they were down here every week or every other week trying to get that thing straightened out. And I think the way the government handled that project they couldn't have done more by design to help stimulate the final outbreak there--not by design, but by inability to take a firm stand and stick to it. They tended to bend too much with every protest that came out of that project out there, so this kept the people feeling that they could knock the project out, it's a matter of establishing some public housing out here, a certain area for Negroes out there. And there were some of these nationalistic church groups that we particularly had trouble with in Detroit and Buffalo and Chicago, where even the Catholic hierarchy can't reach them too well--and admit so.

McHUGH: You mentioned your contact with...

McGRAW: Let me drop this: anybody reading this might get a distorted notion that what I'm saying is something very simple, but each one of these facets I'm alluding to is a very intricate, complicated thing, and in discussing it this way I might leave a spurious inference that it's a very simple thing, but I'm just touching the highlights of it. But it's very complicated, with a lot of devious and intricate nuances. So it's by no means as simple and direct as this conversation may make it appear. I think this ought to be added in all of the things I've said about the Republicans and this situation and all the rest of it. I want to be as perfectly fair and objective as I can, and this kind of thing there isn't time to go into all the nuances and so forth. You have to make some broadside statements, and any statement like that is an oversimplification, grossly over-simplified. And I want to say that for the record, so that it won't appear that I'm just being biased here, and don't recognize the depth and intricacies of these.

McHUGH: Were you at all concerned about the problem of finding or training qualified people for work in...

McGRAW: We've always been concerned about that, as an old college teacher, I'm naturally concerned about that. And as a matter of fact, some of the people say today that this guy is always teaching.

McHUGH: Well, were you concerned about that, particularly at the time the Kennedy

Administration was recruiting people? Was there any unusual concern about that?

McGRAW: Well, only to the extent that when you've been trying to develop talent and had a concern with that and knew opportunities are opening for it, well, naturally you want to try to identify the best of the qualified talent to get them in once the crack in the dam opens so they can come in--to that extent, yes. But I've long had a deep concern in that, so that this didn't originate with the Kennedys with me or Bob Weaver or Frank Horne or people like us. We've been doing this long before Jack Kennedy ever thought of it.

McHUGH: Surely. Well, I was particularly interested in...

McGRAW: Even when he was in school, we were concerned with it. When he was at Harvard, we were deeply concerned with it.

McHUGH: Yes, I know you were. Did you have any difficulty finding people for the staff?

McGRAW: You always have difficulty finding qualified people.

McHUGH: I mean in Intergroup Relations in HHFA?

McGRAW: Yes. Yes, you always have difficulties.

McHUGH: Were you satisfied with the people you were able to get?

McGRAW: No. Never satisfied. You're not supposed to be satisfied in this world. We've got good people. Some of them have been out there, and they've stuck with us despite their low salaries and better offers in other jobs right straight through today. Some of the people been around here a quarter of a century, still there, and they've been offered all kinds of jobs that would pay much more. But they're doing a much more difficult job than some of these jobs and still fighting the battle, than some of their other jobs that would pay them more money. There's nothing more complicated than trying to unravel the matrix of--in the housing area. I don't know any area that's tougher and more unyielding or that's more emotion laden or more myth and confusion about.

McHUGH: Did you have any indication that the Kennedy Administration was going to attempt to do more in housing or equal employment at the beginning?

McGRAW: Well, I think some of the moves he made pretty readily. The fact that we succeeded in getting him to take Bob Weaver as head of the housing agency was good...

McHUGH: When you say, "We succeeded," who are you referring to?

McGRAW: Well, Louis Martin was the approximate person who got this done, working with Bobby [Robert F. Kennedy] and Jack, but confidentially Louis and I had been working on that as soon as Louis joined as talent scout and we talked this thing over. I don't know that Bob Weaver today knows how my hand was in there. After all, I had no business--it wasn't a political thing with me, but it was one of these businesses of trying to identify talent and get it where it can serve best, which we've always done, which we consider part of our job, and I have no apologies to make for it. I don't think it involves the Hatch Act because we were doing this, and this is part of our job to do this, you get in the Federal government, local government at every level.

McHUGH: Was anyone else considered for that position, do you know, or who else?

McGRAW: I don't know who else; I have no way of knowing who else. But Louis and I know, both knew that there was no more qualified guy for the job than Bob. It was just a matter of whether the Kennedys had enough starch in their backbone to override tradition, go ahead and give it back to the best qualified man, who happened to be a Negro, and take full advantage of breaking new ground.

McHUGH: Did you feel that he had all the authority that he could use in this position once he got it?

McGRAW: No.

McHUGH: Why not?

McGRAW: Because the position, the very way the thing was set up was an administrative monstrosity. He had responsibility, but he never had the authority--the administrator never had the authority. Mr. Taft--well, the first reorganization plan that went up gave the administrator authority. But Taft and some of the other people--particularly Taft was decisive here--felt that we were about to get a housing czar and this was too much power in one man, so that the thing was defeated. And then the next time it went up, why, we satisfied Taft in writing the reorganization order. This was under the Truman [Harry S. Truman] Administration. And it went through then, but what you had is you had constituents here that had the statutory authority for their programs in the FHA [Federal Housing Administration] commissioner, the public housing commissioner, so that while the administrator of the over-all agency had the responsibility of directing and supervising this, he didn't have any authority on it. All the commissioner had to do was to thumb his nose nicely and politely say, "Well Mr. Administrator, the statute is holding me responsible, and I just don't see it the way you see it, and I have to take the responsibility, so I don't feel I can do this." Only until we got a department did the top man in the housing have the authority. Now all the authority is vested in the Secretary.

McHUGH: You couldn't control through the appointment route particularly?

McGRAW: Well, you never know how people are going to turn out once they're appointed. Well, this is part of it, and another part of it is in presenting the budget. The budget had to come down through the administrator; you'd have to present all the budget together. But on any day to day decision, even if you appointed somebody who said he's going to work with you, if he decided he wanted to take another route, why, you know, he could naturally do it without any overt gap breaking away. But just as I told you, "The authority is in me, and I just can't see it the way you see it." There's no recourse. Now with the other--this is what I would call the statutory constituent, those constituents that were developed by Executive order rather than by statute, then the administrator could direct them. But you see, everybody knew this was an impossible thing, to run their Housing and Home Financing. It was a matter of persuasion; you share leadership, your logic, and this kind of thing was what you had to do.

McHUGH: Do you feel that Secretary Weaver regarded it as an administrative monstrosity also?

McGRAW: There's no question about it. He's on the record as saying that. This is well documented; nobody would question that.

McHUGH: Were there particular constituent agencies that you had a problem with?

McGRAW: You always have a problem with constituent agencies, even when the authority is in the Secretary.

McHUGH: I see. Which agency was the most difficult to deal with?

McGRAW: Well, that's hard to say; it depends on what the problem is, and so forth. Then over time one agency which seemed to have been lagging at one time may move up into the forefront and that kind of thing. So I don't think it would be too fair to single out and say this is the agency that was most difficult, except I will make this broad statement. Beginning back with the NHA, I would say the agency which was least interested in and least cooperative in being associated in this combined would have been the FHA and the one that probably got the most cooperation from the outset would have been the Public Housing [Administration]. I would say if you looked at them today the agency which was leading the parade in the first instance is probably the last in line today. Do you follow me? I think that would be a fair broad appraisal thinking over the last twenty-five years.

McHUGH: Could you tell me what the role of employment policy officer was during the Kennedy Administration, could you say, in HHFA? Did they play a very important role?

McGRAW: Well, yes, to the extent that we were able to make some progress there. We still got the same type setup as prevailed at that time, and this took on

somewhat of the same pattern that Truman had had before, although I think it had, as Jack used to say, much more vigor behind it in the Kennedy Administration. And there was more a feeling...

McHUGH: As Jack who said?

McGRAW: Jack Kennedy.

McHUGH: Oh. I thought you might have been talking about Jack Conway.

McGRAW: No, Jack Kennedy. Jack Conway was the overall equal employment officer and had counterparts in each of the units. We used the deputies at that time.

McHUGH: I see. How effective was he in promoting equal employment, or was he effective?

McGRAW: I think Jack is usually--Jack Conway is a pretty effective guy in any role that he plays. I have a very high regard for him. Not the flashy type or anything, not the blustering type, kind of quiet, firm guy, very nice at all times, but can be very firm. I think he was a loss when he left.

McHUGH: Why did he decide to leave? Do you know why he decided to leave?

McGRAW: Well, I can only tell you what he told me; I don't know. He told me that with this industrial union setup he felt that this was an opportunity he just couldn't give up, he just couldn't let go by. So he's going to return with Walter [Walter P. Reuther] and head this industrial union council of the AFL-CIO [American Federation of Labor and Congress of Industrial Organizations].

McHUGH: I see. He felt that was more important than the job he had here apparently.

McGRAW: Well, looking at it from his own career vantage point, this is what he said to me. Now, whether that's the real reason or just some explanation, I don't know, but I have no reason to question that.

McHUGH: You mentioned that you thought he was fairly effective in whatever role he undertook. Can you discuss improvements that might have been made in equal employment under his direction?

McGRAW: Well, yes, I think--I don't think any of us have been perfect. I think we all can look back and see a lot of things we could have done we didn't do. I think it's a matter of judgment; I think it's a matter of erroneous assessing the climate. I think we all need to watch, we...

McHUGH: Do you think he moved vigorously?

McGRAW: I'm always concerned and fearful that we are not doing today what we can do because we're not looking at today's climate as it was yesterday, and the climate has moved, so that you can do a hell of a lot more today than you were doing. I think we're all faced with that. I'm always concerned with myself about that, personally.

McHUGH: Do you think this was a problem Jack Conway had?

McGRAW: It's always a problem everybody has no matter how capable they are, misjudging the climate and not recognizing that the climate is ripe enough to...

McHUGH: Can you think of any significant way in which you think he misjudged the climate?

McGRAW: Hell, this is no big significant glaring way, but as a guy that's been functioning on this kind of field for a quarter of a century or more, I have to be very conscious of this kind of thing. You know this is where all of us have tended to miss the boat, and this is what happened today. This is why we keep pulling back and not moving vigorous enough; this is in part why we have so much turmoil today because we haven't moved vigorously when we should have and could have, to the extent we could have.

McHUGH: Would one of the factors here be whether a person, or would it be considered in hiring a person, whether he was an activist in this field? Would that have been a consideration?

McGRAW: Well, the consideration--mainly we've never had the staff to do the job we were assigned to do, and we still don't have it today. Now we're going to get some staff now, I guess, if this tax business doesn't prevent it, but this is the first time that after we've gotten this statute that we've really gone out to get some staff to staff this thing. I think I have to say--I'll make this comment, which isn't very favorable. During the whole regime of Bob Weaver here up until now--well, up until the point I left it, I won't begin to speak of it, which was the end of last year--we never had in the Secretary's office, the complement of staff that Frank Horne and I had when we had, frankly, no program to speak of compared to the programs today. We've never recouped the erosion in the central office staff that the Eisenhower interlude...

McHUGH: And this would have been a matter of how many people, say?

McGRAW: Well, I never had more than three professionals under--the lowest we had when Frank was here was four professionals.

McHUGH: And what's the most you've had?

McGRAW: Oh, I suppose the biggest we had was during the Wyatt program. We had--let's see, one, two, three, four, five, six, seven--about eight or ten professionals.

McHUGH: And what position would they have had at that time, what positions would they have been....

McGRAW: We need at least some--one professional to be servicing each of the larger program areas. Now we've got program areas we can't even get to.

McHUGH: Which ones have you not been able to get to?

McGRAW: Well, take model cities, for example. We don't have anybody to sit on it. It's a matter of three people trying to spread themselves across the board here and then direct the field, an impossible task.

McHUGH: What programs during the Kennedy Administration did you find that you were particularly unable to service?

McGRAW: Well, sometimes I had just me. When I first entered this job just me, because the guy--after they decided to put Ray on a leash over here and when Cole left, Mason [Norman P. Mason] came in, and Mason decided he wanted to bring a chap from FHA who was serving him over there, and this chap decided he didn't want any staff, but just he wasn't going to have any. He told me, "Well, I'm not going to have a big staff like you and Frank." In other words, he was a one man operator.

McHUGH: Who was that?

McGRAW: George Snowden.

McHUGH: George Snowden. I see.

McGRAW: So that when I took this job, I had one professional--me. Finally Jack Conway gave me one guy.

Mc HUGH: Who was that?

McGRAW: Well, he gave me a ceiling for to hire one guy, and I brought one guy in. And the only reason I got another was the guy got tired of running the low income demonstration program and wanted to come back to work in this area, and he asked Bob Weaver if he could work with me, and that's how I got three professionals--with myself.

Well, we were always given the expression--well, Bob said when we first came in, "Wait till we get the Executive order"--you know, Kennedy promised to issue an Executive

order--"then we'll staff up." Everybody else's staffing up like mad. I tried to get him to let me staff up and we'll be ready for it. At that point I could have got the best talent across the country. I had people like Pete Lebas [?] and all these other guys that's been functioning around here, that--there was a whole weed garden over there. And he didn't let me. Well, Bob Weaver knew all the people--he couldn't find anything wrong with any of the people, but every time we wanted to staff there's always something to postpone it. We never did staff up. Now we did a little better in the field, but he would not staff up here in Washington.

McHUGH: Was that a question of funds particularly?

McGRAW: You can't staff unless he gives you a budget allocation to staff. Now, he had it when he first came in because everybody else was staffed, but he wanted to wait until he got the order. He got the order, then things began to tighten up a little bit here, for one reason or another.

McHUGH: Were you satisfied with the language of the order?

McGRAW: No. Neither was Bob Weaver.

McHUGH: Was there much discussion of that?

McGRAW: Yes. We wanted to go across the board.

McHUGH: Was the legal question of whether to include commercial banks or.... Was that the main question, actually?

McGRAW: Well, that was raised. There was no question about including the savings and loans--no legal question. So we thought sure we were going to get them, but then the last minute it was decided, and we were all surprised at this, that we'd leave them out until you were able to go and get the commercial banks in, too.

McHUGH: Who decided to leave them out?

McGRAW: Well, all I can say--the White House. Now who decided over there, I don't know. I don't know whether it was the Justice Department or who, but this is the way the order went out, and we all expected at least to go through the Home Loan Bank system because there was no question--the same legal question didn't obtain there that obtained in the other place. I understood that if you'd had a vote, the way they were going to include the commercial banks was the Federal Deposit Insurance outfit. And I understand a vote over there would have been two against and one for. It was off the record understood that this would be the first step and then the next go around would move in, by that time the vote situation over there would have been changed, so that you have at least two for, so that this would have been one way of getting around the legal question--have the FDIC [Federal Deposit Insurance Corporation] vote to do this themselves. Now this was my understanding what the strategy was, but then we never got to make the next step.

McHUGH: As far as you know, that was the decision made at the White House?

McGRAW: Well, it wasn't made over here; the recommendation from here was to go as far as we could. The whole theory was if you cover as much as you can, you get an order that's easier to enforce and there's nowhere for people to hide and you'll get better compliance with it. As long as you've got a little piece here, it's almost impossible to get very much done with it, because everybody thinks that you can get out of the ballpark, you see.

McHUGH: Were you particularly concerned that the President waited so long to issue the order?

McGRAW: Well, we were all a little concerned about that. Sure.

McHUGH: Was there much pressure for him to issue it earlier?

McGRAW: Oh, yes.

McHUGH: I see. Who was bringing pressure?

McGRAW: Well, groups all around, continued pressure. All kinds of groups...

McHUGH: Do you know what made him issue it when he did?

McGRAW: No.

McHUGH: What was Lee White's position on this? Do you know how he felt as to when it or even whether it should be issues?

McGRAW: Well, I wouldn't anticipate there's be any real problem with Lee on this. I think Lee was just carrying out his instructions, whatever they were. I think he--this is a matter of my judgment--my impression is I don't think it was a decision for Lee to make.

McHUGH: Were you aware of any counter-pressures from members of Congress who were running that year against the order?

McGRAW: Well, I'm sure there must have been some, but I can't pinpoint them. Actually, the whole Southern delegation would almost uniformly be--I can think of maybe one or two people who wouldn't be from the South, but other than that they would feel they'd have to be against it. Whether they were personally against it or not, they would think that political expedience would force them to be against it. And I suspect most of them felt the same way about it, although I can think of one or two people

that I'm sure personally didn't feel that way and one who probably has courage to not revert to type.

McHUGH: Would you care to name who that person was?

McGRAW: Well, I think he's running for re-election now. He quit because of the Governor down there in Georgia, a Congressman. You know who that person is, don't you. I can't think of his name now. You know the young chap in Atlanta who ran.... If he had remained on the ticket, he'd have to accept, he'd have to back the Governor.

McHUGH: Yes, I know of it. I just can't...

McGRAW: I can't think--I can't recall his name now. I think he's running again this year.

McHUGH: Did any of the constituent agencies of HHFA oppose the Executive order?

McGRAW: Not overtly.

McHUGH: Did they covertly that you were aware of?

McGRAW: Oh, I suppose there isn't a department around that you couldn't identify some people who would oppose any movement on this front, and I'm sure there's some around here. There's always a lot of confusion on the minds of program people when you have a substantive program that somehow this is going to kill the program if you do anything on this front. And their thrust is you got more business on the book of you get their program going. And they don't see that this doesn't kill the program, it's improving the quality of the program.

McHUGH: How did Dr. Weaver feel about this?

McGRAW: Well, he was for it.

McHUGH: He didn't feel it would decrease the number of housing starts, for instance?

McGRAW: Not appreciably, and the facts bore this out. We had no evidence of increase of similar laws in other states. As a matter of fact, I remember making a little analysis of--it was taking some areas abutting each other, have laws, states, where they had laws and didn't and you find the trend of production was the same in both states. You could see no difference. This is what everybody would expect.

McHUGH: Was Neal Hardy generally supporting a...

McGRAW: Of course. No question about Neal, none whatever.

McHUGH: Were there any other alternatives that were discussed that were not included in the Executive order?

McGRAW: Well, the main thing was the coverage.

McHUGH: Yes. Was there any discussion of including hospitals, say, built with Hill-Burton funds?

McGRAW: Well, I don't think it should be in the housing order. That wouldn't come up in connection with the housing order. It would be over in HEW [Health, Education and Welfare], you see.

McHUGH: That would be nursing homes, rather, nurses' housing, was...

McGRAW: Well, we really would rather not have that program, give that to HEW anyway. We'd insure it, but let HEW administer in the health field. But they're continually giving us pieces of stuff like that when we'd prefer to give it over there. Now they gave us some hospital stuff here this last bill that we didn't ask for. Well, we would feel that those nursing homes would be covered under our act if it's insured by FHA, so they would be covered, we would think.

McHUGH: Did your operation change after the Executive order was issued?

McGRAW: Yes. But not--what Bob Weaver decided to do was really split the function from then on.

McHUGH: He decided to do what?

McGRAW: Split the function, which I think was a mistake, and still we just now are putting it back together. He set up under a lawyer the enforcement part of the order.

McHUGH: And who was the lawyer?

McGRAW: Bob South [Robert South]. And it just happened that Bob and I ain't got sense enough to work together, and he's a very amiable guy and so forth, and we never had any trouble, but then...

McHUGH: Do you know why Administrator Weaver decided to split the function?

McGRAW: Well, I can tell you some of his rationalization, but they never were convincing to me...

McHUGH: What reasons did he give?

McGRAW: ...because he never went up for any budget to speak of, anyway, for the thing. He said, "Well, if you put it all together it makes it easy for Congress to knock it out if somebody wants to knock it out," the appropriation for our staff, but he never gave us that much staff. Neither one of us any appreciable staff because of it. So that...

McHUGH: Do you know if he was under any pressure not to increase the staff?

McGRAW: No, I don't. So I'm not convinced--his rationality, his announced rationality, has never been convincing to me. Now, I'm not saying anything he doesn't know, but he knows I never bought it because his desk is full of counter-recommendations, and he'll be the first to admit that.

McHUGH: But you were able to work together amicably anyway? You didn't get any increase in staff? I thought once the Executive order was given there was some increase.

McGRAW: I didn't get any.

McHUGH: You didn't get any. I see. How many more people...

McGRAW: I told you he set up another shop. Why, he didn't have enough staff, either, to really do the job, even have minimum coverage. I guess we've been the most understaffed of anybody working on this front with this kind of a program where you really need--I mean, you got, with the intricacies of the program and the program growing all the time....

McHUGH: Now were your people in the constituent agencies working out on this? Oliver Hill [Oliver W. Hill] and...

McGRAW: Well, we did the best we could limping along together, but they didn't have enough staff, either. I think about one man trying to service all those function areas in central office in FHA--supervisor, field groups, and be running out to the field, too.

McHUGH: Wouldn't the zone personnel say, in the FHA, would be making the field visits?

McGRAW: Sure.

McHUGH: Did you have enough personnel to do that?

McGRAW: No. We're supposed to have two zone people in each zone. I don't think we ever got two in one of the biggest zones where you have more going on.

McHUGH: Which one was that?

McGRAW: Southeast. Now, that goes from North Carolina over to the Mississippi River and all down to Florida on over to Kentucky.

McHUGH: And what was the reason you couldn't hire another person there?

McGRAW: Well, they never did staff the job. This is an agreement we worked out with FHA to put two people in. First we got one person in the zone, and then we got an agreement to two in each zone.

McHUGH: But you were never able to get two in that southeast zone?

McGRAW: Never did.

McHUGH: Do you have one today?

McGRAW: Well, I don't know what they've got down there now. What we've done, we've pulled all the staff together under one guy in the region now since under the department for the first time the regional administrator as some authority. See, we had regional administrators out there--just like we had the administrator in here, only he was worse off--who had the responsibility for coordinating staff out there, but he didn't even have any budget, see, that had to come through the percent of anything, so he had less authority. Now the authority is in his hands.

McHUGH: He does have authority now?

McGRAW: That's right. With a few exceptions--part of the FHA is kind of left out, that is the district officers on one to four family style. Now, the multi-family stuff is being taken out of the old zone commissioners office here--they don't call them zone commissioners anymore now; they call them regional operations commissioners. That's being transferred over to an assistant for FHA or the regional administrator's staff, assistant administrator of the FHA. Now, we've already transferred for three regions, got three more to go. Now, that means all the other multi-family stuff will come through the regional administrator, you see, and this guy out there on the regional administrator's staff now supervises the district offices. So they don't have anybody in here now supervising them as they used to have. I tell you, FHA is coming along.

McHUGH: Were you satisfied that Oliver Hill was doing as good a job as he could with the staff that was available?

McGRAW: Yes, Hill did a good job. I never had any question with Hill because as soon as Hill reported to work, why, Neal Hardy sent him over to talk with me first,

so we had an understanding right off the bat. I happened to see him in the street there when he was going on his way over there, and when I got back to my office here, why, he'd come over here to see me. Well, I knew Neal was going to do that.

McHUGH: What instruction did you give him?

McGRAW: I don't instruct people; I don't operate that way. We work out a team concept. Even people in here who work with me, I don't instruct them. They're not working for me. We got a joint venture here. We're a team; we're a family; we're working. This is the way I try to operate and instill in people. I think you get more out of people than you will dictating to them to do this or do that. So I just don't operate that way. I try to build a team concept.

McHUGH: In one part of the Executive order, the President stated...

[BEGIN SIDE II TAPE I]

McHUGH: How about operations in the Urban Renewal Administration? Oh, I'm sorry, before we get on--we were discussing the statement that the other agencies would use their good offices to try to further compliance?

McGRAW: Well, I think that was something that somebody threw in at the last minute over in the White House. We didn't know that was coming out. It turned out to be more of a snare and delusion than anything else.

McHUGH: Is that right?

McGRAW: Yes. We've been able to do a little something, but most people know that you got no real backup, no clout behind this thing.

McHUGH: Can you mention some of the things you were able to do?

McGRAW: Well, we've been able to persuade one or two people to go along, but I haven't been able to do very much with that. You see, it raises expectation on the part of the consumer and the public that you just can't satisfy, you can't meet. When you go to the operators trying to persuade them to do something, you reach a dead end.

McHUGH: You mean you talked with builders, for instance?

McGRAW: Yes. And this is when people like Phil himself--Phil Brownstein [Philip N. Brownstein] himself tried. I mean, there's just a limit to what you can do when you don't have a clout behind. And if you have the clout you don't have to use it; you can persuade people to go.

McHUGH: Phil Brownstein himself was talking to some of these builders, is that what you...

McGRAW: There's no question about that.

McHUGH: And, as you said, in a couple of cases they did get compliance?

McGRAW: Well, I think I can recall one or two cases. I don't have the details here because I leave that to the FHA to detail; if I want that I get it from him. But I try to keep up with stuff. I used to meet with my counterparts in the constituents once a week. It wasn't formalized, but we met regularly. This is the way you build a team and get backup support and so forth. I didn't want to formalize. If you don't feel like coming, you don't have to come. Let it prove itself by the value of it. So that by keeping in close touch with the guys and that kind of thing.... I had no authority over them. I couldn't make them come if I tried. I could have probably gotten an order to do this. This is what Ray did, he had an order issued when he was in here to have a council, but it never amounted to anything. The proof is in the pudding, not getting some written on a piece of paper here; it's whether you can get people committed to work together, and I think you can do this more informally sometimes than formalizing the thing.

McHUGH: In urban renewal, though, presumably you had that success talking to developers....

McGRAW: Well, what do you mean by...

McHUGH: After the Executive order was issued?

McGRAW: Well, now wait a minute--don't get confused. You asked me about the good offices part...

McHUGH: Yes, that's right.

McGRAW: ...where we had no clout.

McHUGH: Yes.

McGRAW: I don't know that you had all that much better. After all, Urban Renewal--how do you distinguish between the Urban Renewal and the FHA? Most of the staff in Urban Renewal is insured by FHA, so it's still FHA. So I think this is an artificial distinction, really. You've still got FHA in there, you just got more government involvement there and less risk involved on the guy's part. You give him the land, you got the land there. He didn't have to go around looking for the land; it's all planned for him with utilities and everything; and you just got a deeper government involvement from beginning to end on those, so that you ought to be able to do more persuading of a guy with all that government involvement than you can a guy with less government involvement. So

it's a matter of Renewal and FHA in that deal, it seems to me. So I wouldn't draw the distinction; I don't think it's fair.

McHUGH: Did you receive many complaints of non-compliance on the part of development during the Kennedy period?

McGRAW: Oh, yes. Not too many. As a matter of fact, no, not the number of complaints that you might have expected. You see, I think one reason you got such a small part of the housing supply covered. When you really pin it down, the Executive order didn't cover very much housing. It only covered what was insured after the act, excluding the one to four family units or owner occupying one of the units. Now when you get to that, you don't have this--you see, this one came at the time when most of construction was going conventional, and there's very little VA [Veterans' Administration] and FHA. They had dropped down to about 18 percent of their business, something like that. Now when you take 18 percent of the new business--and the new business is never more than about 2 percent of the housing supply in any one year--and then when you take 18 percent to that 2 percent and then you drop off the one to four family, you can see just how miniscule the coverage is. The amount of the housing supply discovered all of that by the order.

McHUGH: And yet there was a lot of resistance even to that small amount?

McGRAW: Oh sure, sure.

McHUGH: You had the job of education, we'll say, well, in the Urban Renewal Administration, educating the project, the local project authority.

McGRAW: Yes. Remember--I think what ought to be said, too--remember we'd been going now for a decade or so without any Executive order, any statute or anything, trying to do the same thing that the order gave us some charter for doing. So we didn't start from scratch with the order, you see. We already had something in operation where we were doing it as much as we could, you might say, through good offices.

McHUGH: Were you getting any significant degree of cooperation?

McGRAW: Well, we were getting some. We think a considerable number of things happened inside and outside the agencies that wouldn't have happened if they didn't have some people like us around. We think we got many protections and got many provisions in our policies and procedures which would serve more affirmatively to reach out and include minorities participation--it wouldn't have happened otherwise--as well as certain protections for them. As imperfect as it was, we think it was growing all the time. I can think of one time when Negroes didn't go near the FHA offices and FHA didn't concern itself. I was just a forgone conclusion on both parts that the FHA program wasn't for them. So we never got a protest complaint against FHA.

McHUGH: After the Executive order...

McGRAW: No. I was talking about--there was once upon a time, when I came down here, but we didn't have anybody over there and nobody paid any attention. But now a complaint sometimes is indicative that something has been happening because if nothing at all happened you never get a complaint. Now, a complaint is something is happening but it isn't as much happening as ought to happen. So complaints are indicative of many things and not always just pure negative because you get a complaint. As a matter of fact, you find that the better job you do the tendency's for complaints to pick up, and the reason for that is more people get interested and concerned and they believe that their complaints will be heard and their complaints will have some effect. And the reason you don't get any complaints when nothing happens is they're futile and you get fewer complaints when they figure that, well, not much attention is going to be paid to it. The more people feel that there's a good chance that something meaningful will be done about their complaints, the more people will be impelled to file a complaint, if he isn't happy.

McHUGH: Was there any increase in complaints during the Kennedy period, or was there any feeling that they might affect more...

McGRAW: Yes, there was an increase, but not as much of an increase as we would like to have seen.

McHUGH: What was the order of the increase, could you say, in general terms?

McGRAW: No. Bob South could give you a better record of those things and had them.... They all came to him, and he got regular reports on them. So he could give you--you're going to talk to him or have talked to him?

McHUGH: Well, I hadn't planned to at the moment, but it's possible that we might interview him.

McGRAW: Well, I think you ought to if you're interviewing the Kennedy Administration because this became a twin function then, because it was split.

McHUGH: There were some complaints during the Kennedy Administration that it was harder for Negroes to get loans with FHA.

McGRAW: Well, they've always had that complaint, and I suppose that it has had a certain validity. Sometimes it's maybe FHA office fault, but more often it's not necessarily FHA. It could be the lender. You see, FHA doesn't lend any money because there have been many instances where the complainant though FHA had turned them down; when it was really looked up it was the lender who wouldn't accept them, FHA would have accepted them.

Hell, a few years ago Berens turned me down, and the guy over to FHA who happened to be about my same age, his salary is about my salary, and he called the guy up, and I am sitting there at his desk, and said, "I don't understand you guys. If you don't make

this loan--of course, the guy will get a loan; he can get a loan--if you fellows don't make this loan, I don't understand. Here's a guy, his equity, his net worth is about the same as mine, his salary about the same as mine, his age the same as mine, we're willing to insure the loan." Then this guy said--well it was all apologies and so forth.

McHUGH: That was Berens, you said?

McGRAW: Yes. Good piece of property, it was a duplex out in North West on 51 Farragut with FHA, too; there was no question about its differentials at every turn. But FHA is bending over backwards now. They have special programs that go out, what you might call an outreach program to try to get these people qualified now, come a long way. That's why I say if you take a twenty-five year span, you find that the leader who used to be leading the parade up front here may be at the foot of the class now and the guy who was at the foot of the class then is up here near the top. That's how the ball is bounced, and this was part of the process going on during the Kennedy Administration. You know, you could see this movement, the FHA coming closer and closer into the full, and I think Neal Hardy and Phil Brownstein have been very decisive in this and very crucial in this. And it isn't easy to bring a structure like that along.

McHUGH: Would you say both Neal Hardy and--well, could you compare them as to their effectiveness on this?

McGRAW: They're both my favorite people, two of my favorite people.

McHUGH: Do you think they were equally effective?

McGRAW: Yes. But they were different types of personality. They were good friends. In some ways--well, I don't know whether Phil with being a little more [Inaudible] and a little firmer would have been able to make that stick if you hadn't had a Neal Hardy with a softer tough in-between. So it's pretty hard. I think each has played his role, and they're both favorites of mine. You see, this isn't the type of an area where you can put things in test tubes and make that kind of comparison. Sometimes the thing moves in phases. You need a certain kind of tough at a certain phase, then you can do something different and make that stick, too. I think the tenor of the times and the way the market has changed and so forth, all has played its part in this.

McHUGH: Did the underwriters go along pretty well with the commitment to increase participation on....

McGRAW: Well, some underwriters did and some didn't, but as I was saying to you, the change in the market and the whole climate and so forth--I think what's happening in FHA today, now, is they begin to see the inevitable. I can recall just months ago when Phil had all the directors in here and underwriters and he was pointing out to them that from now on they'd better act like getting these programs for low and moderate income people under way. Their jobs depended on this because it may, because

there's a great push developing on the Hill to take these programs away from the FHA. If you take these programs away, there's not going to be very much for FHA to do.

You see, the conventional financing now for middle income people is just about equated with FHA. There's no great advantage for FHA for middle income people now. The amortization period, the interest rate and everything is about the same thing. It isn't that much advantage, and then you have less red tape. You can get--the brokerage people can get the job done quicker and get their fee and gone. So they're discouraging the use of FHA in some cases, so this is why they don't get much business. It's the low and moderate income people; this is the hard nut now. The average middle income family, they don't have much problem in housing. They got all kinds of choices now. They don't need the FHA for that anymore.

Now, this started with Kennedy because we started getting tools to move into this area, because when you looked at the thing, Neal and Bob looked at the situation, the traditional business that FHA had done was just about in balance, supply and demand was in balance, and builders were running out of work unless we got some tools and got into this thing. So with your '61 act, this is when you got your D-3 program, going, and you got this, and this got in orbit faster than any program FHA ever had in its whole history.

McHUGH: What do you attribute that to?

McGRAW: These guys running out of business. Here's a program where you can keep the organization together. They grabbed it and ran with it. We didn't have any idea that we're going to pick it up like that. That program today you can pick it or choose against the sponsors of those things because you haven't had enough to go around--very popular. You got these kind of situations in the market, all as part of the force that helped condition these people to get up off it and introduce some change. So if the underwriter wanted to follow the old plan of excluding Negroes, they're going to run out of work.

McHUGH: Were there any instances in the Kennedy period where underwriters were particularly resistant to...

McGRAW: Well, I suppose you could go ahead and dig up some; you always have some backsliders, you're bound to have some. There's no need of my sitting up here and saying, "No," because there are bound to be some, even though I can't name them right now.

McHUGH: How about the chief underwriter?

McGRAW: Well, this is what I'm talking about. The chief underwriter is the power over there, always has been. Unless you get a strong director the underwriter will take the whole office and run with it. You get a weak director; then the underwriter--he's just putty in the underwriter's hands.

McHUGH: Your directors were sufficiently strong to resist that, I take it?

McGRAW: Some of them were, and some of them weren't. But the point is the whole climate was changing with the order and then the character of the market that I was telling you. We're catching up with the regular market. We're just about caught up, so we're concentrating on them. So all these things, you're compounding of the force. Then people begin to see the inevitable, then they will respond, whether this is his motivation--I mean, it isn't a matter of.... Anybody who's got an ounce of common sense, whether he personally favors it or not, when he sees the inevitable he tends to move. We can't always wait to change the people's attitude, personal attitude; change his behavior, his attitude will follow with his experience. It would be fine if we could change the attitude first, but sometimes we can't wait to do that.

McHUGH: Could we move on to public housing? What kind of successes did you have in the field of public housing?

McGRAW: Well, as I've already been indicating I think they're becoming less yielding and more unyielding as time has gone on, the traditional public housing people.

McHUGH: What was their attitude during the Kennedy Administration?

McGRAW: The same.

McHUGH: Did you have good relations with Marie McGuire?

McGRAW: Yes, but Marie McGuire--don't get confused by changing a personality at the top of a structure that you've changed the structure. If you aren't careful, the structure will take over that person and change that person.

McHUGH: Did the structure attempt to take her over, or what success or with what....

McGRAW: Well, she isn't there now. That tends to answer the question. Phil Brownstein is; that tends to answer the question. I think they succeeded in influencing her more than she was able to influence them. A perfectly lovely person. I think we finally have worked to kind of open that structure up by somehow--by the new processes we're using over there. As long as they kept the traditional, the conventional public housing program over there, their structure was just determined because you've got an institution that's built not to do anything different from what they had done, and they were constantly alienating all their support. There's nobody out there fighting for the program and nobody wanting it except the people who have jobs in it. Now with the turnkey, with the leasing and all of this kind of thing, we're getting some acceptance on the program now. We don't even have the realtors fighting the program anymore, and builders are in there now building the stuff under the turnkey.

McHUGH: Did I understand you to say that they were more unyielding?

McGRAW: They became more and more unyielding, or less yielding, because they're building things the same old traditional way. Sure, it was fast becoming a black program because nobody else who could get any alternative housing would want to go into those dreary things and the stale management of them.

McHUGH: Were you able to get any changes during the Kennedy period?

McGRAW: Well, we started turnkey then. You were getting the full impact of it now. I mean, the effort was to try to change the thing. If anybody had known that Marie would be taken over and wouldn't be able to--would be more taken over than she was taken, than taking over, the logical thing would have been to give the thing to Ab Silverman [Abner D. Silverman], because if you're going to run it like it's been running and they're not going to make any change, he can do it better than anybody else over there because he's a very able guy and so forth. But it was deliberately not given to Ab, and brought somebody in from the outside to introduce some change so that you could get this thing off of dead center and get public housing moving again. And, of course, they always felt any change you want to make, no matter how committed you are, they see it as an effort, as you're going to kill public housing, you're an enemy of the program.

McHUGH: When did it become evident that they were going to take over Marie McGuire?

McGRAW: Well, those kinds of things don't--you can't point at a time when all the talk and so forth and nothing ever happens, all the talk about innovating this and that, and then somebody got to the regional office and to try to get something through, and he sweat blood and comes up with nothing but the same old thing; try to adopt some of these new things, then it becomes evident. If you want to get really filled in on this, talk to Walter Washington about that, who was running the local authority there, and he was trying his best to be innovative around here, and he'd go to the regional office and get his head beat in trying to get something done. They don't want him to [do] anything but old things, but he finally battled it through here. But, you see, a lesser guy would have given up. He had one of the first leasing programs around here, fifty units, tested it out under the demonstration program. And every time he'd go there with something new, some idea, they'd accuse him of coming down here just to give us trouble here; just go away and think up things to come around and give us a headache. Well, this was the built-in attitude of the structure. And this is nothing novel; you have it in private industry; you have it in all governmental structures, it's nothing novel. So in describing these things, I think we ought to keep in mind this is the typical way a bureaucratic structure that's been together a long time tends to act. It takes a long time to make changes. And it doesn't make any difference whether it's a private bureaucracy or public bureaucracy, the same thing. Private industry spends millions upon millions of dollars every year trying to get specialists to help them change the structure when they get a new idea they want to do. It's a most difficult thing. Issuing orders don't succeed; you got to do more than that if you're going to change the

structure. You can issue all the orders in the world and then nothing happens. You got to get up behind this structure and....

Well, the typical structure, public or private, they look at an order and say, "Well, we've seen orders come and go; we'll go through the motions, but they don't really mean for us to do anything different. You know, put a little frosting on the cake, but nothing really going to happen." Now, you got to do something else to convince them that you got to have this change. And any change they see as a threat, and you got to do something about their view of the change threatening them. Are they going to be worse off: this is the way they feel. They don't know how this change is going to affect them. They're liable to be worse off. Change--you have to think about a whole lot of things, make a whole lot of readjustment and so forth. So it's perfectly within human nature to resist change.

McHUGH: Was Philip Sadler's work frustrated by the bureaucracy?

McGRAW: Sure. Sure. And some of it's still obtaining [Inaudible] today. You take the new tenant selection policy--there's no question in my mind but the opposition of the National Association of Housing Redevelopment officials to any change in the tenant selection policy has been aided and abetted by many of the people on our staff at Public Housing.

McHUGH: Is that so? Do some of these people--do they originally come from narrow...

McGRAW: Doesn't make any difference. They've been in bed together so long; they look at it as their constituency, and got these good relations, been working together. So these fool things come up here, and they don't make any sense. They're just going to upset everybody and upset everything.

McHUGH: Did the Executive order have any particular effect in public housing? Was nothing...

McGRAW: Well, I suppose so, but I don't think it did very much to get any desegregation of public housing, and neither has the Title VI of the Civil Rights Act, either. This is why we--because they have the maneuvers to get around things through the so-called "freedom of choice" plan, which means freedom of choice of whites to stay in an all white projects and freedom of choice of Negroes to stay in all Negro projects. This is what it amounts to. And the way they administer this freedom of choice, they encourage people to--suppose a Negro wants to select a white project: "You don't want to live over there," and so forth, and all this. So the pressure's put on; so you've got to exercise that kind of option.

McHUGH: There were quite a few complaints that through urban renewal the patterns of segregation were being perpetuated or intensified. Was there anything that you could do about that? Do you think that was true?

McGRAW: Well, yeah. Yeah, I think--well, one of the first cases was early in the program

right over here in Baltimore, which was a tragic case. There was an area--I forget the name of it, one of their first programs. This happened before Jack came in. There was an area that was occupied half and half by whites and Negroes, been living that way for about fifty years. The thing was cleaned out and all white housing built there. Now, this was pointed out and raised, and Jonathan Edwards and I went over there when the thing had a hearing in the city council over in Baltimore there and all this stuff was brought out, but it had no effect whatever on the part of the citizens bringing this out: they went right ahead with it.

Now, I think there have been some cases that certainly--we can't cut people's heads open and measure their motivations, but there's no question in my mind this was the motivation because this has been the result where pockets of Negroes have been cleared out through urban renewal. Then you move them into another area which was fast becoming all Negro, mainly in order to straighten out the school districts so that whites and Negroes won't be going to school together in the same district. And I'm sure that you can go down in some of the little towns in Alabama and some of the Southern places and identify cases where this is the effect of their urban renewal program. And I can think of way--I can think of Birmingham. When they started a program there, they were going to put some hospital facilities in there and some housing. Well, we kept raising hell about it: "If you're going to put housing in there, Negroes going to have to--it has to be open to them." They finally cut out the housing part to keep Negroes out, went ahead with the hospital.

McHUGH: Was this something you frequently discussed with William Slayton?

McGRAW: Well, this was raised--well, this case came up before Slayton was in there. This was when Slayton was working down the line there. I remember this was one of the early things. The NAACP [National Association for the Advancement of Colored People] got into this; everybody got into it, but they weren't able to get too much done about it. These are early cases in the program. So that we learned by doing, and we've constantly been trying to shore the thing up to obviate these kinds of things.

McHUGH: This sort of activity persisted through the Kennedy Administration, I take it?

McGRAW: Well, you get some tendency of it. You get some tendency today of some localities trying to do some of this, but there was a steady improvement of this. And, in fact, all the programs were pretty much reoriented during the Kennedy Administration, and more emphasis was placed on what's happening to low and moderate income people. This is the focus that's been on the program, doing a better relocation job, of cutting out the bulldozer. And, see, under the program today--and this started with the Kennedy Administration--we wouldn't do Southwest like we did it. We wouldn't let them tear the whole thing down and build on it for a higher income group. Regain what's good and salvageable in there and have some spot clearance and let the thing be largely rehab. Upgrade what's there that's good; there isn't enough money to keep going and bulldozing everything down. You see, the first thrust in the program on the part of localities was, "Here's this new instrument. We're going to pick out our worst slum and make the biggest contrast and thereby enhance the tax base by making the highest economic

use of the land. So you build luxury houses, you get rid of slum houses, and build luxury houses, and we'll enhance our tax base by making the highest economic use of the land and, also, at the same time attract some of the people who've gone to the suburbs, affluent people, back into the city." Now this was the first thrust of the urban renewal by the users of it. Well, they got away with those in the first, but now this is a dead end running this way. Some of us inside argued against this and argued the orientation we're doing now, but then we were a wee small voice at that time, and nobody was willing to pay that much attention to us. But one thing about working in a field like this. If you are sound, events will conspire to validate your position and send those people right back to you, ultimately. This has happened over and over again.

Now the focus is low and moderate income people; get rid of the bulldozer; have a little spot clearance here if stuff isn't salvageable, what can be salvageable, salvage; you can upgrade it and that kind of thing. And we're trying to get more diversity and so forth. You don't have to have attractive areas by bulldozing and building something shiny new. The most viable and attractive areas you get more diversity by mixing the old and the new.

McHUGH: Did you meet with Governor Lawrence's [David L. Lawrence] advisory committee?

McGRAW: Yes. I used to attend their meetings.

McHUGH: Did you consider their committee particularly effective, or did they have any effect at all?

McGRAW: No. No.

McHUGH: Can you say why?

McGRAW: Well, they had no authority, in the first place, and they were supposed to be education. They met, but I don't think it was very effective. And then, I was very fond of Lawrence. I think he's a great guy and all, and while I think he's committed, fully committed, but Lawrence is a political man. His heart and mind was doing political chores for the White House.

McHUGH: How about other members of the committee?

McGRAW: Well, but then Lawrence was running the committee, and they are at his beck and call. But Lawrence was more--he got more bang out of doing some political chore for the White House. So other than having a few housing clinics or workshops here and there, I don't think they've done very much. I think a lot of money was wasted with the committee.

McHUGH: What type of thing would you have expected them to do that might have been useful?

McGRAW: Well, if you're going to have the committee, I would like to have seen it more the type of committee that Truman had for the Armed Services in the Fahy [Charles Fahy] committee: get in and straighten out the policies and get the thing rolling and then let out of the way and let the executive officers carry the thing out. See what I mean? Make sure that they go on far as you want them to go on the policy of cleaning up the differentials.

McHUGH: Where do you think they might have moved, for instance?

McGRAW: What do you mean?

McHUGH: On policy.

McGRAW: Well, I think they could have forced us to move a little further and a little more expeditiously--it was that kind of leverage--been a little more vigorous than we were. I might have decided not to let FHA exempt the one to four family home owners out of the thing. You see, their order didn't provide for that; that was administratively done. And a few other things you might have done on it. You see, what Fahy did with the Armed Services was just, "Well, you go write the policy and bring it back." "Well, we're not happy with this, see to it. You can do better than this." He kept on 'til they got everybody squared away to desegregate the Armed Services. Then when he got all the policies straight, then he left it to the secretaries to carry it out. I think this: just to sit over there and take our money extra and then not doing anything over there but having a housing clinic once in a while, I don't think was too helpful. They didn't have any authority to issue anything or hold the administrator and the people who head housing programs or are concerned with housing--they didn't do anything. It was purely a general advisory kind of thing.

McHUGH: Were you working at all with the Civil Rights Commission, or were they particularly interested in your work?

McGRAW: Well, you know it's.... Yes. It's mainly a study group and I worked with them every once in a while.

McHUGH: When the Executive order on housing came out, one of the criticisms was that it embodied only the recommendation of the two Southern members, which some people thought were particularly narrow.

McGRAW: The Executive order?

McHUGH: Yes.

McGRAW: Well, it was narrow. [INTERRUPTION] We expected to get the savings and loan people in at least. We know they had a problem with the other thing. We

had asked to cover all the members of the Home Loan Bank Board and the Federal Reserve.

McHUGH: Any aspect of the Kennedy Administration that you would care to comment on?

McGRAW: Yes. I think one should not underestimate the style of the Administration and the feeling it generated. I think this is invaluable: it's something you can't put your fingers on. But it's a thing that tended to get things done, and I think it had a very distinct style and vigor, and it had developed a kind of rapport and a feeling that is reminiscent of the New Deal under Roosevelt that had been absent around here for a long time. Certainly it probably--there's no question about it, so that despite whatever may be carping and criticism in the statements I've given you, I think we don't want to estimate that all of this thing was part of the process and parcel of getting things moving.

There was a feeling that things, something vital is happening, all the way through. And regardless of what little problem, day to day problem you may have of seeing these opportunities--and this can be frustrating as well as exhilarating, and this is what.... I've told you the frustrating part of it, but part of the reason it was frustrating was because of this exhilarating part. Things begin to open up, and you've got opportunities and capture them. This is what I was trying to say, and I think this needs to be said to balance off what appears to be carping and critical. Maybe it appears to be one-sided criticism, but I think when you add this dimension into it, it puts it in better focus of what I'm trying to say. It becomes much more frustrating the more opportunities you see out there when things began to roll, and I can really get something done now with this kind of leverage and so forth. And you need the bodies and the manpower and the people to go out and capture this, and this we didn't have. Whether the order was written strong enough when we had demonstrated for some fifteen or twenty years we'd been able to get some things done without any--make bricks without straw, now we got some straw here now but we've been trapped because we don't have the hands to go ahead and implement these tools now. This was the frustrating thing about it to me from this point. We can get housing....

And then another thing at the same time--and probably this is one reason we weren't able to get housing moving as well--the whole thrust of the civil rights movement was on public accommodation, education, and jobs: I think in that order. Now with the Supreme Court decision and continuing to get the court decisions, you were confronted with a crisis in the education situation there. Then when these kids start sitting down, direct action to break open public accommodation--see a three-year or five-year-old child can go out and demonstrate and do something about public accommodation. It's easy to dramatize; it's the easiest thing in the world. So this caught the stage. You can get some victories quick there. And this is where the emphasis was put; not that the civil rights people didn't see that these other things were important--when they get ready to make a statement they'd include housing--but there was no pressure on housing compared to the pressure in the other fields.

McHUGH: Did you feel that events in Birmingham had any effect on your work in 1963?

McGRAW: Very little on my work for the reason I've just stated. There's a public

accommodation; there's education; there's housing--I mean as jobs. Now the pressure was applied just about in that order. The kids were high on public accommodation and showed the people how the demonstration can do it and you can get some quick victories. These were relatively simple. You're already in the education bit, so you're doing your bag on the education thing right there. You can't escape that. You're getting--as with court decisions, you're involved in that; you can't turn that a loose. And obviously everybody needs some income, so you can't ever forget jobs. And they just didn't get around. As a matter of fact, we lost some pressure because before all this stuff broke the NAACP was beginning systematically to develop some court cases in housing. They had to drop that to take care of King's [Martin Luther King, Jr.] people and these kids, you know, to do legal work for them on public accommodation and all this other bit, so that during the whole Kennedy Administration you never had the pressure on housing. And I think this is one reason we didn't do any more with the order, we didn't get any more complaints than we got, and why we're in the agency. I would have gotten some staff. We would have had to move vigorously if they'd gotten around to this housing bit, in my judgment.

Now it was inevitable that it was going to come because the linkage between housing and education is so direct that you can't solve a balanced educational system without doing something about the housing. You can't do it by busing. You can do it a little bit, but there's no fundamental solution like that. And to a lesser degree, it's less clear but comparably there's a tie-in with jobs, too. And this is becoming clearer today than it was then. Certainly as jobs that were traditionally in the city are moving out to the suburbs now, but the people who were traditionally doing some of the semi-skilled/non-skilled jobs aren't free to move out there where the jobs are. So they have piled up in the inner city unemployed, and the people out there needing them to work out there and the transportation system is so poor, takes so much time and costs so much, they can't get to the job.

McHUGH: Were you satisfied with the Civil Service Commission's work, efforts on including more minority people during the Kennedy Administration?

McGRAW: No. I'm not supposed to be satisfied. I'm not going to be satisfied because we've never done enough. If you can, to take it in broad perspective of what needs to be done, I would have to say all the Kennedy efforts and all that was done was piddling, but it was monumental compared to what we'd been doing, you see. So when you ask me if I'm satisfied, I have to say no, we weren't doing enough. We're just getting some footing. But this is important, and I'm not underplaying it by putting it this way, by putting it in the broad perspective of where we've got to go. I have to make that kind of evaluation. In terms of its significance, it's highly significant because it begins to get us on our way to where we got to go.

McHUGH: You apparently had a problem of identifying minority people. The Civil Service Commission originally--well, any designation as to race was removed. How could you identify people?

McGRAW: Oh, that's no problem. There isn't a supervisor that can't tell you any minute how many Negroes he's got and so forth. This is the way you identify them;

you don't have to have anything in the record. Now you could have some records keyed in a way where the supervisor doesn't have control over anybody else. On the intake you could key it and have it, and then on the outgo you could key and have it. I mean, you could do it. But in absence of it, you just have the supervisors give you some reports on what the status is and so forth when you have to take a record.

You see, we've been all through that, and a lot of people have been confused about it. I remember when I first came down here some of the Civil Rights people don't want you to have any race statistics or any breakdown in statistics, and then they come back next week and want to know how many Negroes in this and that. Well, now we had to tell them you can't have it both ways, that if we're going to get this problem we need to have some figures, some facts on the problem, what its characteristics are, and that you've got to have some race breaks in the data.

Now, it can be used for you or it can be used against you. If you want to do something about the problem and overcoming it, it's invaluable to have the data so you know what you're working on and the people, the guys who are trying to block you from doing anything, they're going to do that whether they have any data or not. So on balance, I'm for getting the data, and I think this is the way most people feel today. When people get so holy about, well, we don't have any race statistics and we can't tell you, then I'm not sure that they're doing very much. They don't want to have any; this is a good cover.

I don't know how you solve a problem if you don't have the facts. I don't know how you can, so I'm for having some facts to work on. I have some concept of the nature and the dimensions of the problem if I can get some factual information on it, and I'll just have to take my chances on somebody using the data against me. I think you can set up some protection on that, though. So I think this was a good thing for calling information because this has probably as much influence on in-house employment as anything else because we've been getting the order all the time but then we hadn't call for any report. You see, issuing order asked people to do things and never asked them to give any accounting. Don't expect much to happen. If you start asking for an accounting on something that a person is supposed to do, then he begins to feel, "Well, maybe they mean for me to do something about this; I'd better keep doing this. I don't want to keep reporting negative all the time." This itself puts a certain impetus on getting something done, so I think this was very helpful.

It also emphasized it wasn't enough just to have some numbers down there, but we wanted some numbers up and down the line at all levels so we want some people in some type of jobs they hadn't been in before. I think this is a new dimension that the Kennedy Administration brought that hadn't been emphasized. We got a few reports during Truman's Administration; of course all this type of reporting just got thrown away during the Eisenhower interlude. We had been getting some statistics on employment on public housing projects for whites and non-white, skilled, semi-skilled, and unskilled workers from PWA [Public Works Administration] days, and could tell you how much money has been spent on all the public housing projects and how many went to each one of these categories. Well, this data--they ceased collating this data along about '56 or something like that. Up to that time we can go get you the data [Inaudible] and tell you how every dollar was spent.

McHUGH: Was there any fear that if there was an aggressive policy on the part of the Civil Service Commission that it would hurt the morale of non-Negro

employees?

McGRAW: I don't think--no. I think the Civil Service officers have gotten over that. I mean, this is--some of the people in private industry still talk that way, but it's so well known that if you lay down a policy and tell people, "This is it. If you can't live with it, you'd better go find you another job," then nothing happens. But once you show some weak kneed-ness about it, show that you're willing to give in, then all hell's going to break loose.

McHUGH: Well, we thank you very much for your comments, Dr. McGraw, and for giving us your time.

McGRAW: Okay.

[END OF INTERVIEW]

Name List

B

Blandford, John B., 1
Brownstein, Philip N., 19, 20, 23, 25

C

Cole, Albert M., 3, 4, 12
Conway, Jack T., 10, 11, 12

E

Edwards, Jonathan, 28
Eisenhower, Dwight D., 2, 3, 11, 33
Ellender, Allen J., 3

F

Fahy, Charles, 30
Foley, Raymond M., 3

H

Hardy, Neal J., 15, 18, 19, 23, 24
Horne, Frank S., 2, 4, 7, 11

K

Kennedy, Robert F., 8
King, Martin Luther Jr., 32

L

Lawrence, David L., 29

M

Martin, Louis E., 6, 8
Mason, Norman P., 12
McGuire, Marie, 25, 26

R

Ray, Joseph, 3, 4, 12, 20
Reuther, Walter P., 10, 26
Roosevelt, Franklin D., 1, 31

S

Sadler, Philip, 27
Shriver, R. Sargent Jr., 5
Silverman, Abner D., 26
Slayton, William, 28
Snowden, George, 12

T

Taft, Robert A., 3, 8
Truman, Harry S., 8, 10, 30, 33

W

Wagner, Robert F., 3
Washington, Walter, 26
Weaver, Robert C., 2, 7, 8, 9, 11, 12, 13, 15, 16, 22, 24
White, Lee C., 14
Wofford, Harris L., 5
Wyatt, Wilson W., 2, 12