

Oral History Interview
with
DR. HAROLD SEIDMAN

Member of the staff of the Bureau of the Budget, 1943-68, including service as chief of the government organization branch and as Assistant Director for Management and Organization.

Washington, D.C.
July 29, 1970

by Jerry N. Hess, Harry S. Truman Library

The Harry S. Truman Library
Independence, Missouri
April 1971

Oral History Interview
with
DR. HAROLD SEIDMAN
Washington, D. C.
July 29 , 1970 by Jerry N. Hess, Harry S. Truman Library

[1]

HESS: Doctor, to begin would you give me a little of your personal background; where were you born, where were you educated and what are the positions that you have held during your career?

SEIDMAN: I was born in Brooklyn, New York on July 2nd, 1911. I went to school in New York City to Poly Prep. From there I went to Brown University where I took my bachelor's degree, and I also took my master's in political science at Brown, and from Brown I went to Yale University where I received my Ph.D. in government,

[2]

I think about 1940. Early in my career I was interested in writing. While I was still at Brown I worked in the summer on the editorial staff of the *Nation* magazine. I did articles on such subjects as labor racketeering. And then for one summer I worked with the special rackets investigation as an adviser to Tom [Thomas E.] Dewey on labor racketeering, where I met William Herlands, who was Dewey's principal assistant.

When I completed my work in residence at Yale University in 1938, Mr. Herlands became Commissioner of Investigation of the City of New York. He asked me to come with him, and I joined the staff of the Department of Investigation of the City of New York in 1938 as Director of Research. I was responsible there for both organizing an internship program for graduate students and honor

[3]

students in the New York City area working with the city government as well as conducting investigations.

I remained with the Department of Investigation until 1943 when I joined the staff of the Bureau of the Budget, as a member of the government organization branch, and I remained with the Budget Bureau until 1968. In the Budget Bureau I ultimately became chief of the government organization branch, and in 1961 under President [John F.] Kennedy, I became Acting Assistant Director of the Budget Bureau for Management and Organization. Under President [Lyndon B.] Johnson I became full Assistant Director for Management and Organization of the Budget Bureau where I remained until 1968 when I left to become a scholar in residence at the National Academy of Public Administration and the Ford Foundation has

[4]

very generously given me a grant of \$80,000 to write a book, more or less summing up what I had learned in the twenty-five years in the Federal Government, which is now completed and will be published this year.

I have also done some teaching as a visiting professor at the University of Southern California, Syracuse University, and George Washington University, and I've served as a consultant to a number of governments; the United Nations, Guatemala, Turkey, Colombia, Puerto Rico, and some others, and done special assignments for the State Department in Africa and Asia.

HESS: As an official of the Bureau of the Budget who was there for a good many years, just how has the role of the Bureau of the Budget changed since its organization in 1921?

[5]

SEIDMAN: Oh, I really can't go back entirely to 1921. I can talk of what has happened since 1943, and you have to sort out the pieces. I think a number of things have changed in the role of the Government which have affected the role of the Budget Bureau, as I think I go in in quite some detail in my book, the role has been...

HESS: What will be the title of your book?

SEIDMAN: The title of the book is, *Politics, Position and Power -- the Dynamics of Federal Organization*.

And the development in growth and size of the White House staff, and the personal staff of the President, really has eroded the original concept of the Executive Office of the President which envisions that you have the institutional staff in the Executive Office

[6]

of the President, which in effect serves and supports the interests of the Presidency. While the staff of the White House itself, the White House staff, would be the personal staff of the President, concerned with supporting and safeguarding the interests of the incumbent President.

I think the last President who intellectually recognized that there was a distinction between serving the Presidency and the President, was probably Franklin D. Roosevelt, although I think President Truman certainly was sensitive to this, but there has been an erosion of this concept.

I recount one anecdote which is relevant to this, which I checked with James Rowe, who was one of the first of the Administrative Assistants to the President, with the so-called "passion for anonymity." And Jim Rowe told me

[7]

that he had gone into President Roosevelt and told him that he needed an assistant. And President Roosevelt told Mr. Rowe that if he needed an assistant he wasn't doing what he was supposed to be doing, that no Administrative Assistant would have an assistant.

Well, Mr. Rowe wrote to me that Roosevelt had told him to work with the Budget Bureau on enrolled bills. And he said, "Now, you remember, your purpose in working on this is to support the personal, political interests of the President; and the Budget Bureau's is to be concerned with the interests of the Presidency, and these are not the same thing." Well, this continued more or less under Truman.

Under Roosevelt and Truman, probably the official who saw the President more than any other official of the executive branch was

[8]

the Budget Director. It was a very close, almost day-to-day association between the Budget Director and the President, even though I'm sure you've seen the incident that when Mr. Truman appointed James Webb as the Director he wasn't sure exactly of the name of the gentleman he was appointing as Budget Director. But I think Mr. Truman came very heavily to rely on him.

At that time under the Truman administration, too, there were the -- the structure of the White House staff was very informal, you know. From time to time people would say, "You ought to have a head of the Executive Office of the President." President Truman would reply, I've heard, "I am the head of the Executive Office of the President."

Now, Mr. Truman probably was the last President who in fact presided, as I understand

[9]

it, at the meeting of the White House staff and made the assignments.

The staff was small; nobody had assistants under the Truman administration. They looked to the institution of the Budget Bureau to do a lot of the background work. And as you know, there was a considerable interchange between the Budget Bureau and the White House staff. In fact, Mr. Truman drew very heavily on the Budget Bureau for assistants. Dave [David E.] Bell, and Dave [David H.] Stowe, Dick [Richard E.] Neustadt, had all -- and there was someone else, oh, Andrews, Russ [Russell P.] Andrews. There were a group of people that moved from the Budget Bureau over to the White House staff, and the channels of communication between the White

House staff and the Budget Bureau were quite informal. When they would want something, they would call direct.

[10]

HESS: Were there any particular people on the White House staff that you worked with more than others?

SEIDMAN: No, I worked at that time very extensively with all of them. I worked very closely with Dave [David D.] Lloyd, Marty [Martin L.] Friedman, Neustadt, [Stephen J.] Spingarn, Dave Stowe, [Charles S.] Murphy, Bell, depending on the subject matter.

When I was working on reorganization of the Panama Canal, it was with Stowe. The Governor of the Panama Canal at that time did not really understand how the Truman White House operated and he thought, you know, at that time I was not even chief of a government organization branch, "Here was a Grade 15 in the Budget Bureau, and after all all I have to do is get the Secretary of the Army to

[11]

oppose something and that will be the end of it, so I'll just wait back until it gets to the White House."

Well, of course, they didn't know the system. When it got to the White House, I was doing the staff work for Stowe. I was also writing the replies that were coming from the White House on this. I was not only serving in the capacity of working for the Budget Bureau, but I was also assisting the staff of the White House, and Governor [Francis K.] Newcomer was quite chagrined. He thought, you know, after all, all he has to do is bring up his big guns and that would end that. The Panama Canal was reorganized and the Panama Canal Company was created. And the message, of course, that Mr. Truman sent, I did draft in the Budget Bureau.

But this was a very informal -- government

[12]

was smaller, the problems were considerably less complex. So, I think one of the differences which was very significant, is the role, size, and influence of White House staff. Now when the White House staff was small, they didn't have assistants, they had really no place else to go but the Budget Bureau. The role and size of the White House staff has changed dramatically. In the Johnson, and particularly in the Nixon administrations, strong power centers have developed in the White House which regard the Budget Bureau as a competitor. And if people on the White House staff don't have enough to do and they have an organization, they're going to be looking for things to do. So, they've increasingly been doing the technical, professional work which normally had been done by Budget Bureau staff, and I must say, in probably a prejudiced point of view, work which

[13]

can be done a lot better by people who know what they are doing.

But there began to be, even in the Johnson administration, with Mr. Johnson's passion for secrecy, even when they would deal with me, they'd say, "You can't tell your staff about it." Well, you know the head of an organization isn't necessarily the most competent one to do a job. He is not the professional expert -- you have people who are supposed to have expertise in these areas, and when you are debarred from using your staff you can't be fully effective. Even worse they'd sometimes take a member of your staff and say he couldn't tell you what he was doing. And I think you will find this has a significance, because you will find some of those in the White House who were on the Johnson staff insisting, "Oh, we used the

[14]

Budget Bureau, we used them extensively." Joe [Joseph A., Jr.] Califano will say that.

They didn't use the Budget Bureau as an institution. They used individual Budget Bureau staff as leg men to do the pick and shovel work. This was not using the Budget Bureau. They did not see the difference between using the Bureau as an institution and using individual members of the Budget Bureau staff on an ad hoc basis to supplement their own staff. And because today, well, the White House establishment is as large as the Budget Bureau, even larger, the last count in the Nixon staff is five hundred and eighty-six, and the Budget Bureau is only slightly more than five hundred.

So, I think you have to view the evolution in the change of the power position, size, role of the immediate personal political staff

[15]

of the President as opposed to the institutional staff of the Budget Bureau.

HESS: In the recent reorganization, has it been downgraded further?

SEIDMAN: That was not the intention. Now, you will find certain words in the message that are not there entirely by accident, which refer to some of the things I've mentioned, particularly the erosion of the distinction between institutional and personal staff. The intention at least of some of those that were involved with it was quite the reverse, it was to strengthen the role of the Budget Bureau. And I think, and this is again hearsay, and probably pretty reliable hearsay, that unlike any of its predecessors, Mr. [Robert P.] Mayo, saw the President on rare occasions, that he worked primarily through one of the assistants to

[16]

the President. The other, which historically has been a problem since the Truman and the Roosevelt Bureau of the Budgets. The Bureau of the Budget was conceived in '21 to have a dual role; to be responsible for both the budget and also for the management functions. That is the structure, organization, efficiency and so on of the government. The management side has always gone through a series of ups and downs.

The first Budget Director when the Bureau moved to the Executive Office of the President, Harold Smith, was a public administrator, who was very much interested in management as was Mr. Webb, and [Frank] Pace.

As we moved to bankers and accountants and finally to economists as Directors, the management arm of the Budget Bureau was allowed more or less to atrophy. I, as Assistant

[17]

Director, had this problem. I found economist Budget Directors, at least recent ones, were not greatly interested in organization, administration, and institutions. They also were on continuing pressure from the budget side of the Budget Bureau as to why the new positions were going to the management side, when the Budget Bureau's job was to get out the budget document. So, there were several reorganizations of the Budget Bureau whose main purpose was to conceal a number of people who were actually engaged in management and non-budgetary functions.

And so one of the purposes of the recent reorganization was to emphasize the duality of the role of the Budget Bureau, that the Budget Bureau's job was not limited to the budget, but that it had broader responsibilities in the management area, and that's

[18]

why its name was changed to the Office of Management and Budget.

HESS: Were you directly involved in the recent reorganization?

SEIDMAN: Yes, I was a consultant to the President's Council on Executive Organization, and I in effect, drafted the plan. I did not, I should say, propose the reorganization. The council had made that recommendation to President [Richard M.] Nixon before I came on the scene. When I came on the scene my job was really to find out how you did it, to draft a plan and to assist in drafting the supporting documents, messages and so on.

HESS: Now, awhile ago you mentioned Charles Murphy, who was of course, President Truman's Special Counsel from 1950 on, but did you also work

[19]

with Clark Clifford who had been the Special Counsel...

SEIDMAN: I never worked with Clark Clifford. In fact I never met him. I worked with John Steelman I should mention, I worked with Steelman, but I never had occasion to work with Clifford.

HESS: Did Mr. Clifford seem to make less use of the Bureau of the Budget than Mr. Murphy did, or what was the reason for the disparity here?

SEIDMAN: This would -- I don't think my experience would be significant, because I am sure that Mr. Clifford did, it was, I think, the areas in which...

HESS: At different times.

SEIDMAN: Remember I was just a member of the

[20]

staff of the Budget Bureau. I was not an assistant director or even a branch chief during this period although I did a number of things which caused one Director to call me the Bureau's general specialist, including dealing with the territorial matters and government corporation and things of that kind, which did cause me to work with the White House staff. So, it would be really within the subject matter area. Now, I know during this period the Assistant Director for Management and Organization, Charles Stauffacher, was a very close personal friend of Clark Clifford's, and I am sure that he had a very close relationship with Clifford.

HESS: And you pointed out a picture to me that you have on your wall here dealing with Guam, is that right? Mr. Truman signing the...

[21]

SEIDMAN: The Guam Organic Act.

HESS: The Guam Organic Act. Can you tell me about your role in that?

SEIDMAN: Well, I -- one of the odd things in the Office of Management and Organization of the Budget Bureau and its predecessors, I don't know whether it was Office of Management and Organization, originally it was the Division of Administrative Management. It was to pick up functions for the President which really weren't being done anywhere. And one of the vacuums in the government structure pretty much was in the area of the organization and administration of the territories and possessions of the United States.

The Office of Territories in the Department of the Interior which was responsible, was primarily a service agency for the governors

[22]

of the territories and did not do a great deal dealing with constitutions, administration, and so on. My role here was two-fold, was to work, particularly at that time, with Emil Sady in the Office of Territories (Emil Sady is now at the United Nations), in drafting the Organic Act of Guam.

But furthermore, which was more significant, were the very bitter power struggles at that time, involving the Navy Department which wanted to maintain control over Guam and Samoa. And although Mr. Truman had issued a statement to the effect that the territories would be brought under civilian control, there was some background work and analysis required on how this was to be accomplished. So, the role was of assisting in the drafting of executive orders and legislations and in being the staff person in

[23]

the Budget Bureau handling the interagency problems of getting the legislation through, and of assisting in presenting this to the Congress. And then after the legislation was enacted, I was appointed by Mr. Truman as a member of the commission on application of Federal laws to Guam.

So, I did, again, the usual work. I was the White House Budget Bureau staff man dealing with the interagency questions related to the clearance of the legislation and the presentation of the legislation to Congress. And as a staff man working with Interior, I was involved quite extensively in the development of the draft bill.

HESS: Did you mention that this was one of the few times you had met Mr. Truman?

SEIDMAN: This was the only time I had personally

[24]

met Mr. Truman. It was a very delightful occasion in very marked contrast to an Eisenhower signing ceremony. I was struck by the degree of informality. As you can see from that picture, there were a group of, oh, some ten of us grouped around Mr. Truman's desk where he talked very informally and joked to us and told us stories.

My involvement was more direct under the Eisenhower administration. I was given the job by the White House, which was interesting, early in Mr. Eisenhower's administration, when he said that the President didn't have anything to do with legislation, and there was a problem on the St. Lawrence Seaway, the chairman of the Foreign Relations Committee had introduced a bill that would have had to have been vetoed. And I told the White House staff, "If you let your chairman go through with a bad bill like

[25]

this and then veto without telling him, he can be rather upset."

The White House staff advised me: "Well, you can go and put through a bill on your own. We haven't made up our mind whether we are for a St. Lawrence Seaway or not, and furthermore, we don't really think that it's appropriate for the President to present legislation to the Congress."

So, I did and when that got enacted, they invited me to the signing ceremony. It was the most cut and dried big, formal affair you've ever seen with the President marching in on orders. And there were a couple of hundred people present. It was a very carefully staged and organized affair.

And of course, then the contrast in Mr. Johnson's administration when the signing ceremonies were held in the East Room. There

[26]

would be several hundred people there and everybody got a pen whether they had anything to do with the legislation or not, with individual photographs being taken. And as you can see the one on the wall there of Mr. Johnson, that was the Department of Transportation bill. There must have been a few hundred people there, which is quite in contrast to the very folksy little group around Mr. Truman I think.

I think this -- the other differences. You know Mr. Truman actually knew my predecessor in the job that I had -- Bill [William F.] Finan, who was Assistant Director for Management and Organization by name, called him Bill. He knew a lot of the senior people in the Budget Bureau.

I can tell you one other incident which you might check, but I remember, which is significant of Mr. Truman, a little off of the

[27]

subject of what happened in the Budget Bureau, but it's significant.

He did his homework, he'd read. As I remember, I think Mr. [Frederick J.] Lawton was then Budget Director, and he asked for a paper from the Budget Bureau on what could you do for the Vice President, which Alan Dean, who is now Assistant Secretary for Transportation, prepared.

The perennial paper I think under every administration of the Budget Bureau is to ask what on earth can you do with the Vice President. I think Mr. Lawton went over to see Mr. Truman and he started asking him some questions, and I don't think Mr. Lawton had read this paper before he got over. And when he made some comments, Mr. Truman said, "You know you ought to read this very excellent document you sent over here." Mr.

[28]

Truman had read it. I know that the memorandums that we sent over were read by him, they usually came back with a little "HST" on them.

I think then you could get back to what you said about -- you asked me about the role of the Budget Bureau. Another very significant thing which I saw happen while I was there, and I think it's illustrative of the growing complexity of legislation, and kind of problems, the problems of both the President and the White House. The Congress began to look for someone who could give them a more or less objective disinterested view, instead of having an adversary process where all they ever heard on any proposed bills were the advocates of one side or the other; or someone who could put the pieces together and look at a problem in its total context.

[29]

When I first came to the Budget Bureau, it was exceedingly rare for the Budget Director to testify before any congressional committee, except on something like amendments to the Budget and Accounting Act, or to deal with strictly fiscal or budgetary matters. It was also very rare for the Congress to ask for the views of the Budget Bureau on any proposed legislation, again except something that directly concerned the Budget Bureau, like the Government Corporation Control Act. This changed, more and more they -- Congress was coming to the Budget Bureau on a wide range of subjects, really for either getting an expression of the President's view (the President and the White House staff don't testify, the Budget Bureau does), so more and more you'll find that Budget Directors, Deputy Budget Directors were spending time testifying before the Congress.

[30]

I myself as an Assistant Director (I started to appear as a witness before I even became the chief of a Government organization branch), was testifying thirty to thirty-five times a session.

And more and more the committees of the Congress almost routinely asked for the Budget Bureau's independent views on a bill as well as the views of the agencies concerned. And I don't have the statistics before me, which are easily obtainable from the Budget Bureau, but it runs into the thousands. Now this changes the role of the Budget Bureau very significantly. The Budget Director is supposed to become more or less the spokesman before the Congress for the President. He takes some of the brickbats for that, and it has certainly added to and changed the nature of the workload of the Budget Bureau considerably.

[31]

Another element of change, of course, is -- which relates to the growing complexity of legislative workload -- is the time Congress stays in session.

There used to be an identifiable budget season. When I first came to the Budget Bureau the budget examiner could spend half of the year out in the field with his agencies and know what was going on first hand; the Government was considerably smaller. This is no longer true and preparation of the budget is a year round exercise.

Now, of course, you did have changes in other areas which, depending on who the Budget Director was, his relationship with the President. Even under Eisenhower, the difference when Mr. [Joseph M.] Dodge was there and his relationship with the President, and Percy [Percival F.] Brundage's were very different.

[32]

Certainly the Sherman Adams role changed the relationship of the Budget Bureau.

And then Presidents in the organization and management area, of course, you have the Hoover Commissions under Truman, which again in this area which (now things are coming to mind which relate to Mr. Truman), Mr. Truman took a very keen interest in the work of the Hoover Commission. And he established a very close rapport with Mr. [Herbert] Hoover. He and Mr. Hoover got along exceedingly well from the point that I've known, others, from Don Price and Bill Finan, you might check this, that anybody that came in Mr. Hoover's presence and disparaged Mr. Truman soon found an icicle formed and they'd be informed in no uncertain terms by Mr. Hoover what he thought of it. And there was a very close work -- as a result of this, there was a close working relationship

[33]

between the Budget Bureau and the first Hoover Commission. And a good deal of the staff work for the first Hoover Commission was done in the Budget Bureau.

I might say in a couple of the first Hoover Commission reports, I drafted both the majority report and the dissent.

HESS: Isn't that a little unusual?

SEIDMAN: It's somewhat unusual.

HESS: How did that come about?

SEIDMAN: Well, that is really a strange story. Jim Rowe, who was a member of the commission, had asked me to draft a report for the commission on Federal business enterprises, which I did. And then he called me in, upset because he felt that Mr. Hoover had discarded his draft which he had presented on behalf of himself,

[34]

Mr. [James K.] Pollock, and Mr. [Dean] Acheson, and substituted another one. Well, Mr. Hoover, as you may or may not know, actually wrote most of those first Hoover Commission reports himself. In fact, if you go back to the 1920s, which I have done, I have found speeches that have identical language. And he said he wanted me to, you know, write a stinging dissent to this, and I went over it. He had mentioned that at a commission meeting Mr. Hoover had said he didn't understand their objections because he had incorporated everything they had in that draft.

Well, Mr. Hoover wrote in a rather stilted type of archaic language (I don't know if you've read the Hoover Commission reports), and after I went through it and it had been translated into "Hooverese," and I told Jim Rowe, you know, "The old man really was correct. He's got about

[35]

everything in here that we had had in the draft. It doesn't do any particular violence to the draft that I had prepared for him." He said anyway he wanted me to write a dissent anyway. So, I would say the dissent was prepared to a document which was not mine, but one I had drafted and which had been translated into Hoover type language.

HESS: Did you feel at that time that Mr. Hoover thought that the purpose of the Hoover Commission, or a use that the Hoover Commission could be put to, would be to reverse some of the innovations of the New Deal-Fair Deal?

SEIDMAN: This was evident and came up later. In the early stages, in dealing with a report on the management of the executive branch, here I think Mr. Hoover, although he expressed it in different terms, was almost at one

[36]

with the President's Committee on Administrative Management. He had been a President. He had strong concerns for a strong President.

This bias became evident when the commission considered power programs. The first Hoover Commission was not to deal with policy issues. Mr. Hoover regarded the second Hoover Commission as the vehicle for promoting repeal of the New Deal programs.

Now on that one I did again work with Meyer Kestnbaum. Eisenhower went outside the Budget Bureau for advice on Government organization and used the President's Advisory Committee on Government Organizations chaired by Nelson Rockefeller, which Milton Eisenhower, Arthur Flemming were members, finally at some stage Don Price became a member. But again, the staff

work for that was done out of the Budget Bureau. It only had one staff, so really it became another outlet for the management

[37]

side of the Budget Bureau to the White House, through another group. And for example, I worked extensively with Meyer Kestnbaum, who had the responsibility for the follow-through on the second Hoover Commission recommendations, and the Kestnbaum Commission on Inter-Governmental Relations. The Rockefeller Committee continued through the entire Eisenhower administration, so the Budget Directors were once removed from the management side and the channel for the management staff of the Budget Bureau was through the committee to the White House.

I was invited by Kestnbaum to present a paper to the Cabinet. I'm sure Mr. Brundage was quite surprised to see me in the Cabinet meeting, but I was doing this in my role as assistant to Kestnbaum.

Then Kennedy had very little interest in

[38]

the management side. But then Johnson started using task forces on reorganization. There was one Don Price chaired, and another by Ben F. Heineman. Nixon has set up an Executive Council on Organization [Ash Council). Even though the memorandum that established it follows the PACGO model, the Council has built up a staff which is considerably larger than the staff of the Budget Bureau which is assigned to the Government organization area. So, it's become kind of an independent entity. The relationship between the Ash Council and the Budget Bureau is quite different from that of the Rockefeller Committee which relied on the Budget Bureau for its staff work.

HESS: Did you mention awhile ago that Mr. Truman had less understanding than Mr. Roosevelt did in the different ways that the Budget Bureau

[39]

could serve the Presidency whether it was serving the Presidency as an institution or whether it was serving the Presidency as an individual?

SEIDMAN: No, I think Mr. Truman did understand this, quite clearly. I don't think Mr. Eisenhower did. I don't recall any instance where Mr. Truman actually articulated this, but, you know.

Mr. Truman very quickly learned the value of staff work in the Budget Bureau. I've read the Truman *Memoirs* and remember he recounts the incident, I think it involved the, was it the Federal Deposit Insurance Corporation, where somebody was in there and asked them to do something which he had not sent to the Budget Bureau to be staffed out, and he learned his lesson, that he didn't sign papers without having the staff work being done.

[40]

No, I think he quite clearly recognized the institutional role of the Budget Bureau. I recall no pressure at that time which started beginning with the Eisenhower administration which continued on down since, that you know, the top positions in the Budget Bureau ought to be political.

I was a career assistant director, and except for the Director and Assistant Director of the Budget Bureau, all the assistant directors were career people and there was continuing from that period on, a question, which Mr. Dodge had held off.

Now when I left the Budget Bureau my position was made a political position, but no, I think -- my recollection, Mr. Truman had very great respect for the career civil servant. I recall nothing in that period of, you know, suspicion of the career servant, particularly in the executive office, distrust of them, and then I think the way he used them was more or less illustrative of that.

HESS: He relied quite heavily on the Office of

[41]

Legislative Reference, which was headed by Roger Jones...

SEIDMAN: Yes, he did.

HESS: ...a large portion of the time. Did you work with Mr. Jones in Legislative Reference?

SEIDMAN: I worked very closely with Mr. Jones. In fact, I probably worked more closely with Roger Jones than I did with my own boss, because I was most of the time working on problems that were resulting in legislative proposals. Like the Guam Organic Act, the law setting up the Panama Canal Company, the amendments to the Government Corporation Control Act, and so I worked very closely with Roger Jones during this period. He had very good relationships, certainly with the White House and Mr. Truman. I would say

[42]

that I probably was dealing more with the members of the White House staff and Roger Jones than anybody else, including Bill Finan my immediate boss as Assistant Director, or for that matter, the Director of the Budget Bureau.

HESS: One question that interests historians of the period of the Truman administration, is White House-congressional liaison and just how the White House attempted to get the legislation passed. After they had formulated a program that they would like to be passed, after they had formulated a bill, just what procedures did they take to see that the bill was passed by Congress. Were you instrumental in this at all?

SEIDMAN: Yes. Now, this is one thing I changed because -- I can give you two things. It was still

[43]

the practice at that time, in the reorganization plan area, of springing things on the Congress, where you didn't tell them, you didn't tell anybody, you just sent them up there. Now it is true the reorganization act at that time required, you know, neither a constitutional majority of one house nor a two house veto. So the President's position was somewhat stronger, but in fact, it wasn't until I became Assistant Director that I stopped this practice. And I went up and talked to people on the committees in advance. We didn't spring things because they were getting increasingly unhappy with reorganizations plans, but during the Truman period it was the custom on reorganization plans to hold them very closely and secretly, they were not discussed in advance. And they were more or less just sprung on the Congress, which caused

[44]
some problems.

Although with the Hoover Commission background and so on, the record was reasonably good, although Truman did lose a number of them. On the things on which I worked on (and this was early in my career), I was responsible for congressional clearance. They did not at that time as I remember, you know, have a large White House legislative liaison staff. The congressional liaison functions had not been, you know, organized and institutionalized during the Truman period.

HESS: How was it carried on?

SEIDMAN: Well, Charlie Murphy did some; Clifford, individuals on the staff. There wasn't a Larry [Lawrence F.] O'Brien or a Bryce Harlow who was recognized as having the job of

[45]
legislative liaison. I think it was done more informally, depending upon the subject matter.

HESS: The first two men to even have a title close to that were brought in in 1949, Legislative Assistant to the President, and it was Joseph Feeney and Charles Maylon. Do you recall these gentlemen?

SEIDMAN: I don't. Never had anything to do with either one of them. I never saw either one of them. Now, under Kennedy, I knew Mike Manatos and Larry O'Brien. I kept them informed when I was dealing with legislation. Under Eisenhower, it was Bernard Shanley and Bryce Harlow. But during the Truman period, as far as I know, I was pretty much on my own. I would go up always working first with committee staff on the draft of the bill and

[46]
talk to them and I got to know, you know, the chairman Mr. [William L.] Dawson pretty well, he gave me a lot of education in how you do things in Cook County. He was rather a remarkable old gentleman, very much underestimated, very shrewd.

HESS: How things functioned in Chicago?

SEIDMAN: Well, and how they functioned with Congress. He gave me my education on how you deal with a Congress. He was the one that said, "Keep those White House staff people away from the committee, they don't do you any good." They don't like to be exhorted, at least in dealing on certain things. Congressmen respect two kinds of people: those with muscle in terms of influence on votes in their constituency, and those who can give them the technical story, who can

[47]

explain the bill and answer questions.

The Panama Canal legislation under Truman illustrates the way in which I was allowed to operate on my own. I got the maritime groups and the railroads both to support it. I was up there writing amendments and testifying in executive session of the committee. Senator [Harry Flood] Byrd chaired the Senate subcommittee which considered the Panama Canal bill. When I finished testifying and went to sit down, Senator Byrd said, "No, you sit up with me." And he asked me to question all the witnesses that were opposing the bill, which was a rather unique role.

And I would say, other than talking to Dave Stowe on policy issues that came up (Stowe was my liaison in the White House), the job of marshalling support, talking to the committee members, of reconciling the differences

[48]

between the interest groups in the community, was my job and I don't recall -- at that time I wouldn't have known to whom to go to, frankly, in the White House, other than Dave Stowe. There wasn't a legislative liaison staff. Of course, Korea came along right when that bill was up there.

HESS: The summer of '50.

SEIDMAN: Under Kennedy I always kept either [Henry Hall] Wilson informed on the House side or Manatos on the Senate side. I didn't deal with Larry O'Brien directly. Under Truman you didn't have, as you do today, a legislative liaison man in every agency. Again, I should point out the volume of legislation was considerably less.

Now, one of the things Roger Jones probably told you, the first President really

[49]

to have a legislative program was Truman, in the formal sense as we know it today. Roosevelt had his "must" bills, but he did not have a legislative program as we now know it. Under Truman the Budget Bureau combed the agencies for legislative suggestions and obtained specific proposals from the White House staff and developed the package which became the President's legislative program. I don't remember the year, I think it started with the year when Truman sent up a combined State of the Union message and Budget message.

HESS: Now Roger Jones as head of the Office of Legislative Reference was in charge of that was he not?

SEIDMAN: The development of the legislative program was in the Budget Bureau. And now that job has gone to the White House staff. And the other thing which is changed, the development of the legislative program has become as much a part of the action forcing process as the budget process. Now, two processes often proceed in separate orbits. The use of the special messages under Kennedy and Johnson also

[50]

shifted power and initiative from the Budget Bureau to White House staff.

Special messages are scheduled on such subjects as health, pollution, law and order, and national capital affairs, and then the staff has to scrounge around to find recommendations to supplement the rhetoric. So, the development of the message becomes the action forcing process where legislative proposals are made, not because you want to make them, but because you have to say something in a message. And now you're going to have a message, you've got to have recommendations and this process has tended to shift the focus in these areas more to the immediate White House staff than to the Budget Bureau. Now the Budget Bureau has influence, very significant influence, in the development of these special messages. Sometimes the Budget Bureau plays a very significant role, but there is a difference in the

[51]

balance of relationships. Responsibility for development of the legislative program certainly is not within the Budget Bureau any more; it was under Truman.

HESS: At the Truman Library we have the Enrolled Bill File for the Truman administration, and many of the bills when they would come in from Congress, the Legislative Reference Service would send out inquiries to all other agencies and departments who they thought had an interest in that particular matter. There were many times, I don't know the percentage, I haven't seen it, but I've gone through the Enrolled Bill Files, and there are many instances when all of the recommendations for action would be to, for instance, to pass the bill, to sign the bill. The Bureau of the Budget would be the only dissenter. The Bureau of the Budget would say no, and the President

[52]

almost invariably would take the Bureau of the Budget's advice against the counterweight of all the others. Why in your opinion, would the Bureau of the Budget have this much influence on Mr. Truman's thinking?

SEIDMAN: I think this results from the President's confidence in the Budget Director. Secondly the Budget Bureau doesn't have an ax to grind. The Budget Bureau has only one client, and that's the President of the United States, and once the Budget Bureau ever starts trying to build its own clientele, its usefulness is gone.

Mr. Truman was a very sophisticated gentle man. He recognized that for some agencies their positions reflected the views of their clienteles or congressional committees. It became a political question of how much heat

[53]

the President wanted to take in vetoing a bill. Mr. Truman was not a man who was adverse to taking some heat. As he said, "The Buck Stops Here."

This wasn't entirely true under the Eisenhower administration. What very often happened on the things I worked on, my draft veto messages very often became a signing statement, which was interesting because if you said all of these things in the signing statement, presumably you should not have approved the bill.

HESS: One question on the Eisenhower administration: At that time did most of your work channel through Sherman Adams? What I'm aiming at here is access to the White House. Did access to the White House staff change somewhat between the way it was handled with Mr.

[54]

Truman and it was handled with Mr. Eisenhower?

SEIDMAN: On a couple of things I dealt with Sherman Adams, or through Roger Jones to Sherman Adams, like St. Lawrence Seaway. But I also dealt with Bobby [Robert] Cutler on St. Lawrence Seaway. I would say I had the most direct and most intimate relationships with the White House at the time, with Meyer Kestnbaum, with the Rockefeller Committee, and on some odd assignments with Milton Eisenhower.

The latter related to the Suez Canal crisis where Eisenhower was unhappy with the failure of the State Department to develop an imaginative, realistic proposal. I was asked if I could develop a counter-proposal to deal with the Suez crisis which would embrace the Panama Canal and other international waterways. I went over to see Milton Eisenhower in

[55]

Baltimore and he endorsed our plan for international regulation of all of these inter-oceanic waterways. I remember when I presented it, it was widely supported, but General [A.J.] Goodpaster said, "Well, this is a very good proposal, but the President will send it to Secretary [John Foster] Dulles and he will stamp it "NIH" and that will be the end of it."

And I said, "What's NIH?"

And Goodpaster said, "Not initiated here."

HESS: It wasn't his idea.

One question I'd like to ask pertains to your relationship with the Congressmen up on the Hill. Now you mentioned that you had a special rapport with Congressman Dawson. What other Congressmen come to mind that during this period of time, that you had special

[56]

access to?

SEIDMAN: Well, I had very close relationships with a number of Congressmen on committees other than Government operations. The Panama Canal legislation went through the Panama Canal Subcommittee of House and Merchant Marine and Fisheries Committee. And I had very close rapport with the chairman of that subcommittee, who was Clark Thompson of Texas, to the point of writing his speeches on the floor and other things. And with Congressman [Tom B.] Fugate of Virginia.

Mr. Truman had asked the Budget Bureau to look at the Panama Canal organization after the war, because he felt it was archaic and something needed to be done. I spent, oh, I guess a couple of months down there on reorganizing, making a study of the Panama

[57]

Canal. Scott Moore from the Budget Bureau was with me.

At that time I came to the conclusion that really the Panama Canal ought to be a government corporation, it ought to keep and operate from its toll revenues. It ought to run on a business type basis. The whole thing was so archaic that you had no basis of knowing what the toll charges or toll rates ought to be. It was the most antiquated organization. To my embarrassment, and you'll find this in the record, I wrote an internal memorandum to my boss in the Budget Bureau and said it was a "museum of administrative antiquities." I don't know how the committee ever got it, because when I went before the Merchant Marine and Fisheries Committee, they said, "You wrote this memorandum in which you described the Panama Canal organization as 'a museum of

[58]

administrative antiquities'." And the Governor was sitting in the audience, and I don't to this day know how they got this internal memorandum.

But, everybody said, you know, this was politically impossible. You can't -- I don't remember the date whether it was '47 or '48, probably, that you could not -- Congress would never give up the right to set the toll rate, that this was too far out. So, we did not press for incorporation. We got a bill through at that time which provided for reorganization short of incorporation of the Panama Canal. But then the Appropriations Committee came along, without any real knowledge, and just as it often does in a committee report, and said after all, all prices have gone up and the Panama Canal has never raised its toll rate since 1917 or whatever it was. The committee directed the Panama Canal immediately to get

[59]

the President to issue a proclamation raising the toll from ninety cents to the maximum of a dollar a ton.

Well, this immediately touched off a great furor by the industry, naturally, which did not want to pay the increased toll rate. And I was called up to meet informally with the subcommittee. Not a formal hearing. With Congressman Thompson and Congressman Fugate, I think there was another one there from Maryland, and they said, "What about this? How do we go about determining whether there should be a toll rate increase or not?"

I said, "Well, there's no way on earth you can determine the toll rate, you know the Appropriations Committee logic may be right or not, but the way the accounts are now maintained on a non-corporate basis, you have no way on earth of determining what the toll

[60]

charge ought to be. You don't know what the revenues are, you don't know what the expenses are, besides they are doing all kinds of things like transiting naval ships free of charge; services are provided without reimbursement for government agencies, and we don't even know what the other things they are subsidizing." I said that the Panama Canal would have to be reorganized and operated on a businesslike basis, if the Congress was to have a sound basis for evaluating tolls policy."

"Well, how do we do it?"

So, I said, "Well, why don't you write a memorandum. 'The committee requests the President 1: To conduct a study of the Panama Canal, and 2: Ask for postponement of the toll increase until the study is completed.'"

I'm sure I must have checked this out with the Director and the White House. I drafted a

[61]

memorandum from the subcommittee to the President, and I'm sure I touched base with Stowe or somebody at the White House who agreed with this, because it was a sensitive thing for the President. I was assigned to make the study.

So, if you're talking in terms of congressional relationship, we had a degree of receptivity on both sides. The bill establishing the Panama Canal Company got through the House on the consent calendar. In the Senate, Senator [Edwin C.] Johnson of Colorado opposed its approval on the consent calendar, because he didn't know that the railroads were for it.

In fact the railroads supported the bill because it removed the ceiling on tolls. They were sure the toll rates would go up. On the other hand, the shipping interests saw that immediate benefits of what we were doing by changing the rate base, eliminating interest

[62]

during construction, eliminating defense costs from the rate base, and other things, as a result the rate would be considerably less than the \$1.40 a ton estimated by the Panama Canal. Under the new system we estimated that the rate would be 97 cents a ton. So, in this one instance the railroads and maritime organizations had a mutuality of interests. When Senator Johnson found that the railroads supported the bill, we had to develop a meaningless amendment, which you often do, to save face so he could withdraw his objection. This was about a year and a half after people said that incorporation of the Panama Canal was politically impossible. But in none of the negotiations or anything else did I have any occasion on this particular bill, to ever use White House staff or was there any involvement.

Now, I say this was a change because under

[63]

the more organized office, say under Kennedy, probably in some of the meetings we were having -- I had a whole series of meetings with industry representatives -- somebody from the White House would have been present. Under Truman I was strictly on my own.

HESS: What do you think is the best way to operate?

SEIDMAN: I think the best way to operate, and this changed, and I've seen it, is that the White House staff ought to be in reserve. They got in too early. Let someone in the Budget Bureau take the heat.

Where do you go to appeal if the White House staff becomes involved at the outset in negotiations, and then issues develop, this is both whether you're dealing with outside groups or when you're dealing within the

[64]

government, where do you go, you have no place to go other than the President himself.

Now, on a lot of matters it's just a question of timing, when their intervention is most significant. So, I would say that one of the roles of the institutional staff is to take a lot of heat, let the issues be sorted out, be the lightning rod, let the animosities be directed at them. And then the White House staff can enter the negotiations as the neutral arbiter. But if they are a participant from the beginning, they will lose their neutrality, and people will not accept their decision. They'll insist on seeing the President.

I've seen that. That happened on one of the things that I worked on under Johnson when White House staff got involved at too early a stage. All the animosity was directed at

[65]

them, which made it embarrassing for them to take the issue to the President, so they dropped it.

HESS: You mentioned earlier that you had worked with Dr. John Steelman too, do you recall what projects that you worked with Dr. Steelman on?

SEIDMAN: I don't remember specifically what they were. I had met Mr. Steelman earlier before I came with the Government because he was the Director of the Conciliation Service in the Department of Labor, when I was still at Yale, he read my manuscript before it was published on labor racketeering and offered me a job in the Labor Department, in which I wasn't interested and which I did not take. I don't remember, oh -- oh, I know what it was, working with him on some of the rubber disposal

[66]

legislation, rubber plants, abaca, on scaling down of some of the war industries that had been acquired by the Government.

HESS: He had been chief of OWMR.

SEIDMAN: Yes.

HESS: Office of War Mobilization and Reconversion.

SEIDMAN: This was the demobilization of some of the, the business type of activities that had been established by the RFC. This was the act disposing of the rubber plants that the government had acquired; the abaca plantations, this was the hemp fiber program, these were the things on which I worked with Steelman's office.

HESS: Did you ever have any involvement with General Harry Vaughan at the White House?

[67]

SEIDMAN: I never met General Vaughan. I've heard of him.

HESS: But that was it? What do you recall about the press conferences that the President used to hold once a year just exclusively on the budget?

SEIDMAN: I, at that time, did not -- he used to really do his homework. I, as you know, when I became an Assistant Director I sat in on those things. I did not -- I used to know about his other press conferences because the reporters would run into my office. At that time my office was on the fourth floor of the Budget Bureau next to the Indian Treaty Room, where Mr. Truman used to have his press conferences.

HESS: That's right, they moved over there I think in 1951. They had them in his Oval Office

[68]

until it got too crowded and then they moved into the Indian Treaty Room.

SEIDMAN: Of course and being -- reporters what they are, when they run out they'd run into your office and grab your phone and no matter who was sitting there and whom you were talking to, and phone in their stories.

HESS: How far was your office from the Indian Treaty Room?

SEIDMAN: It was two offices away.

HESS: Close enough for the reporters to use your phone.

SEIDMAN: I remember that was on the day that [J. Howard] McGrath was fired. I was right there. I knew about it.

HESS: Tell me about that. Now that -- this brings

[69]

up the Newbold Morris matter.

SEIDMAN: Well, the Newbold Morris matter is an exceedingly interesting one. Again some of what I will say is hearsay and should be checked with people like Murphy, Neustadt, Steve Spingarn, and some others who know about the Morris affair.

As I understand it, though, there were rumors and stories in the press about the mess in Washington. And also a degree of dissatisfaction by President Truman with the work of the Department of Justice. One of the stories repeated to me was that he said the only trouble is that the Department of Justice didn't have any lawyers in it. That he had been prepared to replace Mr. McGrath as Attorney General. In fact he had selected someone for the job, and while he was going over

[70]

his dossier in the White House there was something in it that caused him to drop the prospective appointee.

HESS: Now this was before the Newbold Morris matter?

SEIDMAN: This was before the Newbold Morris.

HESS: He was prepared to replace J. Howard McGrath at this time?

SEIDMAN: That's right. This is hearsay, this is what was told me. I think it was somebody named Miller or something like that. I don't know, this was all -- as I say, I don't know this as my firsthand knowledge, but I think I've seen it in some books.

Meanwhile this gave Mr. McGrath an opportunity to come in to Mr. Truman, as I understand it, and I think all of this will,

[71]

you know, is background, which someone will verify, but I think it's accurate. He said, "Look, give me a chance to clean up the mess in the government. Let me do it. I will bring in an outstanding, nonpartisan person to make an investigation of corruption both with the Department of Justice and within the government, and give him a free hand. Let me do it."

HESS: Do you recall if this was after the T. Lamar Caudle period when -- you know Mr. Caudle had been head of the Tax Division.

SEIDMAN: Yes. I don't know. There had been, you know, there had been wide-spread talk of corruption in government; mink coats, deepfreezes, the general atmosphere of the political opposition to that...

HESS: The so-called "mess in Washington."

[72]

SEIDMAN: The mess in Washington. And so Truman then acceded to McGrath's request. He said, "Okay, you bring in a man to conduct the investigation."

I don't know who Mr. McGrath's advisers were, but he certainly made a very astute choice because he appointed Newbold Morris as a special assistant to the Attorney General to make an investigation of corruption in Washington, and the Department of...

HESS: Do you know why he chose Mr. Morris?

SEIDMAN: Well, I would say the reason he chose him -- as I said, I can't read Mr. McGrath's mind, but as I -- but whoever advised him, must have been very astute because Newbold Morris had long been associated with the good government movement in New York City. He was an outstanding figure in the fusion movement, clean government.

[73]

He came from a very distinguished family, the Gouverneur Morris family. He had been associated with Mayor [Fiorello] La Guardia in New York. He had run for Mayor of New York as a reform candidate. He was a Republican, but not too violently Republican. He was a Republican who, like La Guardia, who had -- was not identified with organization Republican politics. But he really had no experience in investigating, and he was the kind of person that it might have been assumed could be reasonably easily directed and led, or the wool pulled over his eyes. The press in New York City used to refer to Newbold Morris as the man who had been born with a silver foot in his mouth.

And so if you wanted to have a symbol of good government, of reform, who kind of was thought to be impeccable and his background, which turned out not to be the case, as you know

[74]

this tanker problem came up while he was there. He didn't do that, and his involvement with this tanker deal which rather tarnished Mr. Morris' reputation for complete integrity.

So, he appointed Newbold Morris and, as I said, in terms of the public reaction here, he had gone to a leading reformer, a Republican, a man associated with Fiorello La Guardia. In terms of anyone on the outside, he looked like he was proceeding in complete good faith in getting an outstanding Republican with a reform background to clean up the mess.

Well, Newbold Morris came to Washington, stayed at the Carlton Hotel, he'd been there about a week and I got a call. I think it came from Louis Yavner who I had worked with as a member of the staff of the Department of Investigation in New York.

[75]

HESS: Had you ever met Newbold Morris in New York?

SEIDMAN: Oh, yes. No, I was not a close intimate of his, but I had met him in the Mayor's office and he knew who I was. We were never close, never really had worked together. And

Louis Yavner had become commissioner of investigation after I left, under La Guardia. And Yavner said, "Come on over, you know Newbold. I don't know anything about Washington, and you do -- but this doesn't have a right smell to me. Newbold would like you to come over and have dinner with him."

So, I went over and had dinner at the Carlton in Newbold Morris' room (this was to be the first of many such dinners), and talked to him. Well, it became very clear what was happening.

The Attorney General had set up Newbold Morris in an office, with no staff, told him

[76]

he could call for any documents he wanted to see, but of course, with no staff and no investigation, he wouldn't know what to look for and this was hardly the way you were going to find corruption in Washington, just sitting in an office with a secretary and calling for documents.

And I told him, "You've been had. It's perfectly obvious what McGrath will do. He'll have you sit in your office for six months or a year and then announce that Newbold Morris was unable to find any corruption in Washington, which will be perfectly true, because you never really had an opportunity to look. He is playing you for a patsy."

Well, he allowed that that was probably right. He didn't see how he was going to conduct an investigation with no staff, no authority, sitting in an office. (I don't know whether it was one of the oak paneled offices. In fact he found that when he asked for certain things, the documents weren't very promptly or expeditiously provided. But certainly given the nature of the Federal establishment and

[77]

the problems, you cannot run an investigation with no staff and one man sitting in an office.

So I went back and I don't know whether I told the Director or Bill Finan. In any event, these facts are a little hazy, but I did end up talking to Dave Lloyd, who was then one of the Administrative Assistants to President Truman. I think, I don't know, Hansen was the other one. I don't know...

HESS: Donald Hansen.

SEIDMAN: Donald Hansen who was over on assignment from the Treasury Department.

I said, "You know this is potentially most embarrassing for the President." I understood the background. He was giving McGrath an opportunity to do this. This is so obvious that you can't assume that the press and the public aren't going to know what's going on, that this is in a large measure a facade. It's perfectly clear McGrath had no intention that Newbold Morris

[78]

make a real investigation. He is more or less captive in the Department of Justice. He's sitting in an office and he has neither the facilities, equipment, or authority to do anything.

Well, this was promptly passed on to the President and I was then asked to come over to the White House mess to have lunch with Newbold Morris and Joe Short, who was the Press Secretary. Lloyd, Charlie Murphy may have been there, I don't remember. I think Murphy was involved in this. The President's instructions as passed on to me were to, "Get him out of the Department of Justice. Draft Executive orders setting up an independent operation. Get him a staff, get him organized and out of the Department of Justice." Very clear, crystal instructions.

And I then, through the White House, got them to pull Carl Blaisdell out of the Department

[79]

of Defense, who was (he died this year), one of the shrewdest operators on the administrative side. And over a weekend we got Mr. Newbold Morris out of the Department of Justice, we got the space in the old building on Pennsylvania Avenue which the *Washington Post* had just vacated. So, we took the space there. We got Arch Jean from the State Department as the personnel officer, we got [George H.] White from the Narcotics Squad of the Treasury Department assigned over to Morris. I arranged to get Bill [Willard] Carmel, Al [Albert] Pleydell and, let's see, someone else from the Department of Investigation to serve on Morris' staff.

Carmel is now living out in California. He's in his late seventies, he's living in Walnut Creek. Al Pleydell is now a management consultant in New York, he had been the

[80]

Commissioner of Purchase under La Guardia.

HESS: A gentleman by the name of [George] Cutler? Did you mention him?

SEIDMAN: I don't remember Cutler. I didn't bring him in. In other words I recruited a staff for Morris and I might have brought in as a consultant Abraham Weinman who is now dead too, who worked on the development of the questionnaire which we used in the Department of Investigation. This assignment I might say, in background, was one which Mr. Lawton said I could do after hours. The White House asked me to ride herd...

HESS: As sort of unofficial?

SEIDMAN: Ride herd on Newbold Morris and see that things went all right, and this was really an after hours assignment which meant my having

[81]

dinner with Mr. Morris at the Carlton in his room in the evenings to discuss with him what ought to be done, and how things would be done.

And during the early part we had a fair degree of control, but things began to collapse. It was very difficult because I found in talking to Mr. Morris, at some point he'd always put his head

down and put his arms over his head. He didn't want to face up to the tough decisions, or, in fact, make any decisions at all.

HESS: What was it, he just did not want to...

SEIDMAN: He didn't -- you'd talk to him and ultimately he'd just put his head down in his hands; this was all too much for him.

We felt, that because of the circumstances, that he'd very quickly have to establish for his own interests and those of President Truman that this was really a good faith investigation. And furthermore, he had to establish that he was independent of Justice and that Mr. McGrath was not sacrosanct. So, we felt the first area which he had to start was in the

[82]

Department of Justice with the press and the others on the trail, you couldn't wait six months to a year; it would have to be done, something, which could produce concrete results fast.

HESS: That's the reason the Department of Justice was picked as target one?

SEIDMAN: That is right, because of the circumstances, the assumption that he had been brought in as a fall guy for Justice, that McGrath had something to hide perhaps, or whatever it was, not McGrath personally I should make clear, but within his department. There was no evidence that there was anything that involved Howard McGrath personally.

And this is the reason we came up with a device which we had developed in the Department of Investigation in the City of New York, which we found very effective, which was a questionnaire. We had used the questionnaire in investigations of building inspectors and others who were taking graft, or had other outside income. We discovered that it was very easy for people to conceal income, but it was very difficult to conceal outgo.

[83]

Now, if you're going to take graft, it doesn't do you any good if you must bury it in the, ground. Furthermore, if you have a very elaborate questionnaire, you can't rig it, it's very difficult for you to -- if you have to list how much you paid for your car, your house, etc. All of these expenditures are subject to verification. We found New York building inspectors who were getting \$4,000 a year and who were spending \$15,000 a year and couldn't explain the difference.

HESS: And you were trapping them with this intricate questionnaire?

SEIDMAN: Yes, because they couldn't conceal their expenditures.

You can look at department store bills, you can look at what they paid for the car, you can, you know, look at their rent, see how much they paid for the house, and how much cash. It's very easy to do this.

[84]

So, we decided to use the questionnaire as a quick and dirty way of getting at the problem. It was not considered to be anything more than a start. This was just a device to get going and going fast.

HESS: Did you draw up the particular questionnaire that Mr. Morris used?

SEIDMAN: No, I brought Abe Weinman down who had developed the questionnaire for the Department of Investigation, to work with Pleydell and Carmel in developing the questionnaire, which was developed, and run off in thousands of copies.

But it was our intention, initially, in our planning, that this would go to the U.S. Attorneys and their staff, because we knew the U.S. Attorneys at that time, all had outside law practices. This was not frowned upon at the time. So, Morris had an opportunity quickly to expose an undesirable practice -- not necessarily corruption. Dewey had stopped this practice in the District Attorney's office in New York. We wanted to find out how much time the members of the U.S. Attorneys and their staff were devoting to outside practice and outside interests. This was a quick way of getting at it without it being a major scandal, but it was something to get ahold of. And our intention was that the questionnaire be employed initially for no one other than the U.S. Attorneys. I think the only thing that Mr. Morris ever understood, of anything we ever told him, was that we had a questionnaire.

Now, the other piece of this, which I can't speak to other than what Newbold Morris told me, and I am sure that he misunderstood, because I got a call from Matt Connelly to have

[86]

Newbold Morris come down to see Mr. Truman at Blair House on a Sunday evening, which he did. I was not present. Newbold Morris told me the President thought the questionnaire idea was wonderful. Truman looked at the questionnaire, he went over it with him.

HESS: He saw it at that time?

SEIDMAN: Yes.

HESS: And I might add at this point, too, if you find the copy of the questionnaire at your home, we can add it to the appendix of our transcript here because as far as I know we do not have a copy at the Library. [See Appendix]

SEIDMAN: I think unless I threw it out...

HESS: Let's hope you didn't.

SEIDMAN: I may still find one around at home, but...

[87]

HESS: But the President did see the questionnaire and...

SEIDMAN: The President, according to what Mr. Morris told me, that he had seen the President on the Sunday night at Blair House, the President had seen it, he thought it was a wonderful idea. In fact, this is what got us in trouble because Morris said that the President had said that it would be a good idea if every Cabinet officer and member of Congress filled out the questionnaire. don't think he literally meant that Morris should do this.

Well, of course, the Newbold Morris investigation was, at that time, a front page story, and he started getting numerous invitations to appear on "Meet the Press" and television programs and so on, and

[88]

to our horror, every time he appeared he was adding to the list of people to whom he was going to send the questionnaire. That was the only thing he understood about the investigation was the questionnaire, and he stated that he was sending it to all members of Cabinet and sending it to all members of the Congress, and of course, if you wanted to maximize opposition, you just broadcast that you're sending it to everybody and he was talking questionnaire, questionnaire. I guess he was going to send it to every man, woman and child in the United States before he was through. Things were getting completely out of hand. In fact, we all lined up Newbold Morris one evening, this was in the *Post* Building and told him to raise his right hand and swear that, "I will not appear on any more television programs."

[89]

HESS: You say you actually had him do that?

SEIDMAN: Yes.

HESS: Did he do that?

SEIDMAN: No, he raised his right hand, yes he did do it, but it didn't -- it was not...

HESS: What did he say when you -- did you communicate this to him that you thought he was sending the questionnaire to far too many people?

SEIDMAN: Well, he wasn't sending it to anybody. No questionnaires were ever sent out to anybody. He was talking, but not doing. The weeks were going by.

HESS: Did you communicate to him that he should not be saying that he was going to send it out to these people?

SEIDMAN: Oh, yes.

[90]

HESS: What did he say then?

SEIDMAN: Oh, this is when he said, "Well, that is what Mr. Truman told me to do."

You know, Truman may have said it would be a good idea to send it to all the Cabinet, but I've been around long enough to put the pieces together, and again my assumption is that the President probably looked at it and said, "You know, it's a good questionnaire and it would really be a good idea to get all the Cabinet to fill this out." He didn't intend that this comment be taken as a directive.

HESS: He really didn't mean it.

SEIDMAN: No, certainly not for members of Congress. This was a limited type of investigatory technique to be used for special purposes. It represented a device for quick action pending the organization of a full-scale in depth

[91]
investigation.

HESS: Let's turn the tape over here.

SEIDMAN: Okay.

HESS: All right, we are, going again, sir, and you were...

SEIDMAN: Talking about Mr. Morris and the questionnaire. There was some collateral developments that increasingly convinced me that Newbold Morris enjoyed the limelight and the publicity, but he really didn't intend, or have the competence to conduct an investigation. And there were other things that were disturbing.

In addition to the professionally competent staff that we had brought in, he began to use his office to pay off some of his old political debts in New York. And he brought in Mr. Morton Baum, one of his associates, who was

[92]
very much like him, who I guess was with the Board of Trustees of the New York ballet and opera company. You mentioned the name Cutler which may not -- he brought in a couple of other people to whom he owed political debts. And then he hired Cabell Phillips to be his press representative.

Meanwhile nothing, not a single, solitary thing was being done. There were all kinds -- we had rows of empty file cabinets, unmailed questionnaires, nothing, literally he did nothing, other than appear on television.

We'd try to help. The White House literally gave me open and shut cases to give to him to get started. There was one I think down in Arkansas, I don't know whom it involved. We'd try to get him interested in the Federal Housing Administration problems which were beginning to emerge. And Mr. Baum told him

[93]

that, "Oh, you don't want to get into housing, FHA, because there is no sex appeal in making an investigation of FHA."

So, I was running into some competitors who were giving him other kinds of advice that the investigations, or the subjects of investigations should be those that would enhance the image of Newbold Morris and maybe help him run for Mayor of New York again, which was his longstanding life ambition.

HESS: Did you ever hear him make any comments at that time that that was what he had in mind?

SEIDMAN: No. I could just assume it because the--it became to be both in the way he--the people he was hiring he was paying political debts, and that he was more interested in the public relations aspects of what he was doing than actually doing anything.

[94]

HESS: Did you see Cabell Phillips around very much at that time?

SEIDMAN: I just met him. I didn't -- because most of my relationships were at night, as I said, I was carrying on my other Budget Bureau job during the day. Usually I would be -- but I don't remember exactly, I think it was almost every evening I had dinner with Newbold Morris over in the Carlton. And so, other than meeting him, I don't know what Cabell Phillips had ever done. You might again check with him as to -- I don't know whether you've been to him as to what his role, if anything, was there, but he was brought in, which I think was an inkling of what -- how Newbold Morris envisaged this particular job.

And this was getting increasingly disturbing, because as I reported back to the White

[95]

House staff, nobody would ever really believe that this wasn't by design, that -- I don't know how many weeks or months had elapsed, I don't remember the time period, you could check this, but it was two months where he had literally done nothing.

And then there was the episode where he appeared before the committee on the tankers and behaved like an utter blithering fool. I don't know who advised him. I think he held a sign up, "I'm not mad at anybody" and generally behaved in a rather infantile way which didn't exactly conform to his Mr. Clean image, although there were a number of very reputable people who were involved in this tanker deal like Julius Holmes and others.

But the plain fact was that he had nothing, absolutely nothing, after we developed a questionnaire. The staff had nothing to do.

[96]

And I don't, you'll need to check this because I don't remember the exact occasion, but I think he finally decided to send the questionnaire to people in Justice and McGrath said he couldn't do it, and McGrath fired him. I think he finally, when he was moving off the dime to send the

questionnaire out to some people in Justice, and then immediately Truman called a press conference and fired McGrath.

And Morris got ahold of me and he was very upset. I told him this was my advice which -- I remember I had said in an offhand way, it was not communicated in writing, I didn't really see any solution except to fire both McGrath and Morris. McGrath was blocking the investigation and Morris was incompetent. I think it's conclusive that the President intended this to be a full-scale, thorough, honest investigation and to let the chips fall where

[97]

they would, and he wanted us to give Morris any help he needed in doing it, any kind of staff, resources, authority, but nothing was happening. McGrath said that he was a victim of the palace guard in the White House.

And on the day that McGrath and Newbold were both fired, of course, there was a big furor and a big press conference, and all the rest of it, and Newbold asked me would I come over to have a last dinner with him at the Carlton. I said, "Well, I can't really refuse," and I went over to have a last dinner at the Carlton. And I walked into the room and there was Richard Rovere, Charles Van Devander and most of the Washington press corps and I walked in and my greeting was, "Well, here comes the palace guard." And Newbold said, "Well, tonight we're not going to have dinner in the room, but down in the main dining room."

[98]

I said, "You all can have dinner in the main dining room. I'm not, and I'm getting out of here as fast as I can." Which I did.

And that was the end of the Newbold Morris episode, although I maintained good relations with him and visited him in New York and remained on a friendly basis, and used to reminisce about some of this until he died.

But this was a very strange episode, which as I said, the President's intentions were absolutely clear here and -- but you were dealing with someone who lacked the interest, background, talent and ability to conduct an investigation. Morris was concerned only with enhancing his own public reputation. It's very heady suddenly to become a national figure with the press importuning you all the time for interviews, public appearances, television programs, this can go very quickly to someone's

[99]

head, to be a national figure. Of course, you are quickly forgotten when you are gone. And I think Newbold Morris was very susceptible. He was a thoroughly decent, very charming, delightful dinner companion. But if you had deliberately run through a computer analysis of the kind of person who would present a good public image of a reformer, but would not make an investigation or find anything, you would have picked Newbold Morris.

HESS: Do you recall that President Truman's first choice for investigator was Judge Thomas F. Murphy of New York City? In December there had been talk...

SEIDMAN: I remember something about this and this may be part of the background that he was going to bring in his own investigator and maybe this was the incident where McGrath said, "Let me get

[100]

my own man, let me do it." I do recall that now that you mention it.

HESS: In December Judge Murphy had said that he would hold the investigation and then early in January he changed his mind.

SEIDMAN: I have a vague recollection that, I would only know from what I read in newspapers, but...

HESS: Do you know -- what is your opinion as to why the President felt -- why the President wanted to fire McGrath before the Morris matter?

SEIDMAN: I don't know. I don't know. I think he -- generally I was dissatisfied with the way the Department of Justice was operated. There were rumors that -- maybe the Caudle incident had come during that period. You

[101]

know someone can check these dates very easily.

HESS: That's right.

SEIDMAN: There weren't any lawyers there.

HESS: Did that seem to be the general opinion of some of the people in the administration at that time, that the Department of Justice was sort of the weak link?

SEIDMAN: I think it was. The Criminal Division was considered to be very weak.

I would say it is very questionable to combine that role of Attorney General with that of party chairman. I don't recall the dates when McGrath was party chairman.

HESS: '48 campaign.

SEIDMAN: I was told by others that McGrath had a letter from -- after this incident, from

[102]

Truman praising him and absolving him from any blame in the Morris matter and so on. Whether this is so or not I don't know, but I've been told that.

HESS: All right, before we move back over to the Bureau of the Budget, anything else on the Newbold Morris matter, or does this pretty well cover it?

SEIDMAN: I think that covers it. Newbold Morris you know wrote a book [*Let the chips fall: my battles against corruption*, by Newbold Morris in collaboration with Dana Lee Thomas. New York, Appleton-Century-Crofts, 1955.] which doesn't disclose what I have said here. He did keep his word, his word to me never to disclose my name. If you notice, he only refers in the book to, "help from the Bureau of the Budget."

HESS: That was you.

SEIDMAN: Yes. But I did have a call after he had left from Richard Morris on the *Washington Post*

[103]

and he said Newbold Morris told him before he left that he should call me, and I said, "Oh, oh, he's violated the confidence," but it was just to be told where he could get a copy of a book I had written on investigating municipal administration.

HESS: Well, back to the Bureau of the Budget, did you assist in writing the President's budget and economic messages?

SEIDMAN: I didn't have anything to do with the economic message. I drafted the language of the budget message on criteria for use of government corporations which appeared in the '48 message. I did contribute to some of the budget messages, and I did, as I said, write the President's special message on the Panama Canal. Truman set up a small working group to develop the Columbia Valley Administration

[104]

legislation, which was chaired by Dave Bell. And I worked with Dave Bell and Marguerite Owen from the T.V.A. in drafting the Columbia Valley Administration bill and testified on the budgetary and financing provisions of the bill.

HESS: What went wrong with the C.V.A.? We do not have a C.V.A. like we do a T.V.A., what went wrong?

SEIDMAN: Well, they ran into all kinds of problems on that. Timing was different. Certainly the Bureau of Reclamation and the Corps of Engineers, who were very politically influential in the West were not very favorably disposed to having a Columbia Valley Authority.

HESS: Didn't they want the competition?

SEIDMAN: They didn't. It would have taken over their functions. It would have -- the T.V.A. in

[105]

that, it has taken over from the Corps of Engineers, of course the Bureau of Reclamation is not an additional factor in the T.V.A. area. The Corps and the Corps Service...

HESS: The Corps has the eastern part of the United States, is that right, and the Bureau of Reclamation has the west?

SEIDMAN: The Corps has all of the country and Reclamation is only in the west. You have these traditional clashes between Reclamation and the Corps of Engineers and the Corps of Engineers is a very political, powerful organization.

And the timing was bad. Government enterprise was not popular. It was feared that C.V.A. would supersede the functions of the state governments. We changed the words, from Authority to Administration although it was a

[106]

corporation, because people thought Authority implied Federal power and so on.

And as I remember it went -- and then again, I think it was the 80th Congress wasn't it, that it went to a Republican Congress. The timing was very poor, but none of them -- the T.V.A. had remained sui generis because we've never gotten another valley authority anywhere. And I think T.V.A. was a phenomenon of the depression. Bureaucratic infighting was less significant under the circumstances existing in the early New Deal.

HESS: All right. I'd like to ask a question about the men who held the position of Director of the Bureau of the Budget for Mr. Truman. Now, we have mentioned them this morning. They were Harold Smith, and James Webb, Frank Pace, Jr., and Frederick J. Lawton, but did those men carry out their duties in any noticeably different

[107]

manner?

SEIDMAN: Yes. I think Harold Smith still operated, as I remember, as the sole link with the President. He did not bring staff. He was the embodiment of the Budget Bureau in terms of dealing with the White House. Of course I don't think he was there very long with Truman. He, I think, went to the World Bank.

Mr. Webb was a much more dynamic salesman, promoter type. I think Harold Smith was more a play it cool type and Webb, I think, played quite a different kind of role. Under Webb there were closer working relationships between White House and Budget Bureau staff. That's when I began to personally, even as a relatively junior member of the staff, to have personal dealings with the White House staff. I think the linkages between the Budget Bureau

[108]

staff and the White House staff and reliance on Bureau staff as a resource for the White House as a whole, began to be strengthened under Webb.

Frank Pace, I don't think there was great difference in style between Pace and Webb. These were lawyers and more politically sophisticated types. And they were young men. Webb had a very close rapport with Truman and I think Truman had a great deal of confidence in him.

Fred Lawton, a good friend, but Fred was an old budget examiner, and career man. He was quite different. I think he had gone over first as an Administrative Assistant to the President. Lawton viewed the mission of the Budget Bureau from the perspective of a budget examiner. Lawton in the last year of the Truman administration, reorganized the

[109]

Budget Bureau and cut the management function down to about twenty people. He got rid of the Fiscal Analysis staff.

He tried to organize the Bureau into five little Budget Bureaus around the budget process, which was one of the things that greatly impaired the role of the Budget Bureau. Of course, his reorganization didn't stick; the management function grew back to what it was before. It was a very misguided reorganization.

Nothing was left of Fiscal Analysis, so that disappeared. It took some years before the Budget Bureau fully recovered from that reorganization. But Fred Lawton's approach was, you know, more conservative, as you might expect, he was a career man who spent his life on the budget side, pretty much. But this is something you find near the end of administrations.

[110]

There is a tendency to appoint career men to top posts who function more or less as caretakers.

HESS: Do you recall during Mr. Webb's period as Director, the Bureau of the Budget recommended that the armed forces be cut back somewhat more severely than the Army and the Navy would have liked, and then when the Korean war came along we were caught sort of short-handed, Mr. Webb and the Bureau of the Budget got a little bit of bad press along those lines.

SEIDMAN: Well, I wouldn't know, because that would be on the estimate side, which I didn't deal with, and so...

HESS: If you had to pick one of these four men and say that this man was the best Director, who would you pick?

[111]

SEIDMAN: I dislike these kind of comparisons, because each Director has different talents.

I think Harold Smith's contribution to the Budget Bureau is enormous, but again this was the beginning of my career, I didn't know Harold Smith as well as the others and he was there longer. You know most Budget Directors now only stay for two years. Harold Smith was there for the longest time span of any Director, and certainly the modern Budget Bureau is a product of Smith. Smith was dealing with different dimension of problems even in the war years. The need for speed, the atmosphere, the crises, are very different today. I thought Webb was enormously talented. The thing that impressed me about Webb, and he was about the only Director to do this, was that he made a deliberate effort to explain the reasons for his decisions to the staff.

[112]

I remember one involved the Federal Deposit Insurance Corporation and the need for getting control over it, which the Secretary of the Treasury was opposed to. And Webb told me, he said, "You know I agree with you on this, but I've got a line of credit with the President, and there are just so many disputes with Cabinet offices I feel I can take to the President, and this isn't one on which I can spend my line of credit." Well, this made you understand. Now, Webb did consciously try to communicate to his staff, an understanding of why he made decisions. Most bosses say: "It's my decision. I'm the boss. It's my responsibility."

I think Pace was -- he was there a short time, but, and I don't know -- Lawton was more or less the caretaker. I think most certainly the most positive personality among

[113]

the Directors was Jim Webb, but you know Jim Webb.

HESS: What do you recall about the role of the Bureau of phasing out the Office of War Mobilization and Reconversion after the war? Anything in particular?

SEIDMAN: Nothing in particular. I remember being in on details of it, but I don't have any immediate memory of that.

HESS: Do you recall if OWMR was viewed as somewhat a rival of the Bureau of the Budget at this time, since it had grown to such great power during the war?

SEIDMAN: I don't recall that. I do remember other incidents though. I remember Harold Smith was dead set against the creation of the Council of Economic Advisers which he viewed as a threat

[114]

to the Budget Bureau.

HESS: Let's develop that just a little bit. What does...

SEIDMAN: Well, the Budget Bureau, represented by Smith, the time the Full Employment Act was being drafted was quite strongly opposed to creation of the Council of Economic Advisers. At that time the Bureau had as you know, a very strong economic staff in its Fiscal Analysis staff, which was the one that I mentioned that Lawton abolished. The Fiscal Division had people like Arthur Smithies and Gerhard Colm and, you know, some of the outstanding economists in the country. And the functions which were proposed for the Council of Economic Advisers, Harold Smith thought were appropriately functions that should be. in the Budget Bureau.

[115]

HESS: If, after the time of the creation of the Council of Economic Advisers, if the President had received conflicting advice from those two organizations, whose advice do you think he would have taken?

SEIDMAN: This I don't know. You know this -- I don't think you could ever generalize. It would depend on the issue.

HESS: It might depend on how he felt that day too.

SEIDMAN: Well, he also might do a little checking with some people other than the -- you know pick up the phone and call a couple of people on the outside in whom he had confidence. Or he might ask the advice of someone on the White House staff.

HESS: If at the -- when at the time that you were

[116]

working at the Bureau of the Budget, did you have very many occasions to work with the people in the various departments; people in the Treasury Department?

SEIDMAN: Yes, I worked very closely with all of the departments in these areas, because you very rarely did anything where you didn't work fairly intimately with people in the departments.

HESS: Did you have any dealings with Mr. John Snyder who was Secretary of the Treasury Department?

SEIDMAN: Not directly. On this FDIC problem -- I did, my dealings would be more down -- were usually the Assistant Secretary level, bureau chief level, and so on. I worked very closely on the territorial matters, for

[117]

example, with Jebby [C. Girard] Davidson, who was Assistant Secretary of Interior. And I also worked with Davidson on the presentation on the Columbia Valley Administration legislation. Well, Pace then became Secretary of the Army, so on that on the Panama Canal matters, Governor [Joseph C.] Mehafeey and Governor Newcomer of the governors of the Panama Canal, and then I worked with [Oscar L.] Chapman and others in Interior on the Virgin Islands; he was then Under Secretary.

HESS: How did you find Oscar Chapman to work with? Was he

SEIDMAN: I found him very pleasant, capable. Never had any -- in fact, in a couple of cases there he supported what I wanted against what some of his staff in the Interior Department recommended. In fact, I ended up

[118]

really doing his staff work because the way that the Interior Department is organized he didn't really have a place that he could go in the Interior Department to get independent and objective advice. And this was a rather nasty kind of problem because his men were really working for the Interior committee and not for the Department of the Interior.

HESS: During the time that he was Under Secretary, the Secretary was Julius Krug. Did you work with Mr. Krug any?

SEIDMAN: No.

HESS: On the subject of the transition from the Truman administration to the Eisenhower administration, just what comes to mind when you look back on those days (even though you

[119]

stayed with the Bureau of the Budget), but were you involved any in the transition from the two administrations?

SEIDMAN: I don't remember the details. Probably Laurin Henry has this in his book. I remember Joe Dodge came on very early, and as I remember, I think we did, you know, develop transition papers and things, but my recollection is not particularly clear on the details of that.

HESS: Did you think it was a successful transition, smooth transition?

SEIDMAN: I think it was a reasonably smooth transition. Dodge was an excellent appointment, and he did not come in with suspicion of the career staff as did other members of the Eisenhower team. The Deputy Director under Dodge was Rowland Hughes who was also a Brown University alumnus, so that kind of

[120]

took some of the stigma off of me since I was a Brown man. These little, you know, small details can -- and I imagine though, as I said, on things like St. Lawrence Seaway, suddenly there developed a degree of confidence in me, and some other things, where -- so they tended to use me in my close association with Meyer Kestnbaum.

I think my problem was somewhat different. I also had an expertise which was very much in demand in the Eisenhower administration because I knew how to finance programs outside the budget. That became a very important expertise if I could come up with ways that I could get their programs and not have them appear in the budget, like Fannie Mae and the highway program. Things were reasonably relaxed in the Eisenhower administration.

[121]

HESS: What in your opinion were the major accomplishments of the Truman administration?

SEIDMAN: Well, I can only, you know, talk in the area of which I have some professional competence and knowledge. And I think I do sum this up in my book, and it was partly the follow-through from the Hoover Commission.

In the area of government organization and structure, certainly a number of major reforms were accomplished during the Truman administration, and I think one of the reasons for this -- I think the philosophy and approach of the Presidency of Mr. Truman and Mr. Hoover were quite compatible. They had the same concepts of the role of the President and departments. And

through these reorganization plans, he immeasurably strengthened the position of the department heads and eliminated at least the legal basis

[122]

for all these independent fiefdoms within the departments. These were the series of reorganization plans which transferred all the functions of subordinate agencies and subordinate officials to the department heads. And this also has given flexibility within the department structure to reorganize and readapt departments to program changes. I think there were more reorganization plans under Truman than any other President. You can say this was the Hoover Commission, but the Hoover Commission by itself wouldn't have done this without the President's support. The reorganization plans were not merely duplicates of what the Hoover Commission had proposed. There was a major overhaul of the executive branch structure of considerable significance under Truman.

I think Truman's thinking about government organization was basically the orthodox approach

[123]

of economy, efficiency, overlapping and duplication. I don't think he had a conscious organization strategy in the way that Roosevelt did of how you use the structure to support your strategic objectives. I never had a feeling that Truman had -- I don't think Truman was a philosophical thinker. He did not think in these terms, he was a pragmatist. On the other hand he was a pragmatist who had a very keen sense of the office of the Presidency and the protection of the office of the President. I think Truman never really, as some Presidents do, identified the office with himself. And he was sensitive to attacks on, or measures which would impair the institution. This he regarded as being more important than what affected Harry Truman personally. I think he was very sensitive about this. He was basically a modest man,

[124]

which most Presidents are not.

HESS: What is your estimation of Mr. Truman's place in history? Just one or two hundred years from now, how will he be regarded by historians and members of the general public?

SEIDMAN: Well, I've read everything and I would say as the years go by the reputation of Harry Truman is enhanced. Of course, you know he fitted in with the temper of the times. Although I do remember, you know, sometimes people forget -- the first years of the Truman administration were rough while Harry Truman was learning. Things were not going very well, but he learned.

I think a major characteristic that I've heard of Truman was the ability to learn, that he didn't assume because he had become President that he necessarily was wiser and knew more than other people. This is a tendency of many

[125]

people on achieving high public office, they assume because of that they -- that that makes them by divine right, more intelligent and wiser than anybody else. They forget they have a lot of

people around and if they know how to use them they can make them appear to be wiser and more intelligent than anybody else. And I think Truman knew how to use his staff and resources, and as I said, he was a prodigious reader and retentive, and he learned from his mistakes. Not all Presidents do that, but I think certainly as most of the historians have classified him certainly in the upper ranks of Presidents. Certainly there is nothing in the way really of innovations. You can't point to the Truman administration as a source of bold new directions and approaches or turn arounds.

And some of the things that came up in

[126]

the Truman administration really, the initiative wasn't in the White House, entirely, the Marshall plan and that was certainly a major contribution. In taking over the Greek-Turkey and some of these were things, you know, was a force of circumstance. What other choice did you have -- when the British pulled out?

But I -- it is very interesting, do you know who the one who Nixon tries to model himself on more than anyone else and his greatest hero, although there is a degree of antipathy, was Truman. You just read Nixon's stuff, he is always citing Truman as kind of model. I don't think President Truman would be necessarily flattered by this, that is true.

HESS: What do you recall about the origins of the Marshall plan, any inside information?

SEIDMAN: Yes, I worked on that. That, I think

[127]

I still have files around. I think I may still. I wonder if I still kept any of that. No, I was heavily involved in that. I still have, I kept a few of my old files.

HESS: About the Marshall plan, did the idea for that come from one particular person or from a group of people?

SEIDMAN: Well, it came from a group of people. As I remember there was a [Christian A.] Herter Committee.

HESS: Do you recall Will [William L.] Clayton's involvement in this matter?

SEIDMAN: Not directly.

HESS: He was in the Department of State at that time.

SEIDMAN: I dealt with, apparently, my file

[128]

indicates it was from someone named Mr. Bramble, this was August 1947, but I was heavily involved in drafting. Now that I remember, this was another one of my -- and I recall one of the

principal issues which I got involved in, because Mr. Herter and his group wanted a corporation to administer the Marshall plan because a corporation by definition is businesslike. Also, they wanted to keep it out of the State Department, and this became a controversy with [Senator Arthur H.] Vandenberg as to whether it should be in the State Department, an independent agency, or corporation, and I could not see this as a corporation. It was not a commercial type of activity. And I did because -- now that I raise it, I did draft a sort of compromise because to compromise this I drafted the language which is in the Marshall Plan Act which authorized the

[129]

administrator to create a corporation, if need be, to administer the program, but not to have it a corporation.

HESS: If he felt he needed one.

SEIDMAN: That's right. So, this is the way I finessed that problem, but I did draft a number of memos which are here on whether the -- my major involvement here was whether there should be a corporation for the administration of the Marshall plan, and in which I prevailed and I didn't -- I was part of the drafting team on that.

HESS: Yes, just the mere fact that you've got a folder of documents here and we discussed earlier a few papers. If you find any more, we certainly would like to have them for the Truman Library.

[130]

SEIDMAN: Well, you probably have these. This was -- should be out of the Budget Bureau. For example, here's a staff memorandum November 3, '47 on the use of the government corporation for administration of European Recovery. You ought to have these because I negotiated that -- these files that I have are only duplicates, with our own archives of records, as these are not -- I did not take original -- these are just -- on the other hand, I will say that the archivists do not keep documents the way I do. I was using this as a resource work in other areas on government corporations and other things and they would prepare everything as you know, as an action document, as sequence of things on a particular action, which was not very useful for my purpose. I think this staff memorandum got printed in the record.

[131]

HESS: We could well have those documents at the Library, but

SEIDMAN: And I have, you know, a memo I sent -- here's a copy. This is a memo that I sent to Fran [Francis Orlando] Wilcox of the Senate Foreign Relations Committee. There's...

HESS: Nevertheless, if in years to come, don't throw them away. If you don't know what to do with the records, with your files, we would like to have them for the Truman Library and then they would be the Dr. Harold Seidman records at the Truman Library.

SEIDMAN: Now here's something which is -- says confidential, what is it? It's a draft of the European Recovery Bill.

HESS: Do you know why Mr. Paul Hoffman was selected to be the administrator of ECA?

[132]

SEIDMAN: Yes. Because: 1. He was a Republican who was wholly acceptable to Democrats, and he had a reputation as an administrator. This was a very crucial factor in getting legislation through.

Now this was a little sidelight, which I might bring in which is useful, because this was one thing President Truman learned -- or maybe didn't learn -- I learned maybe from him, but that if you're going to get some things through Congress you have to let them know who is going to administer it. Now getting Hoffman agreed on in advance for this was important. But this was what when we were involved in the reorganization Reconstruction Finance Corporation to replace the board with a single administrator. When Truman let the Congress know that [Stuart] Symington was going to be single administrator, that made that

[133]

acceptable, while it would not have been otherwise.

HESS: Was it a requirement of Senator Vandenberg that the administrator be a Republican and preferably Paul Hoffman? In other words, did Mr. Vandenberg pick Paul Hoffman?

SEIDMAN: I don't know the details other than that Hoffman at that time had a tremendous reputation as an administrator. He was acceptable to the Democrats and the Republicans, he was a Republican. And then as I understood it, there was an agreement that -- of course, the Budget Bureau position as I recall it, I don't know whether the bill had it. You know there was an issue whether this should be under the State Department or independent. And of course, people in Congress didn't want it in State. Now my recollection

[134]

is not clear, but I know the Budget Bureau fought traditionally to keep it in the State Department. From hindsight, I think this would have been a disaster.

I think here is where the Congress was a lot wiser than the traditionalists in the Budget Bureau.

HESS: Do you think though that by having two separate branches like this or a separate ECA going into a country, take Greece for instance, and then you have the State Department already there, do you think this caused friction, or rivalry?

SEIDMAN: It caused considerable friction and I guess, I don't know whether this was -- I guess it was under Truman I was sent abroad to look into the relationship.

HESS: Where did you go?

[135]

SEIDMAN: I went to Norway, the Netherlands, Belgium, France, Italy...

HESS: Did you find a good deal of friction there?

SEIDMAN: Yes.

HESS: What did you try to do to alleviate it?

SEIDMAN: Well, we got an Executive order out which put the Ambassador in charge, and the country team -- well we changed the relationships. In fact, we did get the first Executive order saying -- because what happened was that you had a duality at the time because, for example, in Norway the ECA people had built their lines of communication into the Department of Commerce, you see, and then traditionally this is part of the problem. The State Department people only deal with the Ministry of Foreign Affairs. And so, the ECA people were playing off the

[136]

Commerce Department in Norway against the Ministry of Foreign Affairs which the State Department was using. On the other hand you didn't have this problem in the United Kingdom because they, as in a couple of countries, said all dealings with our government on the Marshall plan should come through one office.

HESS: What countries?

SEIDMAN: The United Kingdom, Great Britain. In other words, they prevented conflict by establishing a single channel for Marshall plan business. I think the Netherlands did the same thing. So, in part, whether there was friction of this kind of thing, depended on the action of the host country. Now there were problems.

Now, on the other hand, in Paris I found that Tomlinson, who was also the Treasury

[137]

man there, the Ambassador, who was then [Howard] Bruce used him much more than -- because he was more competent, than the State Department people.

Now, of course, we also had several Ambassadors, I remember, who went to the office as special representatives, we had about three Ambassadors in Paris which was the problem. [Averell] Harriman was there, Bruce was there, and I guess Harriman's deputy Milton Katz was also an Ambassador so -- but a degree of competition is not necessarily in and of itself undesirable. You know this kind of large operating function is not one for diplomats, nor could the State Department machinery be geared to this kind of operation.

HESS: They needed businessmen and administrators.

SEIDMAN: Yes, and economists and willingness, it's

[138]

a different role. I mean it was wholly contrary to the way a State Department man was brought up and how you dealt with a foreign government, and didn't intervene in internal affairs, And the nature of the Marshall plan meant that you were intervening very heavily in internal affairs.

HESS: What's your evaluation of the success of the Marshall plan?

SEIDMAN: I think it was a tremendous success. Of course, one of the things didn't work interestingly enough. You know the intention that we had was, the distribution of the Marshall plan money was to be done not by the U.S. Government, but by, I forget what they called it, a council, which was to represent all the participant nations in the Marshall plan, and it would make the decisions on resource

[139]

allocation, but it never worked, and so, we had to pick it up. But the original concept, the decisions on the -- I don't know whether it was called the Council on Europe or what the name of the body was, but it was the intention -- I guess when they originally talked about it, you know, the Alliance for Progress had some concept of this kind. But the original thought would be a council representing the various participant countries in the Marshall plan and they would make the resource allocation decision, that never materialized. Obviously France wasn't going to be in a position of saying what Italy got, nor would Italy stand for France reviewing its needs.

HESS: That wouldn't work very well would it?

Do you have anything else to add on Mr.

[140]

Truman, or the Budget Bureau?

SEIDMAN: No, I don't think so.

HESS: What we have done here and in your book, both together, will pretty well cover the field?

SEIDMAN: Yes, the section on Truman is relatively short. I compare Roosevelt, Truman, Johnson, Kennedy, Eisenhower.

HESS: That's done in your book?

SEIDMAN: Yes.

HESS: That's a question I quite often ask, but since you have that down in your book, we'll just ask that researchers look there.

Think that pretty well covers it for one day?

[141]

SEIDMAN: Yes.

HESS: Thank you very much.

APPENDIX (*Needs Scanning*)

[159]

INDEX

Adams, Sherman, 53, 54

Andrews, Russell P., 9

Baum, Morton, 91, 92-93

Bell, David E., 9, 104

Blaisdell, Carl, 78-79

Brundage, Percival F., 31, 37

Bureau of the Budget:

 and Congress, 28-30

 in the Eisenhower administration, 31-32

 Office of Management and Budget, changed to, 17-18

 reorganization of, in 1952, 108-109

 role of, 5-9, 12, 15, 17-18, 49-51

Byrd, Harry F., 47

Carmel, Willard, 79, 84

Caudle, T. Lamar, 71

Chapman, Oscar L., 117-118

Clifford, Clark, 19, 20

Columbia Valley Administration bill, 103-106

Council of Economic Advisers, inception of, 113-115

Cutler, Robert, 54

Davidson, C. Girard, 117

Dawson, William L., 46

Dean, Alan, 27

Department of Investigation, City of New York, 2-3

Dewey, Thomas E., 2

Dodge, Joseph M., 31, 119

Dulles, John Foster, 55

Eisenhower, Dwight D.:

 and Presidential initiative on legislation, 25

 and St. Lawrence Seaway bill, 24-25

Eisenhower, Milton, 54-55

Enrolled bills (file), 7, 51-52

Executive Council on Organization (Ash Council), 38

Finan, William F., 26, 42
Fugate, Congressman Tom B., 56, 59

Goodpaster, General A. J., 55
Guam Organic Act, 20-24

Hansen, Donald, 77
Harlow, Bryce, 45
Henry, Laurin, 119
Herlands, William, 2
Herter, Christian, 127, 128
Hoffman, Paul, 131-133
Hoover Commission, and Bureau of the Budget, 32-33
Hoover, Herbert, 32, 34, 35-36
Hughes, Rowland, 119

Jean, Arch, 79
Johnson, Lyndon B., 12, 13, 25-26
Johnson, Senator Edwin C., 61, 62
Jones, Roger, 41-42, 48, 49
Justice Department scandal, 68-102

Kestnbaum, Meyer, 36, 37, 54, 120

Lawton, Frederick J., 27, 108-110, 112
Lloyd, David D., 77

McGrath, J. Howard, and investigation of Justice Department, 68, 69, 70, 72, 75, 76, 77, 82, 96-97, 99, 100-102
Manatos, Mike, 45, 48
Marshall plan:
 implementation of, 134-139
 inception of, 126-129, 132
Mayo, Robert P., 15
Mehaffey, Joseph C., 117
Moore, Scott, 57
Morris, Newbold, and investigation of Justice Department, 69, 70, 72-99, 102
Murphy, Charles S., 44
Murphy, Thomas F., 99, 100

Neustadt, Richard E., 9
Newcomber, Francis K: 10, 11
Nixon, Richard M., and President Truman as a model for, 126

O'Brien, Lawrence F., 44, 45

Pace, Frank, 108
Panama Canal Company, legislation on, 11, 47
Phillips, Cabell, 92, 94
Pleydell, Albert, 79, 80, 84
Pollock, James K., 34
President's Advisory Committee on Government Organizations, 36
Price, Donald, 36, 38

Questionnaire, proposed for investigation of Department of Justice, 82-91, 96, 143-158

Reorganization of executive department, importance of, 121-122
Roosevelt, Franklin D., White House staff and, 6-7
Rovere, Richard, 97
Rowe, James, 6-7, 33, 34

Sady, Emil, 22

Scandal, in Justice Department, 68-102

Seidman, Harold:

- biographical data, 1-4
- Columbia Valley Administration proposal, contribution to, 103-104, 117
- Congressmen, relations with, 55-62
- Guam Organic Act, role in, 21-23
- and Hoover Commission reports, 33-35
- Jones, Roger, relationship with, 41-42
- Marshall plan, contribution to, 128-130
- Morris, Newbold, relationship with, 75, 102-103
- and Panama Canal legislation, 56-62
- President's Council on Executive Organization, consultant to, 18
- and St. Lawrence Seaway bill, 24-25
- speechwriter for President Truman, 11, 103-104
- and Suez Canal crisis, 54-55
- and Truman, Harry S., meeting with, 23-24
- White House staff and Bureau of the Budget relationship, views on, 63-65

Shanley, Bernard, 45

Smith, Harold, 107, 111, 113-114

Snyder, John W., 116

Stauffacher, Charles, 20

Steelman, John, 19, 65-66

Stowe, David H., 9, 10, 11, 47, 48

Transition to the Eisenhower administration, 118-120

Truman, Harry S.:

- accomplishments of his administration, 121-123, 125-126
- as an administrator, 125
- Bureau of the Budget memoranda, reader of, 27-28
- Bureau of the Budget, role of, 6, 7-9, 38-41, 51-53

- and congressional liaison, 45, 46-49, 62, 63
- estimation of, 122-126
- and Guam Organic Act, 20-24
- legislative program, first President to have, 48-49
- and Morris, Newbold, 78, 86-87
- press conference on the budget, 67-68
- and White House staff, 8-9

Thompson, Congressman Clark, 56, 59

Van Devander, Charles, 97

Webb, James, 8, 107-108, 110, 111-113

Weinman, Abraham, 80, 84

White, George H., 79

White House staff, role of, 8-9, 12

Wilcox, Francis Orlando, 131

Wilson, Henry Hall, 48

Yavner, Louis, 74, 75