

Oral History Interview

with

JOHN W. SNYDER

Secretary of the Treasury in the Truman Administration, 1946-53. Other Federal positions once held include Executive Vice President and Director, Defense Corporation, 1940-43; Assistant to the Director of the Reconstruction Finance Corporation, 1940-44; Federal Loan Administrator, 1945; Director, Office of Mobilization and Reconversion, 1945-46. Secretary Snyder's longtime close friendship with Harry S. Truman began with their service in the U.S. Army Reserves after World War I.

Washington, D.C.
March 15, 1980

This interview was conducted by Richard Shick for the Oral History Committee of the Treasury Historical Association and donated to the Harry S. Truman Library for its oral history transcript collection.

The Harry S. Truman Library
Independence, Missouri
November, 1982

NOTICE

This is a transcript of a tape-recorded interview donated to the Harry S. Truman Library. The reader should remember that this is essentially a transcript of the spoken, rather than the written word, although some editing was done.

RESTRICTIONS

This oral history transcript may be read, quoted from, cited, and reproduced for purposes of research. Requests to publish or for further information should be directed to the Treasury Historical Association, Washington, D.C. 20220.

[1]

Oral History Interview

with

JOHN W. SNYDER

Washington, D.C.

March 15, 1980

by Richard Shick, Treasury Historical Association

SHICK: This is Richard Shick and we're talking with Mr. John W. Snyder, former Secretary of the Treasury.

Mr. Snyder, let's talk about personal impressions first. Do you recall your first reactions on being nominated to the Secretary of the Treasury?

SNYDER: Well, it's going to be a little surprising to you, about the time that I had to reflect. President Truman announced at a press conference that he was appointing Fred Vinson as Chief Justice of the Supreme Court. The reporters started to rush out but stopped to ask, "Wait a minute, who's going to take his place at the Treasury?"

[2]

He said, pointing at me, "That fellow sitting right there." So you can see how much time I had to reflect upon the appointment.

SHICK: Did you have any inkling?

SNYDER: No, frankly I had been hoping very much to be able to go back to St. Louis to the First National Bank. I had given up the Presidency to come to help Mr. Truman when he first became President, and continued to hope to find a way back. I was his first appointment - he named me Federal Loan Administrator, as that job was open at the time and there was no question about replacing someone. As I had considerable experience in the RFC and in the Federal Loan Administration, I was immediately confirmed. I was in the Federal Loan Administrator job about three months and did quite a number of things there in consolidating war-time subsidiaries, and planning for the financing for the reconversion period. I worked

[3]

out a plan between the banks and the RFC to share loans to small business and to larger business for the transfer from war to peace. I had consolidated all the various subsidiaries such as

Defense Plant Corporation, Rubber Reserve Corporation, Defense Supply and others back into the mother corporation, the RFC. And about that time, Henry Morgenthau resigned as Secretary of the Treasury. President Truman and I had talked about that before. He and I discussed a successor quite a bit. We knew well that he would not retain Morgenthau in that office.

It was my opinion that Fred Vinson would be of great value to him up on the Hill because with the war over we would run into all sorts of legislative problems, particularly taxes and reorganization of the government and things of that character. Because of Vinson's long experience in Congress in the House Ways and Means Committee, we thought that he would be a very good man for the President's

[4]

Cabinet in the tax side of it and so I was fully expecting that appointment. When he was appointed, I was unexpectedly moved over to his job, the OWMR (Office of War Mobilization and Reconversion). Of course, that was not a spot that I would have chosen for myself. It was more or less a workable operation, so far as mechanics were concerned in wartime as things were somewhat controlled by our being in an emergency war situation. But once the war was over, getting the cooperation back, getting the departments back in their old functions again was a pretty delicate political operation and I had never been in politics at all. The only time I got in politics was when Mr. Truman was running for office and that was to help in the background in raising funds. So, I was, in my own mind, not suited for that highly political position. It was not a happy appointment as far as I was concerned, but the President was in Potsdam and

[5]

the ox was in the ditch, so without any question I went along and was sworn in and operated that department for about nine months. We think we did a tremendously good job in spite of what the papers, the liberals and the opposition felt about it. We had, within less than nine months after the war, the peacetime economy running to a capacity that was in excess of what it was before the war. So, the move out of OWMR for me was very pleasant. It was good to get into business and banking which I knew something about.

So, that was the immediate reaction. However, it was not so much as to what my reaction was, but the suddenness of it. I had to get quickly to the Undersecretary of the Treasury and assure him that I knew nothing about this, or I would have talked with him if I had known it and that I definitely wanted him to stay on. That was Governor O. Max Gardner, from North Carolina, who was helping Fred Vinson out over there and I certainly didn't

[6]

want to lose him. After I got through talking with him I told him (I went over to his house - this was late in the afternoon - he had gone to the Mayflower to his apartment) so the minute I got out of the Press conference I made a beeline down to their apartment and caught Mrs. Gardner and O. Max there and told them what had happened, and the circumstances. It's up to you now, Governor, what we do about this. If you will not stay with me, I'll go right back and tell Mr.

Truman that I won't take it. Oh, he said, you can find plenty of people. I said no, you're the one I want and I want to urge you to take it and I hope that you'll see your way. Well, he and his wife talked about it and while they did, I said I'll tell you this, if anything ever comes up that you want, after helping me get settled over there, if anything ever comes up that you want, after helping me get settled over there, if Mr. Truman can get it for you, I'll certainly do my best to get him to do it. Oh, he says, I think you're pretty sincere

[7]

about this, therefore, I'll promise you I'll help you get started. He did not make a long time commitment.

SHICK: Nowadays there's a lot of pre-clearance and pre-investigation.

SNYDER: Well, that's the proper thing to do, of course, but Mr. Truman was suddenly catapulted into that job and quite a number of FDR's Cabinet members wanted to get out. But most of them - about half of them I'd say - promised to stay on for a few months so that he could look around and get people he wanted. Miss Perkins was one, Stimson was one, and there were several. The Postmaster General Walker was not well and he had been trying to get out for some time. They acted very kindly about it. By July, all but Wallace, Forrestal, Ickes and Stimson had resigned.

SHICK: Did you have any preconceived view of the Department and were these substantiated or

[8]

changed as a result of your six year tenure?

SNYDER: Well, I guess I had quite a number of preconceived notions about certain segments of it, as I had been in banking all my life and had been before the Treasury on bank matters before and then when the crash came in '29 I was asked by the Comptroller of the Currency, Robert Neil of St. Louis, Missouri District, to help with some of the closed banks and it ended up that at one time I had eight that I worked with, trying to either get them reorganized, reopened or to liquidate them. I was very fortunate in that because of the eight, one of them reopened, four liquidated up in the top eighties or ninety percent. One liquidated in full and two unfortunate ones had their presidents commit suicide when they closed. So you can imagine what you'd find in such a bank. They experienced bad liquidations because somehow the bank's liquid assets had been taken out before the suicides.

[9]

Then, of course, I had been in the Defense Plant Corporation, running it for Mr. Jesse Jones. I went down to Washington in 1940 and with several of the RFC people, Emil Schram, Hans Klagsbrunn, Cliff Durr, and Claud Hamilton, Chief Counsel for the RFC, we organized the Defense Plant Corporation, whose function was to furnish money to build plants to build things for the war. So we set up rather a unique system which I could take three or four days to tell you

all about, but it will suffice to say that during the course of our operations over three or four years, we advanced over 11 billion dollars in building plants for the war. We built up the aircraft operations - we built 15 or 20 plants for that. We built all the synthetic rubber plants, we built all of the magnesium plants and we built aluminum plants. We actually financed everything you could think of from plants to build tanks, to build trucks, and even to industrial diamonds. That was about the smallest one we built.

[10]

Well, Defense Plant was given carte blanche in drawing on the Treasury for the money that we needed. So I got very well acquainted with the Treasury during those three or four years. And, of course, having been in banking I was back and forth from the bank with the comptroller very regularly and, of course, when it came to the management part of the Mint and the Bureau of Printing and Engraving, the Customs - those were all things that I had to get in and get acquainted with.

SHICK: Did you ever think during this period, before you had any inkling that you would become Secretary, what you might do if you were Secretary?

SNYDER: I never gave any serious consideration to becoming Secretary of the Treasury before I got the appointment.

SHICK: Did you enjoy the job?

[11]

SNYDER: In the Treasury, yes. Very much so, but even then, it had its unpleasant sides. Our problem in the Internal Revenue was anything but pleasant at times. We had men that for political reasons or for greed or for something, as collectors went haywire. After we had studied I.R.S. under O. Max Gardner, and later Lee Wiggins, who I brought in to succeed O. Max Gardner, their studies began to unfold that there was something askew in the Revenue Service. By the time Lee quit, I had moved in myself to see if we couldn't get it straightened up. Then we found that the further we dug, more sketchy problems came up and in due time, the head of the department got in trouble and went to jail for some of his missteps. We then brought in a company to make a thorough study and recommend a reorganization. The principal recommendation they brought out was to take the Service out of politics and stop the patronage appointments of the collectors.

[12]

This we did and fortunately I just got under the wire as we just installed the last collectors of internal revenue a few months before we went out of office in January 1953. So we did get that job finished. Generally speaking the Treasury. I have found, just required a thorough reorganization. The Customs Department had practically become dormant during the war. There was not a lot of imports and exports you know, and many of the good people had gone somewhere else. It meant going in and completely reestablishing new rules and new planning

and new field work programs, and that sort of thing, so I again brought an outside company in to help accomplish that.

The Coast Guard was organized initially way back in the early day of the Treasury to assist in the collection of customs because of the imports and exports brought in by ships. The Coast Guard watched and helped hold down smuggling and that sort of thing. But in time

[13]

of war, the Coast Guard, because of its water- borne attitude, was transferred to the Navy and then when the war was over, it was put back into the Treasury. Well, it came back to me shortly after I arrived in the Treasury. It had been in the Navy for four years during WWII and I had a situation to meet in which I had 385,000 enlisted men in an organization that during peacetime would require 75 or 80 thousand. And I had all the seagoing vessels, the airplanes and equipment of that sort that had to undergo a housekeeping job to get the organization down to a workable peacetime operation. That required skill and reorganization and management which we think we did very excellently.

SHICK: Could I ask, getting back to the IRS, you said that prior to your tenure, the Revenue Collectors, the Tax Collectors, were not under the Competitive Civil Service System.

[14]

SNYDER: Well, no, they were appointees or the congressmen. The congressman appointed them and the President normally checked them. They were given a checkup by the FBI or the Secret Service and the President appointed them. They were purely patronage jobs.

SHICK: Were these at the supervisory level?

SNYDER: Yes, they were at the supervisory level, the rest of the employees were all under Civil Service. For instance, the St. Louis office would have a collector and he was a pretty important man to the Senator and to the Congressman of Missouri because there were always tax problems. They wanted a man who was sympathetic and sometimes he got over-sympathetic.

SHICK: Did you find any evidence that Presidents had used the IRS Tax Collection and Tax Investigation functions for political purposes as recent Presidents have been accused of doing?

[15]

SNYDER: No, I'm pretty sure that FDR didn't. I know Truman did not. No, it got to be largely... if anyone was misusing it, it was the Commissioner or the Collector of Internal Revenue. Hannegan was the first one to hold the position under President Truman.

FDR made Hannegan the Chairman of the Democratic National Committee and kept him there while he ran for office in the 1944 election. Morgenthau had appointed him Commissioner of Internal Revenue. He was in that job when Truman took office.

The Postmaster General had for years been the Chairman of the Democratic National Committee, and it was largely a political job because the postmasters were all appointed as patronage appointments. When Mr. Truman became President Postmaster General Walker was sick and early resigned his office. Mr. Truman made Hannegan Postmaster General and he continued as Chairman of the Democratic National Committee until he

[16]

later resigned.

SHICK: Was being secretary of a large and important cabinet job different in kind or degree from your other high-level jobs, especially as Director of War Mobilization and Reconversion?

SNYDER: Well, War Mobilization and Reconversion was a completely different type of operation. It had a very small staff and was housed in the east end of the White House, in the annex over there. The Treasury, when I went in there had 110,000 uniformed employees and stretched in every crack and cranny of the nation, and it had all sorts of different bureaus in it, and so there's just no comparison with OWMR. That was a close-knit policy group. It would not compare even in a modest way to RFC, because the RFC was much larger with offices all over the country.

I will tell you of an incident that might help you understand this problem: When I went

[17]

to my uncle's little country bank down in Forrest City, Arkansas, it was a small bank, and I'd just gotten back from WW I, where I'd been in Europe with the 32nd Division as Captain of Field Artillery, and serving as operation officer of the 57th Field Artillery Brigade. But when I got back and went into a little country bank belonging to my uncle, Judge E.A. Rolfe, I didn't know a thing about banking, so what I did ... I learned everything from sweeping out to going out to collect overdrafts and dozens of other things. I learned the adding machine, to post books, to make loans, to foreclose all loans, and I learned to draw up mortgages, so as I went on up the ladder, I found that as I got to the bigger banks, instead of one person it was usually a department. There was a bookkeeping department, there was a loan department, there was a department where you had a department head who was actually the one fellow

[18]

in my first bank. And then when I got up to Washington to the RFC, I just found that it was the same way, only they were spread out all over the country. But it; was the same operation knit together. The Treasury, that part, was a gradual buildup of adjusting to conditions.

SHICK: As a manager and in terms of personal relationships was government service very different from private industry?

SNYDER: Oh yes, it was tremendously different for many reasons. . .in certain principles no, but when you considered certain principles that are required and necessary in dealing with people and studying character, and making judgments, whether you can trust this person with this responsibility, all of those things were somewhat the same. But where the difference comes in is on the political side. The RFC had a great deal of politics connected with it in that Congressmen and Senators and

[19]

others would want a plant build in a certain place and we had to juggle around, and you learned how to get along on that. But in a bank, your board of directors is about as far as you have to go, except that you have to comply with the laws that are put together controlling certain policies and actions of the bank that you have to comply with, have so much reserves on your deposits in cash, that you can make loans up to a certain degree, and all those sorts of regulations. Largely though, you and your Board of Directors, and the bigger the bank gets, you and the executive committee run the business.

SHICK: Whereas in the government . . .

SNYDER: In the government you have to go to Congress, you have to go to the President, the public demands and you've got to do this, that or the other one. Yes, it's a whole lot different. Well, for instance, I've just created as a memorial

[20]

to President Truman a scholarship program. Senator Symington came to me and said, "John." But you see all these things go way back and I have to give you some background information. I introduced Symington to Senator Truman years ago. Stuart Symington was head of the Emerson Electric in St. Louis and was a very fine fellow and a friend of mine. I introduced him to Mr. Truman and they became good friends too, so when he got into his race in 1940 for reelection for Senator, Symington pitched in and helped. When Truman was running for Vice President with Roosevelt, Symington was right in there as he also was in 1948. He gave up his company and came to Washington to work for President Truman in 1945. The last year that we were in office, Symington ran for, and was elected to, the Senate and had remained there until a couple of years ago. So about two or three weeks after the President died, Symington came to me and asked what the Congress

[21]

could do to enact an appropriate memorial to our great President, that he would have liked. Can you help us? I said I'd be delighted. He asked, do you have anything in mind. Yes, I have, but I will tell you to start with that President Truman would never want a pile of bricks and stone to commemorate the past. He would want something that would build for the future. He said that's it, but I said wait a minute, I will have to talk to Mrs. Truman and Margaret about it, they may

want something different. So I went out to see them and they were delighted with the idea. I came back and told Symington and he said wonderful, let's have it.

I went to work putting a plan together. . . I borrowed people from Georgetown University, George Washington University, Harvard and Vanderbilt to help me put together a program that would give a four-year scholarship to people to be leaders in government. They could come in and give

[22]

leadership, inspiration, and guidance to government operation, because I had seen along the line a need for it. A way back in the Defense Plant Corporation, under the pressure of war, we would get good people, and we got bad ones, you would get mediocre ones, sometimes geniuses, but you didn't always get a positive able crowd. So there was a good opening for trading in the background. Then later when you needed government-trained people on every hand, it would be awfully fine if you had a source of competent, able, and well-prepared people. So I set up the plan originally on the angle that at first, my idea was to catch the students as fresh as possible before they got wild ideas, liberal views, or one view or another. But the more I talked about it to heads of schools and college presidents, they said no, you're going to find that when the freshman comes in... he's so busy throwing off the shackles of home, and enjoying his new freedom that he's not thinking about what he's

[23]

going to do later. He's just passing his grades, getting into school politics, going out with girls... his mind is not nearly ready for this. Well, what about sophomore? No, he's just so glad to throw away that green cap and begin to get some dignity and recognition around the campus and have a little authority over the freshmen, it won't do. Well, what about the juniors? That's different. When a student wakes up one morning and finds out that "I'm a junior and have only got two more years to prepare myself for what I'm going to"... he begins to think. So, we set it up so that the scholarship program would start with the junior grade of an accredited college. He'd get a bachelor's degree and then go on to get a master's degree. By that time, we know that with our plan, we can have him trained. But, we immediately ran into the problem that you had to be extremely cautious in outlining the study program, because

[24]

colleges did not want the government fooling around with their curriculum. We decided that the type of course would depend upon the student. But how are these students going to know about the electives? Just by happenstance? So, we thought of this one: "Nominees for Truman Scholarship must include in their nomination materials a statement of interest in a career in government that specifies in some detail how their academic program and their overall educational plans will prepare them for their chosen career goal. Courses in history, political science, public administration, economics and finance, and international relations are among the types of studies considered by many educators to be appropriate for such a career. Because no list of areas of

study can be comprehensive or exhaustive, nominees should feel free to offer other relevant and appropriate fields of study that they believe will help prepare them

[25]

for a career in government.”

Then we thought of a new idea, that between the bachelor’s degree and the master’s degree, give them a year’s leave of absence and get them a real job in government. We tried it out on the governors, on the mayors, and on the Federal departments. All of them approved of the idea as it would reveal to the student the electives that should be chosen in the last two master’s years. The plan made it voluntary on the part of the students ... we’re not going to force them to do this, because some might want to go on and get through and get married, or if he’s already married and wants to get a job, so we made it selective whether he would do it or not. Well, it just turned out magnificently, nearly half of them have taken that option. Most of those who chose law want to go on without interruption. But it’s just been splendid . . .the government is happy over it, the governors are happy over it,

[26]

and the mayors are happy over it.

One more thing, and I’m going to drop that subject, we are now selecting the fourth class... it took us three years to put that through Congress. I made up my mind that we should not be running up to Congress every year to get appropriations, so I got the Treasurer of Georgetown University and the Treasurer of Harvard University to make up a projection of a budget of what it will take to educate these students annually, when you get your full 212. It came to about \$1,500,000.00 per year. We went to Congress and included in the legislation \$30 million dollars cash, which now is invested in government securities. The operation cost of the Foundation is paid out of the income from the corpus. So, it’s now a perpetual program fully financed.

Now this gets back to something you asked me a while ago. We were set up by Congress,

[27]

signed by the President, as an independent establishment of the Executive Branch of the United States Government. We are so independent that we only have to consult or see or check with 12 other departments ...Civil Service ... Treasury ... The Bureau of Printing and Engraving. The GAO... do you know that if we design a special type of stationery, we have to go up to Congress because we want to put Truman’s picture on the letterhead. If we’d just taken a piece of paper and printed the agency’s name on it, okay, but if you wanted any special design ... well, anyway you asked a while ago and I’m answering it in a simple way.

SHICK: So, as a decision maker in government you have a lot more strings on you than in the private sector?

Do you remember any particularly funny anecdotes?

[28]

SNYDER: Well, yes, I've always enjoyed this one. A bank got into trouble so the Comptroller came up to me and said we've got a bank out in Missouri ... it's a good bank, a three-generation bank but these last two scions of the family went to Yale and they just got so important that they can't go out and get the farmer to plant his crops right and they can't bring pressure when they get behind on payments ... and have taken in a lot of real estate in payment of loans, and they've got a lot of delinquent accounts. Can you do something about it or make a suggestion? I said yes, I picked up the phone and called a friend of mine down in Fayetteville, Arkansas, and I said, Mr. Covey, I want to borrow your son. He said what do you mean, borrow your son? I want him to go and clean up a bank and get it on its feet again. No, John, you can't have him, because he is going to take my place... I'm not going to ... I interrupted, you can

[29]

have him back ... yes, he said, I know, look at you, you were coming back in three weeks when you went to Washington and never did get back. I said, wait a minute, I promise to get him back. He finally said, alright you can have him. I told the Comptroller to send for the bankers. They came in and brought their last two examination reports. After glancing over the reports, I said, now what's the trouble? Well, we just can't get payments on some of our frozen assets ... our father told us to come and see you and that you were an old friend of his and that you'd help us out. Well, I said, all right, I'll help you out. I've just looked over these reports and can see what the trouble is that you're in right now. I'm willing to help you, if I get you a man and send him down there, will you let him take care of all past due paper and all bank-owned real estate? Oh, we'll resign... no, I said, three generations of your family have run that bank. Your name means a great deal around

[30]

that part of the country. Well, we didn't think of that. All I want you to do is to make him vice president in charge of collections. He won't have anything to do with making loans, he won't have anything to do with cashing checks or anything else; that's all he's going to do. You give him a list of the delinquent loans and the other real estate. Yes, sir, we'll do that. So I got back with young Covey and told him he could do this job. Now, I said I don't want to hear from you unless you get in trouble. But now, if you get in trouble, call the Comptroller and he'll come in and tell me about it. But otherwise, why you just get out there and get these loans paid. Just send me your trial balance once a week. I said that's all I want, just the trial balance.

Well, the Comptroller brought up the trial balance and I took a look at it, and after about three or four months, I noticed that the delinquent loans were slipping out. Then I saw two or three

[31]

pieces of real estate missing. In about 10 months, it was amazing what had happened. So, on the anniversary of his being there I sent for Covey. I'll give you a trip to Washington. Come on up here, I want to see you. He came in and I said, Matt, you've done a darn good job, now tell me how in the world did you do that when those boys told me that it couldn't be done? He said, Mister Secretary, I did most of it before I found out I couldn't.

I always loved that story. Just think about it. Maybe that's the way most of us get things done. We pitch in, we don't look at the resistance, we just plow in.

Now, when a story comes out, I'll drop it in for you. I want you to get the things you're most interested in.

SHICK: Did Treasury change a great deal over your tenure?

[32]

SNYDER: Oh, yes quite a bit. All that required reorganization. We changed many of the agencies... Customs just became entirely new ... the Coast Guard, the Narcotics Agency . . .

SHICK: Okay, you were talking about the changes in the Treasury over the years of your tenure...

SNYDER: Oh, yes, the Internal Revenue was completely revamped and reset up and the collectors were taken out of the patronage and were put in under Civil Service, and .

SHICK: How about atmospheric changes as opposed to policy changes?

SNYDER: Well, the general attitude towards the public, I think was changed a great deal...oh, I know what I wanted to tell you.

When I first went into the Treasury, I found out that my predecessor had hardly in the nine months he had been there had not become acquainted

[33]

with the various department procedures. He got into the work of World Bank creation and a number of different post-war political problems. So the first thing I did after getting settled into the office was to invite individually, every agency head to come in and have a talk. To tell me how he or she was getting along, what were the problems, if any. What would they like to do in their organization? How could he improve his department? What relations was he having with Congress, and how did he get along in meeting those problems, and things of that sort. I made an agreement with them. If they would look over their situations carefully and would come back to see me about their units, and, particularly, if we needed to get into reorganization, that we would let them have an important part in that.

It had an electric effect on them because I gave them open sesame to my office any time

[34]

they had a problem, you see. So we developed a very close relationship all the way through the Treasury. I actually went down to their agency and would meet with a great number of their employees all the way down to the messengers. And it had a great deal to do with building up morale. I'll tell you one of the incidents ... because during the war the people had been drafted, they had gone into bigger jobs in the large companies that had been built up and as a result, the type of employee had a different quality than that required by efficient employees, particularly in Internal Revenue. It had sunk considerably. So, what could we do now that is new and not too involved and too dramatic to look as if we're tearing up everything. What can we do to improve this? I hit upon a great scheme.

A young chap I had happened to run into out in the middle west, the manager of a hotel, and I never had such excellent service, and I asked

[35]

him how do you get this instant attention to a guest, I said your wants are almost anticipated and the courtesy is great. Well, he told me how he did it. So, I said can I borrow you, he was with a chain hotel. As a result I call Mr. Statler, "Can I borrow one of your managers?" He said, "What do you want? Do you want to start a hotel down there?" I said, "No, I just want to learn something of his management." He said, "You can have him."

Well, he came down and we talked. Then we went for a meeting with the first group. We had tried out our plan in the Internal Revenue. There were some three or four hundred in the meeting. I said the Commissioner has given me permission to talk with you here and I've got a man here who knows your job better than anybody. You just saw the bristle there ... you saw this handsome chap there and I said, now I'm going to have him ... I'm going to talk with him about your job ... your personal job, and we'll see if

[36]

we can be of some help in getting it to running smoother and iron out some of the problems. Oh, they were just ready to get up and walk out. Then I said now that person is you. I then said this is what we're going to do. We're going to give you a sheet of paper that's got three lines on it: (1) necessary, (2) partially necessary, and (3) unnecessary. Every time that you make any unusual motion, mark it down. For instance, if you get up and walk down to the water cooler for a drink, were you really thirsty or did you just want to see who that pretty blonde was sitting there close by. Well, they began to laugh. Now, I said that's what I'm going to do and that's what I want you to put down. Was necessary, partially necessary, or unnecessary. And for a week, I'll let you do that. Then the next week we're going to let you swap with your friends next door to you and check and see if you agree with what he has written.

[37]

Now, what that's going to do is improve... you'd be surprised how that is going to improve the quality of the work that is done in this department. And I think we're going to be able to save a lot of time and money.

Do you know that within about eight months we reduced that 110 down to 92 thousand people. We called it, Work Simplification Program ... and it worked.

Well, it's those kinds of things that you've got to get cooperation from. I think that helped your question you asked there.

SHICK: What would you say are your most important accomplishments as Secretary of the Treasury?

SNYDER: Well, there were so many. . . The Treasury Department had not been in international banking finance to any extent before the Marshall Plan, except in the early settlements.

The United States made an awful mess after

[38]

WWI in trying to help reconstruct war-torn Europe, by loaning money to the participants, expecting it to be paid back. There is a table right in the Treasury that has engraved plates on it that describes the loans to every country that was made and, do you know, that Finland is the only country that ever paid their loan. Getting over the war, the devastation, the loss of young people and everything, the loans were never paid.

So I insisted that when we started to talk of helping after WW II ... let's either make grants or make workable loans if there is a way to pay them back. Let's just make them the grant. That lead into the Marshall Plan. The Treasury had not. . .we had not had anything the volume of income taxes before WW II because the taxes when we first went into the war were relatively small and only touched a limited number of people. By the time I got in the Treasury, it was after the war, taxes had gone up, they touched everything and so that had to be reorganized and recast because

[39]

our tax collection had been a largely voluntary matter and if we ever let that get out of hand, we're going to have one terrible time. So you can see from just that, there is a big difference in the Treasury when I went there. So were there differences at a lot of places. Those reorganization jobs were a new facet because some of the departments had never been changed from the time they had been created right up to the present.

Then I found that FDR had transferred over to the Treasury all sorts of jobs because he could keep his hand on them, and Mr. Morgenthau was very attentive to whatever FDR wanted. And so he moved purchasing of airplanes and purchasing of many things over into the Treasury. He moved the procurement of strategic and critical materials over there. There's a whole list of

things. They didn't belong in the Treasury. He just about disseminated the Commerce Department and put that nice old gentleman, Secretary Daniel C. Roper, over

[40]

there who was content to sit there. Well, I began to move those back to where they belonged. To where they had expertise in that operation, or where they could build up expertise. So that was of tremendous importance.

Well, I've spent the morning talking about the various things that were all important and trying to say what was THE important one. I think that my biggest was the one that I gave you yesterday. I typed that and gave it to you. My greatest objective was to return the wartime economy to a peacetime economy for the growth of the country.

SHICK: But didn't you almost not immediately ... subsequently you had to gear up again for another year?

SNYDER: Well, yes, not until 1950. We had five years to get a lot of things done.

But referring to the Korean War: President

[41]

Truman and I were out in Missouri when he got a call from Acheson that North Korea had invaded South Korea. The President said, all right, I'll come right back . . . that was on Saturday afternoon. Acheson said, no, wait until tomorrow and then I'll call you and give a closer report and then I'll tell you whether you should come back sooner. So about noon I got a message in St. Louis to be at the airport at 2:00, the President would pick me up and we'd return to Washington.

When I got aboard the plane, the first thing he did was call the newspaper men into his cabin, after we were off the ground and they had no way of leaking what they heard, as they could not use our radio, because the pilots wouldn't let them do it. He had them hooked, so he called them in and told them and me at the same time what had happened. He said, now I don't pledge you to secrets because by the time we get there it will be all out anyway. And then he dismissed them and they went back to

[42]

their seats. He said, now, John, what will you do if this is as bad as it sounds or worse? What will the Treasury do?

Well, I said, Mr. President, the very first thing I would do would be to ask you to call the Congressional Chairmen that have to do immediately with the things that you decide tonight. Call them up to your office tomorrow morning and tell them about this. The next thing I want you to give me is authority to put a stop on the budget of any unnecessary spending projects.

The next thing I want you to give me is authority to go up on the Hill and see all the Chairmen and ask them to stop any bill that's to cut taxes. Then I want you to give me authority to start working with the Ways and Means Committee and the Finance Committee to start raising all the taxes we can . . . new taxes.

He said, John, how did you know about that? I said you told me the first I knew about it,

[43]

but you asked me what would I do in facing this problem if it was serious. Well, he said, you have that authority.

We were met at Blair House by about 14 people from State, Defense, different parts of Defense; the Attorney General and Sam Rayburn were also there. We had dinner and then sat there and made the plan while sitting on the patio - look out my window of the Foundation office, and you can see the patio where we made the decision.

The United Nations had a regulation that if any member country attacked a member country, that it became a United Nations affair. It was attacking the United Nations. This was a case where North Korea was attacking South Korea, and both were members. Well, we had to see that any action taken was under the cloak of the UN. On Sunday Dean Acheson arranged for this resolution to be adopted by the Security Council of the UN,

[44]

declaring a state of war. It now meant that the prestige of the United Nations was on the line. The UN was requested on July 27th to help carry out the provisions of the resolution. The Treasury followed the program that I had proposed to the President on the plane, and in nine months time we had passed three tax bills. I also went to the Federal Reserve and pointed out that we have a problem here. We are faced with a situation from which Mr. Truman and I have seen two world wars and read about another one, which Bismarck, the Kaiser and Hitler started for lesser instances than this one. If this is as bad, if China is brought into this action, we don't know how big it's going to be, because it will be a frightful thing for us to do, go into a world war on a rising interest rate pattern.

Well, we got fair help for about a year and then, of course, politics had moved in and

[45]

some of the Federal Reserve people thought it was a good way to humiliate the Treasury interest rates, and all that sort of thing, and move the Financial Center back to New York because Washington by WW II had become the financial center of the world. We have the World Bank here, the Monetary Fund, the Federal Reserve, the Comptroller of the Currency, the FDIC, all located here in Washington. And every Monday or Thursday, we put out more new paper than all of Wall Street put together. So we had suddenly been catapulted into being the world center of finance.

SHICK: I don't know if you mentioned it, who was at the meeting of the Treasury on the Terrace?

SNYDER: Those present at the Blair House dinner on June 25, 1950 were:

Secretary of State, Acheson

Secretary of the Treasury, Snyder

Secretary of Defense, Johnson

[46]

Under Secretary of State, Webb

Secretary of the Army, Pace

Secretary of the Navy, Matthews

Secretary of the Air Force, Finletter

Generals Bradley, Collins and Vandenburg

Admiral Sherman

Ambassador Jessup

Assistant Secretary of State Rusk and Hickerson

SHICK: That's when you decided to make the Korean War a United Nations effort?

SNYDER: No, Acheson was instructed by President Truman to go to the UN on Monday and get the adoption of the resolution through the United Nations, Security Council.

So, all member nations were supposed to come through with aid. They didn't, however, three or four sent token troops, Australia sent some and France sent a few, the load turned out to be on the United States.

[47]

SHICK: One related question which is appropriate to that one in terms of decision making is: Regarding the end of the Second World War I noticed in your biography it said that you were present and asked for advice by Mr. Truman on all of his important decisions.

SNYDER: I didn't say that, somebody else may have said it for me, but I never made that statement. Mr. Truman and I were long time friends, we had spent two weeks together at training camps for many years, and sitting around, we'd just talk about all sorts of things and mostly you get acquainted with what kind of person he is, what are his principles, how does he get along with his family, how does he do his work, what are his ambitions, what does he know about history? Well, you learn those things and we got to where we were the closest of friends, and in everything that we would do, we would work together.

[48]

When I was running the Defense Plant Corporation, if I'd have a little trouble here or there, I'd go to the Truman Committee and get help ... things of that character. So, we had just become the very closest of friends . . . our families were also. We both had a daughter a piece, they went to school together, all the way through college, they joined the Junior League together, they belonged to the same sorority, Godmother of the other's children, so we got to be very close-knit. We went on trips together. We took our families down to Williamsburg and that sort of thing. So it was only natural that Mr. Truman. . . I was in Mexico when FDR died. I was on the bank's business ... I was to take the job as president on July 1st. I was down in Mexico with a group of American bankers trying to work out an equitable exchange rate between the peso and the dollar and had been very successful. A friend of ours was giving a little luncheon to celebrate. And A.P. Giannini

[49]

was sitting next to me and he said, out on the West Coast, we hear bad things about the President's health; I know that you've told me that you and Truman are good friends, now tell me what kind of a man is he? Well, I went on to tell him that when I first met Mr. Truman, he was the county judge in Jackson County, Missouri. He built two courthouses . . . he was the first county judge in Missouri to have a grid system of hard surface roads. He built three or four eleemosynary buildings. But in planning each one he'd travel to see where they had built courthouses and how they did it, what their problems were, etc. On the roads, he went around and found out what kind of base they should have or what traffic load they should prepare for. And then he'd request bids for the concrete, and I noted Mr. Pendergast never got one ton, he had to live up to the specifications, etc. And I stated whenever it looked like he had a problem,

[50]

he tried to get a competent person to advise him. Giannini said, "Well, you've made me feel better." You won't believe this, but it wasn't thirty minutes before the butler came in and announced that the radio had just announced that FDR was dead. Well, that just woke up everybody, what are we going to do, what's going to happen?

Well, I said, remember I'm a banker like all the rest of you. I've got to get back to my bank and start to find out. And they said, of course... with my knowledge of Washington, I should know they have a great problem there . . . we've heard that FDR had never told Truman one iota about the problems of the Presidency. I said, without doubt the President has one tough job to face, but

I think he's going to do a good job at it by his natural way of taking over problems in the past. Right at this moment, I venture to say that he's the most popular man in the Senate, having worked with the members as Senator and then Vice President. He would get people when they were at odds

[51]

together, and help work out the problem. I said he's got a wonderful chance to try to take this load on. But I said, it's going to be a very tough one.

We kept on talking, and within an hour, the butler came in and said there's a phone call for you, as soon as you get back to your hotel, you are requested to call the White House. Well, I got up then and said goodbye, and Helm of the Chemical Bank in New York rode back with me and went up to the room and sat on the bed while I called "Mr. T." "What are you doing down there . . . I need you, when can you get back?" I said, well Mr. President, don't you remember I'm just a citizen now. I don't have those privileges of special planes that I used to have when I was working for the government. "You go over there to Messersmith, the Ambassador, and tell him to get you up here as quickly as you can." Well, it worked out, but the "quick as you can" took

[52]

nearly a day. You know, in those days you just had DC-3's (21 passengers) and they stopped everywhere for fuel and passengers. That was the saddest trip, people standing around, saying we've lost a great President, who can possibly take his place . . . it was the saddest trip. I was almost in tears by the time I got up to Washington the next evening.

SHICK: I was leading up to a question regarding your consultations and the confidential nature of your relations with President Truman; I was wondering whether he ever discussed, since it was one of his most controversial decisions, whether he ever discussed the dropping of the atom bomb on Japan.

SNYDER: He didn't know about the A-bomb until Secretary Stimson told him after he was sworn in, until then he knew nothing about it. And at that time, it wasn't a certainty -- they were still preparing for a test of it. They were not sure of it until

[53]

after Truman was on his way to Potsdam. Stimson flew over there to tell him the situation about the success of the first bomb and that it worked. And so, he had no time to talk with me about it or discuss it at all because he made the decision while he was abroad.

SHICK: What was your greatest disappointment as Treasury Secretary?

SNYDER: The OWMR (Office of War Mobilization and Reconversion). I don't think there's any doubt about that. But, I did the best I could there, and the net result was pretty satisfactory. All of my life, I've been accustomed to tackle any job with which I was faced. Let's go back to

WW I, I didn't know which end they put the bullet in artillery guns. I went, of all things, and applied for and went to First Officer's Training Camp. We were first put into the infantry, because we didn't know one thing from the other, and I dropped

[54]

guns on my feet and I couldn't keep step. And the first two Saturday mornings they called the training company to attention and read off a list of names and said report to the Captain's office. And they were told goodbye, as they weren't wasting time with anybody that wasn't going to fit. So as we're going to be next, so we went for a walk... went down the barracks street.. .we got way up the far end and there were all these cannons lined up, three inch guns, horse picket lines and everything, and we said, what's all this . . is this the artillery? Well, I said to Sam Mann, my partner, that's pretty fine, do you like it? It looks pretty good to me. . .well, the non-com said why don't you go over there and see the Captain leaning up against the door, that's the Captain of Battery - A, why don't you go over there and talk to him and see if you can get transferred.

Well, we went over and it was Captain Burleson, a nephew of the Postmaster General.

[55]

Burleson was a regular army officer captain and was sent there to train troops in artillery. He said, you look like a hell of a soldier. I replied, well, the first time I had a uniform on was a couple of weeks ago. He said, come in, sit down. He found out I was taking electrical engineering in school and he said, well you know you ought to know mathematics pretty well, I added, I know about horses, I've been riding ever since I could stick on bareback. Oh you have ... and then he said, what about you, Mann? Well, John and I have grown up together and whatever he says, I've done, too. The Captain told us, "I'd like to have you fellows. People don't know what the artillery is and everybody who is going to training camp goes in the infantry. I'm a little short of people, and I'd like to have you. Where are you?" We're in Company-B. He said, oh I know Smith pretty well down there. I'll phone him that you've made the request and transfer you up here.

[56]

Well, I'm not going to go too far into that. We got commissions as Second Lieutenants in Field Artillery. I was assigned to the 32nd Division, which was training in Waco, Texas. The next thing I knew the General, who was Commander of the 57th Field Artillery Brigade of that Division, took a liking to me at a Saturday night country club dance, and called me to come over to his office the next morning. After I'd gotten two hours catechizing on everything to religion, and this thing and the other, he said, how would you like to be my aide. I said why General I don't know what an aide is. If it means being associated with you, I want it. He said, alright, you're my aide.

Fortunately, we just hit it off beautifully and the first thing I learned is that we were going to use French artillery. I was going over to school in France. So off I went, and before the troops left Camp Coetquidan, France, to go

[57]

to the front, I was Brigade Operations Officer of four field artillery regiments. I went all through the war ... we were in the second Battle of the Marne in the Argonne, and all sorts of front engagements. Our brigade was the tops. The French called us "The Iron Brigade." After Armistice Day, the General was just about worn out and had to go back to the hospital. He said, now look John, I've just learned something, our brigade is not going to get to go with the Army of Occupation, we're too torn up, too shot to hell . .horses, men. I've arranged to transfer you to division headquarters of the 32nd Division. Well, I said, "I don't want to leave you. He replied, I'm going to the hospital and you can't go with me and sit around there and do nothing. So I said yes, and went on with the Army of Occupation. General Lassiter was the Commander, and after a few days, in Germany, he called me and said, we've got a problem. We've won the war and everybody

[58]

wants to go home. What are we going to do about getting some morale built up here? I want you to take charge of that for the Division. Whatever you do, I'll back you up, but do something to get their minds off of wanting to go home.

I went back to my quarters and sat for two hours...what to do, what to do.. .and all of a sudden the Red Cross, the Veterans Association, the Boy Scouts, came to my mind. They all had experts over there to help build up post-war morale. I got representatives of all three of them in and said, now here's what the General wants done. What shall we do? We hit on this. We'll build up a basketball group in every regiment. We'll build up football, we'll build up wrestling, we'll build up prize fighting. In every outfit, we'll build up troops of home talent plays in every regiment. And I suggest that we get on the radio, and the first thing you know, we had top leaders from the United

[59]

States who weren't really in the service. We knew who it was that was in the service who was qualified.

Well, anyway when we got through with it, we went down to France, to the Palais de Glas in Paris for the All-American Meet and carried off several great honors and then came on back home.

Now, it's just being at the right place, meeting the right man, and getting an opportunity. Look at Truman, look at Walter Smith. Going up there to try to put these insolvent banks together. Smith liked the way I did it and he took me into his bank. And Jesse Jones was a friend of his, and he introduced him to me and Mr. Jones borrowed me to go down to the RFC. I was there for four years running the St. Louis Agency for them, and four more heading the Defense Plant Corporation.

Well, you can see how it's just getting it

[60]

done before you find out you can't. It goes back to Covey, I thought that it would help you see that if you put your heart into it, you get it done.

SHICK: When you were Secretary of the Treasury, did you have any failures, and great disappointments?

SNYDER: I suppose that the Internal Revenue was my biggest disappointment, but that was largely an outgrowth and wasn't our failure exactly. I had to get it straightened out. It was a great disappointment to learn that trusted employees had feet of clay. We had to work out the problems, and we had to solve them, whatever they were.

SHICK: What impact do you feel that you had on the national economy?

SNYDER: I suppose my biggest impact on the national economy was in the fact that I was able to work with President Truman, and was able to attack

[61]

the tough jobs with him, for us to have the joint talent of cooperation and working with people.

You see, Jimmy Byrnes, when he had OWMR, was, in his mind, the ruler; he called himself the Assistant President and all that. When I got in there, I began to call the Cabinet Members and everybody back, and said, now wait a minute . . . how do you want to do this. How do you want to move this? It was cooperation getting them to work with me instead of ordering them to do it. As a matter of fact, I recommended to the President that he dissolve this OWMR, as he didn't need any Assistant President. He was the President, and he could always find or lean on his Cabinet Members.

I stuck largely to running the Treasury. Mr. Truman and I had many a visit together that no one knew about. I had an arrangement that my name didn't go on the list out on the front desk, except when a group was in, and occasionally for something special. But I went in the back door, through Miss

[62]

Conway's office, to see him, or I would go over to his room at the White House, after he'd left his office. I don't want to appear to be putting too much emphasis on our relationship, but it was a good one, and we were being able to work things out. We had matters that we didn't agree on, not in principle, but in procedure. And so, I think my impact was being able to be with Mr. Truman frequently and privately. The day he got back from Potsdam, I wrote a letter of resignation, and took it with me when I went to meet him. He had cabled me to meet him at Norfolk, and I went down and rode up to Washington on the train with him. I told the President, right off the bat, here's a piece of paper I want to give you. It was my unconditional resignation that he could accept at his pleasure . . . that would be if I wasn't doing the job he wanted. He

didn't have to fire me, he'd just have to accept my resignation. He kept that letter until a luncheon at Acheson's

[63]

home the day he left the Presidency. Mr. Truman and I were talking and I said, you look pretty sober. He said, John, I was just standing here thinking . . . you know four hours ago I could have said ten words and in fifteen minutes it would be quoted in every part of the world. Right now I can talk thirty minutes and nobody gives a damn. Just then they announced luncheon, and with that he reached into his pocket and said, I won't need this anymore, and I had my letter of resignation back.

Well, it was that kind of relationship, it wasn't any of this buddy stuff, or that sort of thing. I was just down there to do a job for him, and if I couldn't do it, I was ready to get right out. I wasn't seeking a job or anything of the sort. I had a wonderful job back in St. Louis, if I could get back to it.

SHICK: Did your discussions with him then, range beyond financial matters?

[64]

SNYDER: Oh yes, but I'm not trying to say that I was an influence over him. However, we talked over everything. Mrs. Truman would join us many times and we'd talk about various problems and personnel, and I would help him move people around many times. If somebody just didn't fit, he would say so something about it, and I'd find a way to do it without its falling back on him. And he had a few Cabinet problems that I was able to, quietly in the background, work around on things. He would try things out on me, whether I knew anything about it or not, -just to see what my reaction would be as a citizen. And then because of these various things that we'd work out together, he knew my mental processes to solve problems. So I feel like I was of considerable value to him by having someone he could unload on whenever he wanted to. . . and know that it wouldn't get out of hand.

SHICK: Were there people, who, knowing of this

[65]

relationship, tried to work through you to get to Truman and have influence with Truman?

SNYDER: It wasn't necessary . . . I mean, are you talking about Cabinet Members of what?

SHICK: Say any interest groups or people outside the government.

SNYDER: I've got eight large boxes of correspondence in my files . . . yes, they'd write me pages and columns. You MUST get Mr. Truman to see this, or see that. Well, I just took that in stride and if it was worthwhile, I'd talk with him about it. And if he wanted it looked into further, we'd get the right person to do it. Oh yes, that's only natural, but Mr. Truman never

denied access to his Cabinet Members. Any time you said, I want to come in to see you, you got to see him. People are always asking me the question, did some of the Cabinet Members try to arrange for you to help them get it? No,

[66]

because it wasn't necessary. Even those that had begun to lose his confidence...if they wanted to go to see him, he'd see them. Henry Wallace, when the President fired him, he called him over there and said, yes, I think it's time we had a talk. If that answers your question.

SHICK: Let's move into discussion of the policy process beginning with interdepartmental relations on some of the issues that you raised. Specifically what was the relationship between the Treasury and the other Cabinet departments?

SNYDER: Most cooperative, I don't know of a single Cabinet Member, except probably Bob Hannegan, who didn't like my conservatism. He was a New Dealer-type and he wanted to do this, that and the other, and I said, the President's got eight or ten liberal people around him ... can't he have one conservative? He would often say, you have a way of arguing with him about things that you

[67]

can persuade him with. I would reply, I can't persuade him to do anything. He said, well, it just looks like he'll listen to you more than anybody else, which wasn't true . . . of course, he wanted to be No. One, and Truman did not have that kind of confidence in him, and it irritated him considerably. But that's the only one I know. With the rest of them, I couldn't ask for a better relationship with any of them, and we had splendid cooperation ... the whole Cabinet.

SHICK: What about as an institution. . .was the Treasury considered along say with the State Department above the other Cabinet level departments?

SNYDER: Naturally, Defense, State and Treasury were the three top ones during that time. The State Department, because of the various international operations, and our dealings with our enemies, and with our allies that were diplomatic matters that required a great deal of intimate relationship between the President and the Secretary

[68]

of State. The same holds true with our huge army that we had scattered all over the world. We had to pull them together and get them reorganized. We had to see that the countries that we had overcome were properly policed and, therefore, the Secretary of Defense had a great deal to discuss until Mr. Truman in 1947 reorganized the Defense Department. It used to be the two departments, the Army and the Navy, while Air Force was in the Army Air Corps...it was called. And then, of course, with this sudden catapulting the United States into a financial peer of all nations, because we had money and we were in good economic shape and we had less strain on our natural resources than the other countries. . .our allies, and, of course, President Truman,

after he had returned from Potsdam, he had me take a group over and take a look at what the devastation of Germany and France was likely to create a demand on us for assistance, what we were going to do.

[69]

Tremendous mountains of supplies, surplus that was left on the ground. So the Treasury got into the financial side of it and had to work with the Defense and State Departments about what the call on us might be.

So those three and of course, always the Attorney General, were called in from the legal side, and although I will say that Mr. Truman never had an Attorney General who quite ranked in his mind with the three top ones I've just mentioned. Of course, now I didn't mean that Commerce didn't have a big part ... Agriculture was important.. .getting their agriculture revitalized. . .Labor. . . if you ask about the ones that were depended on in the larger load, it was the three departments - State, Treasury and Defense.

As you know, the ranking of the department is based on the time they were admitted into the government. The State Department was number one, Treasury Department was number two and Defense was

[70]

number three. So we were ranked in seating at the Cabinet by the President, but as you can see the actual workload was in that order too. Right after the World War II those were the central things that would cause the President's attention more. . .he would require the cooperation and work of those three together.

SHICK: But his personal relationships with Dean Acheson and the Secretary of Defense were not as close as his relationship with you.

SNYDER: Well, they didn't have the background or long acquaintance, he had never known them. General Marshall, until Truman went over to see him one time to offer his military services, had never known him. You see he and I were Colonels in the Reserve Corps, and that's what got it started . . . I was made Division Commander on a Paper Exercise in the Presidio in San Francisco. . . it was called the Defense of the West Coast Against the Yellow

[71]

Peril. We went out there and made plans on paper for bringing armies in and setting them up and defending against a yellow peril attack. But, the Navy and the Army took us high ranking officers in and unloaded on us the facts of life. And, of course, it just shocked me to learn about what Japan had built up in its huge navy. . .their airforce, their whole war system was a shock. Their airplanes didn't have all the instruments and the equipment and everything that ours did.. .just so it would get off the ground and follow the leader. And that's all it was. . .and if they told

the pilot to dive down with his bombs and hit a ship... that was an order. It was entirely different from our system. Kamikaze was a new tactic for me.

I came back to St. Louis and made a beeline up to Washington, and told Mr. Truman and Jesse Jones. Mr. Jones said I don't think we're ever going to get tangled up with Japan and I don't

[72]

think we're ever going to get into a war. Well, all of a sudden, July 4, 1940 (it was 1939 that I went out to Yellow Peril), he asked me to come down to Washington. He said, now look John, you know all that has been happening over in the War and Defense Department. We're getting called on more and more for loans for business to manufacture things to be shipped to the allies, and the Board of Directors are not wanting to take that expenditure in capital investment on if the war gets over tomorrow, and they'd be caught with all these extra facilities, etc. I want you to come down here and get us acquainted with the brass over in the War and Navy so we will know who to talk with when we get these requests for financing a plant or for raw materials or for capital investments, etc. He said we just want you to stay down here for three or four weeks, and help us get acquainted.

So I was going to have a nice three weeks

[73]

visit to Washington. Jesse Jones and I were going to have some big parties, we were going to have admirals and generals over and we were going to get acquainted with them.

So come on now, my wife said, you'll get down there and never know when to come home; well, I said I'll get back just as quick as I can. As it turned out my job lasted four years.

We set up all of those parties, and all of a sudden why we were in great need of mechanical lathes, and automatic lathe, so we found out we had about two million dollars worth on a wharf in Hoboken, that had been sold to the French before the French had collapsed. So, the War Department wanted to get hold of them and send them to some of our plants ... so Mr. Jones came in and said, how can we get possession of these lathes ... let's find out.

I went to the French Embassy and asked the French Ambassador if the French wanted to sell

[74]

a bunch of their equipment that they couldn't use? Well, he had never thought about that. I said, find out and see if you can pass title on them to us. He said, I don't know who to go to because there is Free France and then Vichy France. They didn't know who was what, don't you see?

Well, anyway, he said we'll take a chance. So then I went to my friends the Ladish Lathe Manufacturers and asked what about the lathes up in New York. He said, they're wonderful lathes except their motors are wound for different phases for the French than they are for us. I

said, does that make them absolutely worthless for us? No, he thought something could be done, so he called his engineer in and asked what would have to be done to the motors. He said all you have to do is to take the motors off and strip them and rewind it to the phase that we use here in the United States. And I said, Is that a

[75]

tremendously difficult job? He said, it's slow, but it can be done.

In about three weeks time, we owned those machines and we had these experts from all these machine crews up there set up shop and rewound those motors. Well, that just touched off Jesse Jones.

In a short time I was head of the Defense Plant Corporation to Finance plants in which to build materials for defense and war.

As I said, "My three weeks lasted four years."

SHICK: Did the other Cabinet members perceive you as having the special status on the Cabinet compared with themselves?

SNYDER: I always consulted with them about everything, I wouldn't let anything happen that affected them that they were not informed by Mr. Truman and Cabinet. . .you know I could debate just

[76]

to show that I didn't have any inside track or anything of that sort. You see, they all believed I did have; even though I tried not to let it come to the surface. I was always on their side in helping them with the President.

SHICK: What about with regard to the institutional power of the Treasury as a department?

SNYDER: Well, it was tremendously powerful in getting tax bills passed and all the things that were operating there, issuing money and taking care of the deficit. For your information though, during my six and a half years as Secretary of the Treasury, Mr. Truman and I went up until the last six months taking in more money than we spent. It was only the last six months of his term that we had to go into deficit financing. Well, yes, I was pretty busy doing those things. No question about.. .vital.

SCHICK: In initiating policies and programs, were your

[77]

relations with other Cabinet Secretaries formal or did you do this on an informal basis?

SNYDER: I didn't know how to be formal with them, they were Jim, John and Bill, and we'd sit down and talk it over together. I would say that it was informal. There was never any stiff back formality about it. With some of the underlings why they might get their backhair up and say, well, what do you know about this diplomatic matter, what do you know about these special designs and so forth. Well, that didn't bother me one iota, I had a friendship with the top man that was always just tops and unbiased.

SHICK: In the Cabinet and other inter-governmental meetings in which you participated, did the Treasury's views on non-financial matters prevail at all?

SNYDER: Oh, we had many battles won and battles lost. On procedures though, not on principles so much as just on how to handle it and so forth. No,

[78]

I would say that I'd lose a battle every now and then, there wasn't any sure shot that. . . Frankly, it had its way but the President was marvelous. The man who created U.S. News and World Report, David Lawrence, had open sesame with FDR, and so FDR was just wonderful. Truman wasn't that way and so he didn't care much for Truman. But lucky for me, he did like me and we used to go down and spend weekends at his place and talk about what could we do with the Nation's problems. He got so that he'd come over to the Treasury, and one day he was sitting there when he said, John, I'm going to tell you something that will probably knock your eyes out. He said, you know if you will give Harry Truman all the facts, he'll damn near come up with the right answer. Now, wasn't that interesting? That's exactly what Truman used to do. Often he would take a document home with him at night and when it would come in the next morning, it would just be scratched up from start to finish.

[79]

He put himself into studying his bills, he didn't sign them just because somebody said so. And, I didn't ever let our debates get into an open argument in the Cabinet meetings. But he and I. . . sometimes I would sit for nearly two hours with him while he swam in the White House pool, or we would go up to his study and continue our discussions. One topic was about the steel mill procedures. I was dead set against taking them over, because I didn't think such action would hold up in the courts. But someone told him it would. He was so damn mad at the steel mills, because they were causing a problem in a time of distress, that he went along with it.

So. . . a lost battle, but he said in his book that he had more trouble with me as far as arguing with him was concerned, but once we settled it, he had no concern about my cooperation. It was never on a matter of principle, but on matters of procedure.

[80]

Let's take Marshall, for instance. How many times he used to say to me, Look John, you run the money end of it and I'll run the State Department.

Take Dean Acheson. . .Mr. Truman thought Dean was a distant sort of fellow. But Dean was a remarkable man. . .he had a strong British background, but he and President Truman trusted each other; read his book and you can see how he respected him. But Dean wasn't over at the house many times. He couldn't have walked in the White House and go up to Mr. Truman's bedroom, with no one questioning him, because he just wouldn't have done it.

Mr. Truman had the greatest respect also for General Marshall. He trusted him and you'd say they were close friends, but Mr. Truman and I used to go down and spend Sunday with them and that's about as close as anything. And with me to Marshall, I was Snyder, he never called me John or anything

[81]

else. I had a birthday and I don't know how he found out about it, but he called Drucie and said the Secretary is going to have a birthday, and I'd like to send him something. And she said, General, you're not going to send him anything. Why don't you and Mrs. Marshall come out to dinner and we'll just have a birthday dinner. And do you know, that afternoon he sent a cake that had been baked over there in the Army. . . a big birthday cake. It was that kind of warmth, and yet it was not the same kind of friendship Truman and I had, and that Truman had with him. Although there was a deep-rooted trust and respect, you see.

SHICK: How were your relations with the committee chairmen in Congress with whom you dealt; were they formal or informal?

SNYDER: I spent thirty-five or forty percent of my time up on the Hill. I would go to the chairmen

[82]

of the committees as I was planning to bring up a bill maybe five or six months in the future. I would go as far ahead as possible . . . telling them what I was planning to do and asking their advice, and so by the time the bill got up there I had friends that were helping me in the committees, and they got it in there. There were many people and many chairmen of various committees that the Treasury had to deal with. Sam Rayburn was one of my very closest friends. Muley Doughton of the House Ways and Means Committee, was one of my closest friends. Tom Connally was another. There were Bob Kerr, and Milligan ... just to name a few. My work with the Congress went along fine; I was always highly pleased with the results I could get by letting them know well ahead of time, what was coming up.

SHICK: Did you socialize with any members of Congress?

SNYDER: Oh yes, I would go up there for lunch with

[83]

them frequently, and, of course, met and talked with many of them at the various Washington official and social functions.

One instance was an example of the unusual. When I was at Vanderbilt, I was in the theatrical club, and whenever a company would come to town, if there was sickness or a dropout, they'd come out to our club at Vanderbilt and ask us to get substitutes. Russell Rose and I were usually the ones they sent. George Arliss came to Nashville once, so we found ourselves down at the theatre filling in as spear bearers. We met the most lovely young lady. . . a little British girl, who took us in and introduced us to George Arliss. This little girl and I got to be good friends while she was in town. I took her out to dinner once or twice.

Years went by, Champ Clark's wife had died, and some time later, he invited me to go to dinner with him and his prospective new bride. She turned

[84]

out to be the little girl I had met in the Nashville theatre. So you see, just amazing things happen, being at the crossroad at the right time.

SHICK: How about specific examples of Treasury's involvement outside financial matters, say in housing and employment policies?

SNYDER: Fortunately, the Treasury didn't have so much inter-agency trouble. It was in the OWMR where I had the battles about housing ... about the controls. The progressives over there, the dreamers, wanted to control everything, and they didn't want to give up any control, for in their opinion, if you'd give up one single control, the whole economy would collapse. But I insisted, you can't do it that way, when things come into supply, you have to find a way to help the free market to reopen. We had built up a tremendous reserve of savings bonds, and everyone was ready to jump in and buy

[85]

something that they had not been able to get. Because of the war, you hadn't been able to buy an automobile, or a house in three or four years. The workmen in house building had changed, because they had gone in to the building of factories, and the building of bridges, and the building of other war necessities. And here we came back all of a sudden, and we had to realize that to switch back from a wartime economy to a peacetime economy was not so simple. In the lumber business, for instance, you had to start in the forest...the way they cut the timber had a great deal of difference as to whether it was going into building ships, heavy construction, and that sort of thing. It was in the way that they felled the tree, the way they selected the timber. It was the way they sawed up the timber after they got it to the sawmill. Then on top of that, when you got the lumber to the site, you had to have the right workmen who could fabricate the house.

[86]

We'd lost the trained men in the war ... we'd lost the journeymen, we'd lost the plumbers and the electricians. It was necessary to build that supply back up to where it could meet the demand.

To try to accomplish the magic of housing control, they brought in the Mayor of Louisville, Wilson Wyatt, to become the czar of house building. And I said that was all right, and he could have a free hand. I went to President Truman and said, now Mr. President they want to do a great house building job. They want to build 50 thousand houses in a year, it can't be done, but I don't want to stand in the way of it. I want you to take housing out of OWMR and put it in the hand of Mr. Wyatt and give him a free hand in running it. The President did this immediately.

First they drew up a questionnaire and sent it to every soldier out of the service. . . would he like to have a house? Do you want a two-story house? How many bathrooms do you want? Do you

[87]

want electricity? Well, they got them back by the thousands and so built up a real demand. To help the plan work, Fortune Magazine printed one of the most glamorous feature stories on what was to happen in housing. They drew floor plans, made water color pictures of interiors and exteriors, and they took those colored pictures, and said that the United States government was going to build all these houses for the returning veterans.

I repeated to the President that it could not be done. But I did not want to stand in the way of it.

Unfortunately, it was the biggest bust you ever saw. Largely because of those very things most needed were not in supply. The pieces most needed weren't there, it was like having a cross-word puzzle with dozens of the major pieces missing.

SHICK: About Treasury's role in employment policy,

[88]

say the Employment Act of 1946?

SNYDER: Well, if you're talking about the minimum wage and all that sort of thing, we would always take the position that we considered reasonable. But when some of the economists in OWMR came out with an estimate of eight million unemployment. Well, I just wouldn't believe that, and Max Gardner, who was at the Treasury at that time and was cabinet advisor to OWMR, agreed with me, but I was up in Boston making a speech when the office released it for publication. I caught hell over it, As it turned out, we never had over 3 1/2 million.. .but I caught the blame there and the papers accused me of putting that out in order to pass the Full Employment Bill up in Congress.

I had problems of that character, but generally speaking we got along pretty well.

SHICK: What were the Treasury's relationships with the smaller agencies, such as the FTC and the Interstate Commerce Commission?

[89]

SNYDER: It was casual because we had no occasion to see them. It was a rarity that they would ever bring a problem to us. Our relations, as I said, were more or less casual.

SHICK: What were the Treasury's relationship with the Council of Economic Advisors and the Federal Reserve Board?

SNYDER: With the Federal Reserve Board, you almost have to know the interdependence of the Treasury and the Fed. The Fed does a vast amount of chores, I'll say for the Treasury. They distribute all the currency and coins; they distribute all bills; they distribute all the government bonds, and assist in marketing new issues. They keep track of the required balances of the banks. We're so dependent on them in so many ways that the Fed and the Treasury must get along.

The only real problem I ever had was that one of the officials promised me, and Senator

[90]

Maybank, that while I had an eye operation, we would hold a status quo in market operations. The day I had my eyes operated on, the Fed removed support of the Government bond market. Well, we soon got it straightened out with the accord that I'd authorized my Treasury staff to work out with the Fed. The gentleman who had forgotten what he'd promised resigned. President Truman quickly put a new man in. There has always been harmony since. Right now, Volcker, Fed Chairman, is one of my good friends. I gave a dinner party for him when he came in. Martin and Burns have always been treasured friends. Eckles and I ... I have a letter from Eckles with an assurance that he could always rely on me living up to what I'd agreed on.

SHICK: You said that the Treasury was dependent on the Fed. Was there any way in which the Fed was dependent upon the Treasury?

[91]

SNYDER: Well yes, because the two have to manage the money market. The Fed is only one phase, the Treasury has a lot to do with managing the money and determining the interest rates and that sort of thing; the President has a lot to do with it in working out legislation that will keep the economy in balance. And it takes all those different tools. The President has got to hold back on all excess spending or you're going to have deficit financing which is inflationary, which throws the burden on Fed for its part of it, as well as the Treasury on its part of issuing new issues. So you see they are interdependent on each other in so many ways, but then on top of that because of their big organization the Treasury uses the Fed tremendously.

SHICK: What about the relationships of the Treasury with the Council of Economic Advisers?

SNYDER: Well, the Council of Economic Advisers is a

[92]

planning group; they are not an operational groups at all. They study the economy, the ethics, the markets, the gross national production and all that sort of thing.

While the Council of Economic Advisers was concerned primarily with the problems of unemployment and economic depression, the job of the three man council was to help the Administration decide what the government should do to help the nation's economy function smoothly. President Truman elected to have the Council work very closely with the Bureau of the Budget. The two Chairmen of the CEA during the Truman Administration was first, Dr. Edwin G. Nourse and, later, Leon H. Keyserling. The Treasury worked with both very cooperatively through the Bureau of the Budget. Dr. Nourse came from the Brookings Institution and had spent many years teaching economics in the Middle West. Leon Keyserling was a product of the New Deal, a Harvard Law graduate, and came to Washington through

[93]

connections with Senator Robert Wagner of New York. They were both qualified men, but they differed greatly in point of view. My principal disagreement with Keyserling in later years was his continual counsel with the President to the effect that the government could go much deeper into deficit financing from year to year in order to finance social measures. However, Keyserling built up quite a reputation. He and I were good friends. As a matter of fact, I received a letter just about three months ago stating how warmly he respected my views and how invaluable I was to Truman, and all about the merits of the plan of mine, the Truman Scholarship Foundation. He felt it to be of tremendous value in bringing better people into the government.

SHICK: So your personal relationships at the time with him were good?

SNYDER: We would discuss a bill or something of that

[94]

sort and, of course, I would usually express my views, and if anything developed that I thought was inappropriate, I just got word to the President to keep his eye on it.

SHICK: You and he must have had some basic disagreements on policy.

SNYDER: Oh yes, but we never really got into a fight or anything.

SHICK: Would you characterize the fundamental philosophical and policy differences between yourself and Keyserling?

SNYDER: Well, one thing I remember, he kept telling the President that we could stand a debt much bigger than I thought proper. I believed in balanced budgets and I demonstrated it, because I had three balanced budgets right after the war, and I kept getting more money in. Of course, Korea came along and threw that out of gear. He kept saying the volume of the Gross National

[95]

Product, and all this, that and the other, would let us go higher and higher in our deficit financing and in raising our government debt. That, I just didn't agree with.

SHICK: Was there a formal meeting each week between the three economic policy agencies, Treasury, Economic Advisers and the Fed?

SNYDER: No, he had a little group that used to get together to talk over things, I don't know how frequently they met, but it was just for trying out ideas. It wasn't an official meeting in so far as I knew.

SHICK: So, the three agencies had no regular formal meetings?

SNYDER: No regular ones, when the occasion arose we'd get together, or the President would have us in.

SHICK: But didn't you see the need for it ... for regular formal meetings of the three agencies?

[96]

SNYDER: No, they were planners and they presented the plan to the President, who would call others in and they'd say what they thought of it.

SHICK: Did the Commerce and Labor Departments have any formal official voices in economic policy making?

SNYDER: Labor, to a certain extent was always pushing for higher wages and things of that sort, Commerce took an effective role in the economy. They had Harriman and Sawyer. Both of them had been Ambassadors. Sawyer had been Ambassador to Belgium, and Harriman had been Ambassador to Russia and London. Charlie Sawyer had been Lt. Governor of Ohio, and so they were men of background and were able to stand their ground very well and did a good job.

SHICK: But were there no formal economic policy meetings among these agencies?

Snyder: No, we started that, because Forrestal and I

[97]

thought it would be nice for the Cabinet group to have luncheons occasionally to try to take a burden off the President by going over current national problems. But the staff around the President said, oh, they are building a cabal, you see, so we dropped the idea.

I had another plan that every Tuesday I would take over to see the President eight or ten top business men, always with a labor leader included, and he got the biggest lift out of it. It allowed

him to talk to the head of General Motors, IBM. . . all leaders of standing. He enjoyed it thoroughly. Bill Green would come and sit with us. But some of the White House staff would say that's no good. . . word will get out that you've fallen for big business, and that sort of thing. He talked to me about it and I said let's drop it... it will be your loss, but you're the one who has to decide about the politics, and if you think it might not be wise, let's drop it. . . well, he said,

[98]

let's just drop it. But he always regretted it because he got so much out of it, and the business men found out what a real person he was, and he found out that they were pretty concerned people about what the country was doing.

SHICK: How would you characterize your relationship with Clark Clifford?

SNYDER: I knew Clark Clifford back in St. Louis. He was with a law firm there and I had known him well. . . we were in the same social group. He came to Washington as Assistant Naval Aide to Vardaman, and when Vardaman went over to the Fed, he moved into Vardaman's place as Naval Aide to the President. He resigned from that post when Sam Rosenman had resigned as Counsel to the President. Clifford eased into that position and stayed there until the election in 1948. He didn't believe that Truman could get elected and when he did get elected, Clifford decided to go into law practice here, so

[99]

he resigned. But he's done extremely well. As a lawyer, he has been most successful. Clifford and I worked together very cooperatively while I was Secretary of the Treasury, and we have continued as friends up to date.

SHICK: Again, with regard to the Council of Economic Advisers, was there harmony or difficulties in implementing the Economic Stabilization Act of 1946?

SNYDER: Between what?

SHICK Treasury and the Council of Economic Advisers.

SNYDER: They were planners and so if they'd present a plan to the President, then he'd have others to express their views on the plan.

SHICK: How often did the Treasury raise new policy Ideas and were new ideas .from the Treasury how did they gain acceptance?

[100]

SNYDER: I guess what you're meaning, there largely would be policies about the financing the debt. That was just constant ... we were in a continual conference with the Ways and Means Committee and the Finance Committee staffs. We were always taking plans over to the President

to discuss, and when they got to a point where they were shaped up...where action was going to be taken... the President brought the matter up with the Cabinet and got views of the Cabinet on procedures. "What do you think about this" or "will you run into trouble on that." As to rate making and the issue of long - term and short - term issues, that was not a Cabinet conference matter. It was largely for us to get together with the Fed and with the bankers.

I had a monthly meeting with the bankers who came down to advise me on what the banks could absorb, or what the market could absorb, and what the rates would have to be before we would put

[101]

out a new issue on government paper. There are four different types . . . there's the bill, which is one year or less. They usually put it out for three, six, or nine to twelve months. There are the notes that mature up to five years. And then there's the bond which is for longer periods, and the savings bond.

Well, on those matters we were in constant consultation with the Fed and the banks and the market, as well as the President, as to what was the proper thing to do. Will the market stand a long term bond now? Better stick to bills this time; Because every week we had a roll-over... some became due and then when there was a shortage through the overspending and deficit financing, we had to add to the outstanding volume, and all those things had to be checked with people that were involved in policy making. It was an everyday affair. You were making new policies or changing policies, adjusting policies and

[102]

finance. The question as to whether to sell savings bonds, or not, that was largely with the Businessmen's Association as to whether they'll support us in selling bonds to their employees. They would be called in ... there was no real reason for us to talk with the Attorney General about anything or the Labor Department, although we used to do it.. .with the Employment Deduction Plan we'd usually clear that.. .they'd have no objection to us doing that because it affected their labor dealings. Did I answer that, or do you have another angle?

SHICK: In terms of the Treasury's relations with the other Cabinet departments and the launching of new policies and new ideas, how did the Treasury's rate of success and rate of innovation compare with other Cabinet Departments?

SNYDER: Well, they are so different. You see the rest of the Cabinet had nothing in common to

[103]

compare, unless you bring up a policy that I haven't touched on here. We just can't compare a function of another department's policy as to how it would work for the Treasury. And what the Treasury did rarely would fit nowhere but the Treasury. If we missed it, why the Treasury came up short. If we made a wrong guess or didn't do something just right, we might get a lot of talk,

that we were running rates up and we couldn't build houses or cars, we'd get all that criticism, and we'd have to work with it. Because those were policies we were daily working with and with whoever was affected by it. These problems are largely incomparable, one department with another.

SHICK: Getting back to the congressional relations... you were talking about your personal relations with the committee members after you became Treasury Secretary. What was your impression of what the Treasury's relations with Congress had been like before you became Secretary and did

[104]

you have to work to change those?

SNYDER: No, FDR was pretty savvy on that and he kept the White House liaison active up there. No, he was very good on that. We didn't have any real problems with breaking in a new idea.

SHICK: Were there any issues which arose between you and the Congress that tended to chill relations between .

SNYDER: There was the Internal Revenue Reorganization bill, where we took their patronage away from them ... they were very upset over that. Otherwise, I recall no unusual issues.

While I would say they were upset against that specific Treasury action ... well, I'll tell you something as an example. They got pretty upset over it as they were going to lose one of their favorite collectors. Somebody, a faulty collector, went to Senator George, who had been

[105]

one of my very closest friends, because of Max Gardner and because of Bob Woodruff. Woodruff practically financed Senator George's campaigns. Bob Woodruff still is one of my very good friends. But anyway, this collector went to George and told him about the goings on that were supposed to be occurring in connection with the placement of the new offices under the reorganization.

George got up and just took me to task very strongly about it on the floor of the Senate. Frankly, I was shocked and I sat down and wrote to him. I said, Dear Senator, in all my years in public life I have never been so embarrassed, humiliated and deeply hurt as I was to read what you said about me, which things were absolutely untrue. And I said you're not that kind of a man, and if you'd do that without talking to me about it I want you to know it's hurt me to the core, and I have told Evelyn (Mrs. Snyder) that this is the most crushing thing

[106]

that has ever happened to me in my public life. Do you know that he got up on the floor the next day and apologized. He said he'd been misinformed and he'd learned a lesson and whenever he was given anything of that sort he was going to have it checked through. So we went right on being very good friends. But it took a little give on both sides to do it.

SHICK: Did Senator Joseph McCarthy and the era of McCarthyism have an impact on the Treasury Department?

SNYDER: No, because we didn't have much communism in the Treasury when I arrived. When I went into the Treasury there were six people who were supposed to have connections. But that takes hours to talk about because here we were, partners with Russia, FDR was sending word around, help the Russians any way you can, we want them to help us relieve the pressure on our western front. If they'll

[107]

take the Japanese off our back in the East, and so forth, it will be easier for our troops on the Western front, and that went down through the organization. The Secretary would say, oh, we've got to help the Russians. And then the next man and it goes on down. There were six names that the FBI sent to the Treasury that were supposed to be involved in Communism. I got rid of four of them in no time at all. One of them declared his innocence and transferred to the Commerce Department, and the last time I heard of him he was still there ... and they hadn't found him guilty yet. There was one man, who had an unhappy personality, a Jewish chap ... brilliant as the devil, very valuable in the monetary field particularly in foreign currency. He went before four hearings and just stood up and denied any guilt and told the truth. Finally, he came to me and said, Mr. Secretary I want to tell you, you have been kind to me. If I were in your place, I

[108]

would have fired me when I was called up the second time and I'm not going to humiliate and embarrass you anymore, I'm going to resign.

I said that I think you're being considerate, it is embarrassing, you know it is, you see it in the papers. I have great confidence in the work that you've been doing, but I feel, for everyone concerned, I should accept your resignation. I helped him get a job though with some organization in New York, and he went up there in their export business and was doing very well until McCarthy found him and called him in again and started to hammer him. So he finally said I'm going to take the Fifth and stop this. Apparently that was all they wanted as they called that a confession. They never tried him. He went on back to work, and the last I heard, he was still there.

That's about the only thing that ever touched me in the Treasury. It was more difficult in the

[109]

Agriculture Department and the State Department... those were the ones that really got the McCarthy treatment.

SHICK: Was Harry Dexter White in the Department when you became Secretary?

SNYDER: No, he had already left.

SHICK: So, the effect of McCarthyism on the Treasury Department . . .

SNYDER: None, as far as I'm concerned. If you go back you'll see that the Treasury was not involved after I got there.

SHICK: On other congressional matters, who took initiative in important legislation, Congress or the Treasury?

SNYDER: Well, it all depends on what it was, now if it was a matter that the President had, if it was an administration matter that was going on,

[110]

why that was all laid out. We'd have a meeting with the President and we'd say we'd like each of you to help in your fashion on the Hill. You see so and so, and you see so and so, and yes, we'd all pitch in. But it was largely whose department it affected. But the White House liaison representative would be told to get up there and fight.

SHICK: How about actual bill drafting on taxes and fiscal matters. Was this done by Treasury staff?

SNYDER: Well yes, Treasury and the Ways and Means Committee and the Finance Committee. Most tax matters originate in the House Ways and Means Committee, but we brought up many bills of our own. We always went up and worked them out with the Ways and Means Committee. It's a deathblow to get them against you. We had very close relations with the staff. It was a rarity if somebody wanted a . . . Customs, for instance, might want to change Customs' rates; we'd have to work around

[111]

and bring Customs into it, shippers, importers, and exporters, and things of that sort. So, it was largely as to what the matters were as to how they were handled.

SHICK: On the important tax and fiscal bills, was there a pattern? Did the Treasury draft the bill and then go to the Hill, or had the Hill already drafted its own legislation?

SNYDER: You get together and try to blend them, but normally the Treasury would go down and tell the Ways and Means Committee what their problems were for that year, what the

prospects of deficit financing were going to be, and if there was going to be a surplus, what could be done about it to cut taxes. It was very cooperative.

SHICK: Did you or the Treasury Department have to lobby on the Hill beyond Ways and Means to get support?

[112]

SNYDER: Oh yes, after you once got it out of Committee, you had to get everyone with influence to back you up.

SHICK: Was Executive Branch lobbying then as acceptable as it is today?

SNYDER: Oh yes.

SHICK: Any particular techniques?

SNYDER: No, just trying to tell them or persuade them to believe that it was the thing to do. . .there might be a little horse-trading sometimes: if you do this for me, I'll do this for you.

SHICK: What kind of pork-barrel legislation and policies did the Treasury have?

SNYDER: Now, that was within the Congress itself. We wouldn't be involved in anything like that.

SHICK: Do you think the Treasury's relations with Congress have changed since you left office?

[113]

SNYDER: Well, they got pretty bad under Nixon and they are trying to get along with Carter. Carter came down here with the idea that he could run things without asking anybody about matters. But I think he's gone a long way now with improving relations.

SHICK: What was your impression of John Connally as Secretary of the Treasury?

SNYDER: He was not a good Secretary. He can charm the whiskers off a cat. ..I love to hear him talk. And I've known him for many years. He came up herewith LBJ as an assistant. He's been a very able politician up until he deserted his Party, and they could never forgive him for that. He was Governor twice and he had awfully good backing. But when he went with Nixon . .

SHICK: Have there been any outstanding Secretaries of the Treasury since the Truman Administration? Or have there been any OTHER outstanding Secretaries...?

[114]

SNYDER: Well, it's just been a continuation of deficit financing.. .we haven't had but one balanced Budget.. .second year I think.. .1 was the last one who ever paid anything on the debt. From Eisenhower's time on the debt has just grown and grown. However, that was not always the fault of the Secretary. . .yes, we have had some fine Secretaries.

SHICK: Let's talk about the policy process in terms of the relationships among the Bureaus within the Treasury itself. How would you characterize the general relations among Treasury Bureaus ... were they cooperative?

SNYDER: Well, the different agencies are so unlike... what has Customs got to cooperate with. . .what has Internal Revenue. . .their functions are so different.

SHICK: the functions are too disparate?

[115]

SNYDER: Yes, that's right.

SHICK: How about policy coordination within...?

SNYDER: There's a great Treasury spirit, that runs through the years, being a Treasury man almost made you a member of the lodge. I think they're so disparate that there isn't a matter of cooperating or anything. Although there might be a little here and a little there. But, as a whole, the Treasury has a great corporate unity.

SHICK: Did you formulate policies with them on both informal and formal basis or was it all informal?

SNYDER: Most generally on an informal basis.

SHICK: We were talking about formulating policy.

SNYDER: Well, maybe, of course, there would be a bill or a policy that was built up in one of the agencies they thought was important. Then they brought it to the Secretary and to the General Counsel, and

[116]

we would go over it. And if it seemed to fit in with everything, then we worked with them to get it in proper context. But then, of course, it also worked the other way. If we thought that something should be done, well, we worked up an idea and asked them to take hold of it and see what they could make out of it.

SHICK: Can you estimate how often you met with all the Bureau Heads as a group?

SNYDER: Rarely, unless it was some big occasion, social.. .there was no need for it. There was no objective there, and people were working too hard to take up their time, when there was no end result.

SHICK: Did major changes in bill policy, say as related to Customs, have to be passed through you and reviewed by you?

SNYDER: Oh, absolutely.

SHICK: What control did you have in the selection of

[117]

Bureau Heads and in the Deputy Assistant Secretary of the Treasury?

SNYDER: I was never given anyone that I hadn't recommended. . . let's put it that way. I made a woman Treasurer for the first time in history. They were always my recommendations.

SHICK: That's an interesting point given the fact that the post of Treasurer of the United States has always been regarded as a highly partisan, political position; how is a person nominated and selected in terms of the political machinery for that position?

SNYDER: Well, you see when I arrived there was Treasurer Julian, who had been there all through FDR's time. He was always a favorite son of Ohio at the Convention ... and then that was just a routine procedure... he was nominated and then he came on back in as Treasurer . Here they had no real responsibility, they made speeches, they went

[118]

around ... they had no real responsibility that wasn't taken care of by a staff. They'd assign certain things to the Treasurer... it was purely political. When Julian was killed, why I just decided that it would be a good time to put a woman in, and I cooperated with the political setup of the Democratic Party organization, and obtained five names from them, from which I selected one, Georgia Neese Clark, whom I knew. Her father owned three banks and she inherited them. I knew she would know something about the language anyway, and she could put up a good act in making speeches and so forth; so I put her in and we've always had a woman there ever since. Treasurer Clark was given quite a number of responsibilities and performed them well.

SHICK: Were you directly accessible to Bureau Heads?

SNYDER: Absolutely, they had access anytime they wanted to see me; there was no question if they wanted to

[119]

get in to see me. That's why I told you about that initial opening meeting that I had with them, every one of them, and I talked with them and gave them the key to the door.

SHICK: So Bureau Heads were not entirely autonomous in their operations?

SNYDER: Oh, no!

SHICK: You mentioned that you visited all the Bureaus at the beginning of your term.

SNYDER: No, no, I scattered that out. I had them all in one after another, at the beginning of my tenure. Then it was up to them, and conditions, if they wanted to see me. But the gate was always open to them. My visiting them went right up to the last year, I remember the last year I must have had large groups. .among them printing and engraving people. .one of the warmest and most delightful occasions. I had kept that up at all times.

[120]

SHICK: Let's move into departmental management and personnel in some more detail below the level of the Bureau Heads. When you entered office what was the opinion in the Department and what was your impression of its general overall management when you first took over?

SNYDER: Well, it was not well coordinated, you see we'd.. .Vinson had gone over there and had been there nine months. He'd devoted most of his time to external affairs; he'd done very little to become involved in the general operation of the Treasury. His Undersecretary, O. Max Gardner, really ran the Treasury. There were a great many things that had to be done in reorganizations and things of that nature. Of course, Max Gardner tried to do a great number of things. He was a very able administrator. He was able to keep things moving along. But so far as the Secretary's involvement, why things were largely done without

[121]

getting him too much involved (it might be mentioned to him or something of that sort). He was up to his ears in the new World Bank setup and organization.

SHICK: What were the principal problems with the Department's management when you took over?

SNYDER: Personnel, building up morale, changing the tempo of the work; like in Internal Revenue, when all of a sudden we were just a huge operation without the proper personnel to do the work. That was true nearly all around; we didn't have the top-grade personnel in the lesser jobs, because they'd been scattered due to the draft and because many of them like Customs and the Coast Guard had completely changed in nature during the war. The Coast Guard went up to 385 enlisted men and dropped back to 80; so that required a complete reorganization there, and Customs had to start to go from doing practically nothing to a tremendous

[122]

reestablishment of trade and tourism. And then when we got out of the Volstead Act, the work of law enforcement stretched over to drugs and things of that sort, so that you had to get completely new training in. We had a Department of Narcotics, you know, in the Treasury, as long as I was there and that Bureau had to work very closely with Customs. I want to mention too, that I think that the Treasury contributed as largely, or more largely, to effectively combat crime than any department in Washington, because we were called on from so many different angles. You know the story that Capone went to jail for breaking the income tax, not for any of his killing people, or drugs or bootlegging, and all that sort of thing. And we combated this problem of black-market money. While I was there, we cut the issues of bills down to 500 dollar size. At one time we had 10 to 20 thousand dollar certificates. We just cut them back so as to make it

[123]

more difficult for black-market transactions on huge scales, as it would take larger bundles of money for the big deals.

SHICK: Despite the work of the Hoover Commission, was improved government management a prominent public topic in the late 40's and early 50's?

SNYDER: We started in the Treasury early. We were way out ahead. You see, President Hoover happened to be a friend of mine back in WW I, because I met him in Europe when he was over there on the Food Commission, so with others, I got Mr. Truman to invite him in on the food situation in Europe. Mr. Truman made him the food man. So, later, after his taking over of the Hoover Commission, he asked me to be on the Hoover Committee and be in charge of Ohio. I gave a schedule to you already ...I showed you how we cooperated ...with the Hoover work. We were number one to him. . .we were way ahead at

[124]

all time. We had either already done it, or were ready to do it.

SHICK: You hired a number of consultants for studies of management of the Department. What was your personal input into the changes that were finally made?

SNYDER: Well, I would sit and talk to them seven hours at a time. I wanted to get the job done. I wanted to build up good relationships; I wanted to increase the work flow. I would say that the amount of time I spent on it was considerable.

SHICK: How would you characterize your relations with the Under Secretary and the Assistant Secretaries?

SNYDER: I had a letter from Lee Wiggins recently, and my secretary said why that's almost a love letter. That was just how wonderfully we got along together. All of them ...I don't know of any single one ... they were all most cooperative...friends, we were real friends.

[125]

SHICK: Were any of them ... those who might be characterized as political hacks or were they all highly competent?

SNYDER: No, we had fine people in the top spots in the Treasury. There were no political hacks... except, with the Internal Revenue, we had troubles there. And we finally got that straightened out.

SHICK: How great was the input of the Under Secretary and the Assistant Secretaries in the policy process?

SNYDER: I would ask for their counsel on things and for suggestions; will this work, will that work, what are the weak spots in this, where will we run in to difficulties in implementing this? Always I got excellent studies. They would go out and seek advice; I know every one of them would. I was pleased with their work.

[126]

SHICK: How did the policy process operate within the Department? Was this through formal or informal means?

SNYDER: Very informal, we would sometime have three or four; sometimes one and sometimes, I'd bring in five or six.

SHICK: And your top staff had direct and easy access?

SNYDER: Oh, yes.

SHICK: Did the Under Secretary or Assistant Secretaries suggest any major policy changes?

SNYDER: Oh, many times. Take Graham; he had the Coast Guard and the Mint and Printing and Engraving. He was always coming in with ideas where we could improve this, that or the other. Ed Foley was one of the bright boys who came down in the very beginning. He was involved in the early Treasury work, and then he went

[127]

into the army as Finance Officer, and then came back as Assistant Secretary. Later I made him Under Secretary when Wiggins left.

SHICK: Were the personalities and styles of Gardner, Foley and Wiggins different from yours, and if so, how did those personality differences affect the policy process?

SNYDER: No, we had a community spirit there. I got Mr. Truman to name Gardner to the Court of St. James. His work in the Treasury was superb.

And with Wiggins, I get letters today from him regularly, and how much he deeply appreciated the trust and confidence I put in him . . . and this is 30 years later.

SHICK: How about your relationships with Assistant Secretaries, Graham, Martin and Andrew Overby?

SNYDER: I borrowed Andy from the Federal Reserve Bank in New York, and he never went back; he went from me over to the World Bank. Today, he's one of my

[128]

very close friends.

Martin's father and I were friends in St. Louis. Martin's father was the first head of the St. Louis branch of the Federal Reserve. Young Martin had been made head of the New York Stock Exchange, following the Whitney blow-up. Then, when the war came on, he went as a finance officer into the army, he wanted to get out of it after the war. So we got him released and put him in charge of the Export-Import Bank, and then as soon as he cooled off over there, I brought him over to the Treasury as Assistant Secretary. Then I got Mr. Truman to make him head of the Fed. You can't have any closer relationships than that.

John Graham was one of the dearest, finest young men I ever knew. I just trusted him with everything; he was just a top young fellow.

SHICK: Did they have different styles from you?

SNYDER: Maybe, well yes, but that didn't keep us

[129]

from working things out. They had their own training and you must remember most of them were pretty highly educated. You know that I never had had an education, so you might find there would be a difference; I'd had experience which helped match their education probably, I don't know. But we got along alright.

SHICK: I'll mention another name then, Fiscal Assistant Secretary, Edward F. Bartelt.

SNYDER: There was one of the finest chaps, too; I just trusted him wholly; he had a brilliant financial mind: He's the one who helped work out the "accord" with the Fed.

SHICK: Were there any formal executive development programs in the Treasury?

SNIDER: What do you mean by that?

SHICK: Well, formally trained people to train the higher level people.

[130]

SNYDER: Other than that, the work simplification program; yes, we were always trying to give people the chance to grow and work out plans.

SHICK: But nothing like the current programs of the Civil Service Commission.

SNYDER: No, this recent program was developed by the new Civil Service Director, when he came into government under President Carter.

SHICK: What programs did you have that tended to simplify government operation?

SNYDER: Yes, we had one particular accomplishment of which we were very proud, and one that could not have been undertaken under any other circumstances. The time that James Webb was in Budget, and my friend from North Carolina, Lindsey Warren, was running the GAO, we got together and decided to work out a uniform accounting system for the entire government. It was just the greatest thing

[131]

in the world. It used to take from three to six months to get a consolidated report on employment or on cost, or on any feature of government. Now, we can do it in three days. It used to be that if a new department was set up, all they had to do was take any accounting system and say that this is what we want to use, and it was approved. We just had about five or six hundred different sets of books (accounting systems) and now we've got them all uniform.

When I left the Treasury, I got a receipt from George Humphrey, my successor, for the Treasury. We even re-counted the gold in Fort Knox; we arranged for a committee to come in and went over everything. In the copy of the paper, International Finance Towards the Stable World, we were trying to work the operations of the Treasury. Those things are all ... you asked what did I do. . .you can see from the report and supplementing data of the participation of the

[132]

United States Treasury during the Truman Administration.

SHICK: Those are all going into the Truman Library?

SNYDER: Well, eventually. I've got, for your information, as much as 87 lineal feet of records already over there, that's a lot of material, isn't it?

SHICK: What was your view of the career civil servant?

SNYDER: Mixed. . . there were some of them who were just tops, and others that were just simply there for clock-watching. There's one thing I used to check on very carefully; how much

excess leave and sick leave did this person have? And, if his record showed none, I said, oh, they are just living it up just as fast as they go and, therefore, they were clock-watchers and were just taking every advantage possible. They really weren't keenly interested.

[133]

Then, on the other hand, there were those that had too big a reserve; I always wanted to look at them too. . .did they have something they were trying to cover up? I'll tell you why that happened, when I was a youngster in a bank... a chap had come into the bank after high school and had worked his way up through every department (this was a little bank).. .and everyone trusted him with the world, and then all of a sudden the bank examiners did a thing that they'd never done. They'd usually come in the afternoon after the bank had closed.. .they'd always run the deposits and the savings accounts, and then come in the morning and take the general books. This time (he was cashier of the bank) they were in a rush, and so after checking the checking and savings accounts, they then ran up the general ledger and they were out close to \$50,000.00. So the chief examiner called me at home and asked me to come down, and he told me that we had

[134]

a peculiar situation. I said, let's go through it and we'll see what it was. I noticed a figure that was practically what they were off on the general ledger, and I said, wait a minute, look at this ...this is the same figure. So, I said I think we'd better check this out. The young man that I just mentioned had come all the way up in the bank to be cashier, and he asked permission to keep the general ledger so he could keep up on things and he could watch the bank grow. Well, the examiners called him down. When he came in the bank, he said, what are you doing down here at night? He was told that they wanted to ask him if he knew of any irregularities in the balance sheet, and with that, he said, I haven't a damn thing to say. . .he shut up. Well, they found what it was. He, as it turned out, was paying drafts of a cotton buyer, and the cotton buyer got deeper and deeper in his overdraft and couldn't cover. So it ran up to nearly \$50,000.00

[135]

What he was doing was juggling the control sheet of the deposit accounts with the control sheet of the balance of the books, and then in the morning when he went in, he would add it to the deposit account control sheet and take it off the other. He had gone through two examinations. It was caught because the examiners just happened to be in a hurry that particular time.

Well, it was having experiences like that... oh, I went into the First National Bank in St. Louis, and I set up a ruling there that everybody had to take a vacation every year of two weeks. . they had to submit their requests to the cashier and have it approved, and they had to go on schedule. Another person from another department would come over and take their places. And we saved ourselves many problems that way. Because the first fellow, I described, would never take a vacation. Make them take their vacations and you removed a temptation. Well,

[136]

excuse me. . .let's go on.

SHICK: Did you have any preconceived views about civil servants before you got into the government?

SNYDER: Yes, I did, I just started observing at the wrong place. After World War I, the government set up the Veterans' Bureau. It was peopled heavily with patronage appointments. Its headquarters was located just across the street from the RFC. I would go over there to see a friend of mine. I used to say to him, you surely didn't select any of these people, and he said, I don't know what to do with them...but he's the one who told me they were always a way behind in their sick leave.. .and then they'd quit and there was no way for the V.A. to collect. So, I thought that was a mighty strange way to run an office. I began to check into it, and found that generally speaking, the RFC and the

[137]

Treasury had a better checking system. So, I kind of had my fingers crossed. . .on Civil Service, if that answers your question.

SHICK: Once you got in and had experience with civil servant employees, did you experience a change?

SNYDER: After the Treasury?

SHICK: Yes.

SNYDER: Yes, because we did something about it; we put in that work simplification program and upgraded them, and that sort of thing, and we began to get greater turnout.

SHICK: How professional were the employees in your view compared with employees in the private sector?

SNYDER: In the Finance Department they were excellent; in some of the others. . .not so good.

SHICK: Was that a fault of the Protection of Tenure?

[138]

So you couldn't fire them?

SNYDER: Yes, to some extent. We couldn't fire them. If we tried to fire them, we would run into trouble.

When WW II was over, I was in OWMR, and so I told "Mr. T" that we had many agencies that were created for the war; their work was done. If we gave them time, they were going to

establish themselves in some manmade work, and go on and on. What should we do about it, he said get rid of them. And I said, may I have Sam Rosenman, and make a committee of Sam and me (Sam Rosenman was General Counsel) to thin out the agencies whose war work was completed. He agreed.

So, Sam and I sat down, and found that there was one, two, three that had finished their jobs. So we wrote the heads and asked them to come in. We told them that they had done a splendid job.

[139]

and we were highly pleased with it and commended them, but it was time for them to close up their office. Do you know, that before we could turn around and get settled, we'd get a call from a Congressman. . .you can't do that. Why, that man is one of my proteges, and I'm not going to have him thrown out. We've got work for that agency. Well, after that had happened about five times, I said, Sam, what are we going to do? I asked him how tough are you? He said, I'll be as tough as you are. So I said, I'll tell you what we'll do, let's look these over, let's issue an Executive Order signed by the President that the agency has been discontinued as of August 3, whatever remains in the agency will be transferred to a regular department for windup. And we'll call him in and hand it to him with the President's signature. He said, well, you are tough; and I said, well you said you'll be as tough as I am. He said, well, let's try it.

[140]

We closed 40 agencies that way. .and did we catch hell for it on the Hill. But that was before I got to the Treasury; that was over at OWMR. But you had to do it.. .it was the only way you could get the agencies closed down.

SHICK: What was the input of departmental personnel, career personnel especially the senior civil servants and the bureau head in terms of policy making?

SNYDER: When called on, excellent. When you give them a guideline, and what you're after ... very good.

SHICK: Did you have much influence over what the Hoover Commission recommended for the Treasury?

SNYDER: Yes, a great deal, because we'd done most of it all ready. And we would meet with them, and if it looked good, we'd say yes, we agree with you on that; if it didn't we would just try to talk them out of doing it. And because of our record,

[141]

they'd usually accept it because we'd done it. I would say that that went for about two-thirds of what they had on their agenda for us to do.

SHICK: What about the Hoover Commission's recommendations for other agencies? Did you have any input?

SNYDER: No, I didn't.

SHICK: On August 2, 1950, you created an assistant secretary for the Administration under Executive Plan 26. This, I gather from reading those notes, ended up in the Hoover Commission's Report, or in their recommendations, but was this something you recommended to them that they then recommended to you?

SNYDER: We did that ourselves when I moved Mr. Overby, the man that I was going to give that job to, over to the World Bank. So I used him over there for relationships between the Treasury and the World Bank. But I had other problems of

[142]

getting good men. The Republicans had begun to give us a pretty rough go there, and people up in that level got to thinking it was a short- time job, because usually it was the procedure that when a new President came in, he could pretty well clean house and bring his own people in within a few months, or a year. So, after knowing there was only two more years to go, there was just no one with the caliber I wanted that would be interested.

SHICK: Is that why it took so long to get the post in the first place?

SNYDER: No, I don't know about that. We might have gotten it earlier; nobody thought Mr. Truman was going to be elected in 1948 and then after we got past that hump we got things running pretty smoothly and I came along with this idea of expanding the executive a little and then it cropped back up again. For the type of people I wanted, you'd have to get them to quit good jobs.

[143]

SHICK: Did the Treasury see a need in the late 40's and early 50's to hire more women and minorities? Especially for higher management?

SNYDER: There was a lot of talk about it but we went on and got the best employees we could; we didn't pay much attention as to whether they were men, women or minorities.

SHICK: So, it was pretty much an old boy network?

SNYDER: No, no I didn't mean that. I thought you meant just go out and hire a woman because she was a woman. We just filled the jobs with good people from the promotions and applications, and things of that sort. It was pretty hard to hire someone from the outside who didn't have any government record. That's what I thought you were talking about.

If the person qualified for an opening was a woman, well fine. . .I always had a reputation of looking for good distribution, and,

[144]

fortunately, we were in good shape. We've got about 50-50 now with no control whatever; it just turns out that way in our scholarship program; we've got about 50-50 men and women.

SHICK: Did you make any recommendations so that the Department would increase high level management for minorities and women?

SNYDER: No.

SHICK: Was the Civil Service Commission responsive to Treasury personnel management needs?

SNYDER: Generally, yes. Because we gave good jobs and they had continuity, and the Civil Service was happy to give us good people.

SHICK: In your day, Treasury had a lot of its own examining power, didn't it?

SNYDER: Not in the Civil Service area. We did. . .what you're thinking about now was the collectors

[145]

down in Internal Revenue; they didn't have to pass any examination or anything. And lots of times there were cases where some of them would bring in some of the people as assistants and things of that sort.

SHICK: In those days, did the Bureau of the Budget set ceilings.. .employment ceilings, and did they try to control the number of people on board? Who controlled you in terms of the numbers of people you could hire and where you could put them?

SNYDER: The truth of the matter is with this work simplification program I had cut our employment from 110 down to 92,000 and I was awfully proud of it. And I went up to Congress with my budget. I always went up with the budget; I didn't send it through an assistant.. .I'd do it myself for the first hearing and turn it over to the staff for the final examination.. I probably told them what

[146]

I'd been able to do by increasing the value of the employee and the value of their work at the same time, I had been able to bring the total number down by taking care of everything through our Work Simplification program. I was leaning over to get patted on the back, when...what do you think. . ."no wonder we can't get jobs down at the Treasury" was the retort. My heart was

broken. So far as putting any ceilings on it...it was just the opposite. And, within two years, Secretary Humphrey had it up to 125,000.

SHICK: Did you ever have any dealings with the National Civil Service League?

SNYDER: No.

SHICK: What is your attitude toward having top management officials as career civil servants versus having them as political appointees?

SNYDER: I would say, have them grow in capacity rather

[147]

than bring them in from the outside. Because you don't know, you can't always rely on the type of examination that they'd be given... coming in brand new.

SHICK: So you're for a strong career system in the Civil Service?

SNYDER: Yes, I am, because it's one way of assuring continuity.

SHICK: But that doesn't make good employees...?

SNYDER: Well, some of them are going to be that way, and some of them are not. You've got to depend on trying to make it interesting for them and let them know you're watching them.

SHICK: You put personnel in the Office of the Secretary; what was the management role of the personnel department in the Treasury? Especially the role of personnel IN the budget process? Did the personnel department in the Treasury have any

[148]

managerial advisory role or did they get involved in budget in terms of escalating work loads?

SNYDER: Yes, each agency head worked up his own requirements, and with one of the assistant secretaries would have it carefully gone through with one of our top personnel people. We ran a pretty close check on it in the Treasury.

SHICK: Did you regard the personnel people as part of management or basically as clerks?

SNYDER: As part of management. I wanted them to feel that they had a responsibility.

SHICK: Were they capable of pulling that off?

SNYDER: Oh, yes, the ones I had were excellent. The fact was that the four people I had in that area all went to big corporations after I left.

SHICK: Except they didn't stay career civil servants.

SNYDER: No ... But they had been up to that point. When

[149]

I left they just didn't want to stay. I took it as a compliment that they enjoyed their work with me, but didn't want to risk what would come next.

SHICK: Some questions on monetary policy. Do you feel that the monetary crisis of the 1970s were handled as well as the monetary crisis of the 1940s, or do you feel...?

SNYDER: No, wait a minute...in 1940 we were in war.

SHICK: Well, let's say, the late 40's...

SNYDER: The International Monetary Fund started in 1946; you see the war was over in 1945. So it would be 1946 before we began to get into that area. Yes, I think we did a better job than they are doing now.

SHICK: Specifically.

SNYDER: Look at the deficits that are piling up here, and the number of people employed, and it starts

[150]

up at Congress. Just think, when I came down here in 1940 to set up the Defense Plant Corporation, we had one Senate Office Building, we had one and were building the second House of Representatives building. Mr. Truman, as Senator, had nine people in his office, Symington, when he went out last year had 42. And I don't think they were turning out nearly as good a job as we were turning out after the war. Does that answer your question?

SHICK: Were the international monetary problems today more pressing than the matter of international trade during your tenure as Secretary?

SNYDER: You're mixing up things. . .number one: the monetary problems of the countries were largely worked out in the Monetary Fund and in the World Bank. Now the World Bank makes loans for building up a country's capacity for utilizing their raw products, their natural resources, to build a railroad that will bring food and raw materials

151

to the port, to build shipyards, if they are finding it difficult to ship their products coastwise; all those things were carefully studied out, and the money was advanced if it was worthwhile. In the Monetary Fund the problem was to adjust the balance of payments in case of a crop failure, a

flood, a bad year or something of that sort. They would loan the member country money in order for them to meet their balance of payments for goods brought in. So that took somewhat of a load off the individual monetary policy, external...foreign as you say...on the Treasury because we could usually route that sort of problem through the Monetary Fund or the World Bank.

But we had our own things that we were doing that were apart from the World Bank or the Monetary Fund in which there was a direct relationship of the United States with foreign countries. And I think we did a better job because in the Treasury, we had some very fine people whom we

[152]

had. trained to go and study the country to see if they were capable of using the money they wanted to borrow profitably. And now, we've just allowed the private sector of banking to move out and make loans in foreign countries indiscriminately and excessively. Yes, I think we did a better job.

SHICK: What do you think is going to happen when countries like Mexico and others start defaulting on their obligations?

SNYDER: We'll have another New York City... If somebody doesn't come through, and New York City's problems are not over now. But we did guarantee their loans so as to keep them rolling for a while. If they don't get on their feet and tighten up, the time's coming when those loans are due and when the government's called to pay them...then you're going to have a genuine problem of taking over and having the government

[153]

run cities. And I think that we made a very sad error when (FDR did this) he told the cities... do not worry. . . let him take over the tax collecting and he would give it back funds, and so forth. The trouble with that was. . .he would give it back for political purposes and it has since been that way, and a lot of the states have surrendered taxing power and didn't have to. We were still solvent enough that they were able to go along without coming to the government for money. And they were being penalized for those that didn't. And that's not good in my opinion.

SHICK: Did you recommend the creation of a special position for monetary affairs, which is now under the Under Secretary for Monetary Affairs?

SNYDER: Well, I didn't set up any particular position I don't think, that came along until fairly recently. . .I think again of all those Under Secretaries, Deputy Secretaries, and all that sort of thing. No, I don't recall setting up

[154]

any specific department for that. Although I had. . .that was the job Martin was handling. He was kind of just overseeing it, the staff was working it up.

SHICK: The follow-up on this questions which I'm not sure will come out.. .is. .if you made such a recommendation, why was the idea turned down and never implemented?

SNYDER: I just don't remember ever making it.

SHICK: Are there any differences in Treasury policy when bankers are Secretary of the Treasury as compared with economists or Connally politicians

SNYDER: Yes, I think.. .well, let's not say bankers per se, but a man with some banking experience. Mellon, for instance, he was never a banker per Se, but he was in things that were doing banking business. And he did a good job, except he was entirely too tough. I remember going to see him

[155]

one time when I was trying to save a bank in St. Louis. It was one of our outlying banks and the downtown banks felt...if that bank went under, that it would just bring a flood of withdrawals. So they asked me to come to Washington to see what I could do.

The Comptroller of the Currency was opposed wouldn't even talk to me about it. .oh, no, he said, you'll have to talk to the Secretary. I said, alright, let me go see him. He said, do you know him? I said, I'd never met him. I said do you want me to get a request from. .. he said oh no, no, I just wanted to know if you knew him I'll call him and see if he'll see you. So I went in to Secretary Mellon. He was in the same office that I had later served in. I walked in and he said, I want you to tell me. .you're from out in St. Louis where people are pretty sound thinkers about practical matters. . .he then asked me if I saw why they wouldn't let him put his art gallery

[156]

over in the Ellipse. I said, it would be a beautiful place for it. He said, they've turned me down; they said it will cut off the White House view of the Washington monument. I wondered how I was ever going to get around to talking about the St. Louis bank.

But I finally got to tell my story to him. He said, John you might as well learn early... that if we're going to straighten out this banking situation, that we've got to squeeze them dry. That statement amazed me. It was the toughest policy I'd ever heard; and he meant it. Anyway, I was able to get him to let me save that bank, provided I go back there and raise \$200,000.00 of new capital. I promised him and, of course, I was talking to a banker. . .so we saved the bank.

Mr. Shick, I think that I shall let all of my successors tell their own stories. Each has his own successes and his own trials.

SHICK: Would you expound on your role in getting the

[157]

banks to reduce their holdings of government securities?

SNYDER: Well, it wasn't very difficult to do. I told you I had these bankers come in about every other month and just put it up to them...well, let's go back to why I had all of them.

When I went in the Treasury, I called the American Bankers Association and told them that I wanted to talk with them at their next meeting. This is what I said, Gentlemen, this is a matter of your making a decision; do you want the Treasury Department to continue to sell savings bonds or do you not? I've been hearing so much about the complaint of competition. If I continue I want you to know that I'm going to take away all this patriotic screen, and everything will be savings for savings only..to send a child to school, to buy a home, to retire on; for an economic reason and not for a patriotic reason. That will be our theme...to sell it to people for

[158]

opportunities and investment. But I want you to tell me whether you will back me up in that, or whether you'd rather we'd stop.. I'll do whatever your decision is. If you say you want me to discontinue it ... that you will not support it ... we're out. If you say that you want me to stay there on the basis that I've just named, and that you will stay in there and help, then we'll continue.

It was unanimous to stay, you see, we went through the Opportunity Drive, the Minuteman Drive and all that, and the bankers just did a great job of helping.

So, later, I went to them again, and I said, now we're piling up a lot of money in banks in treasury securities. Those are very volatile. Now, what we'd like for you to do is to help us with the payroll savings plan and help us sell savings bonds to individuals. You talk to your customers and get them to make these deductions

[159]

and you'll sell bonds to the employee and he'll save then to send his boy to school, and so forth. That will, of course, naturally cut down the amount that you bankers have had to buy when we make an offer.

I want to stop the heavy holdings of savings bonds in bank. I want to try to get them into the public holdings, the insurance companies, and places like that, for a permanent investment. Once they've invested in something, they'll likely hold onto it as long as it meets their needs. And that's how I got them to do it, and they cooperated.

I guess you know, I've been proud of it. I am the only Secretary of the Treasury who has ever been given the Public Endorsement and Certificate of Honor by the American Bankers Association. Did you know that, Mr. Shick?

SHICK: Was there a public demand in the late 40's and early 50's despite the fact of wartime to reduce

[160]

government expenditures?

SNYDER: We tried President Truman did...FDR didn't have a chance because he was dead before the war was over. We tried to hold the budget down. We did.. .look at the record. . . seven years and taking in more than you spent. That was holding it down and not expanding it.

SHICK: Did you perceive a public ground swell from that kind of policy?

SNYDER: There was never any public ground swell. Because the public would usually try. . . the general public, you've got to realize, may be selective, but you take the general public now, that's most of the votes. . .will go out for most of these social things and that runs into money in a big hurry. There was a demand for all these social participations, which if we'd gone along with them all (we didn't go along with some) why it

[161]

would have run up the cost. There was never any ground swell that I knew of. Unless you could take one at this time. What do we have.. .A Congress here that just before an election raises their own salary. That's no ground swell; if the ground swelled, they'd feel it from home, wouldn't they?

SHICK: What was the most important policy recommendation you made that resulted in budget surplus?

SNYDER: To try to keep from cutting back on taxes, by opposing the bills to reduce taxes by our pay as you go program, to try to hold down the operating costs of the government as much as possible.

Mr. Truman was the only President who seemed to understand and know the budget. He'd have a press conference, and I'd sit on one side of him, and the Budget Director on the other, and he'd bring the press in and answer their questions about it. Sent it out to them three or four days ahead of the time, and let them come in and

[162]

ask questions. He always had the two of us there; occasionally, I'd be called on for an answer, occasionally, the Budget Director would; but most of the time he'd answer himself, showing he knew what each one of those figures stood for. He showed that he was trying to hold the budget from overspending.

SHICK: There were several questions on the Treasury Federal Reserve Accord in 1951...specific questions. The first one is: can you briefly describe the situation that led up to the accord.

SNYDER: I've already told you that, yesterday.

SHICK: And the Accord was initiated by you, wasn't it?

SNYDER: Right out there in bed at the hospital with my eyes all banked up with sandbags; I had cataracts removed.

SHICK: And your role in developing it was to personally get together with the Head of the Federal Reserve?

[163]

SNYDER: For the present issue of the bonds, I promised to come out as soon as I could with a little higher rate, and we would exchange them for those in the market. From then on, we would then work on a plan together. That's all there was to it; it was just a verbal agreement ... we never published it, all we said was we had an accord, and that's why they called it the accord.

SHICK: Did the Fed object or acquiesce in the Treasury's position or vice versa; you said it was a case of mutual...?

SNYDER: Oh, yes we agreed to it.

SHICK: Did this policy process affect future Treasury- Fed Relations?

SNYDER: We got along fine, it was about two years before I got out.

SHICK: In your view was the Accord necessary to help stabilize the economy?

[164]

SNYDER: It was the only way to get it done. We were reasonable people in the Treasury.

SHICK: A question occurred to me as I was looking through some of these materials. I noticed that the two and three-quarter percent Treasury bills are due in two weeks.. .on August the first and April the first, 1980, and I was wondering what.. .I assume that no one is hold those any-more.

SNYDER: I suspect that these were some highly discount rates.

SHICK: So they bought them very cheaply?

SNYDER: They might have, yes.

And we agreed that we would hold on until we found out the extent of the involvement because of the invasion of North Korea into South Korea.

SHICK: What had interest rates been like in the early 40's and late 30's, when WW II started?

[165]

SNYDER: Oh, we'd let them grow. . .well, in the 40's... you're back in the war. Eckles was in on that. .he and Morgenthau. . .Eckles backed that 100 percent. Up until 1945, why less than 2 1/2 percent. And it was not until after President Truman got in that we began to carefully raise the interest. And we were letting them gradually go up. Wiggins, a banker himself, was gradually letting them rise with my approval.

SHICK: We have an 18 percent interest rate today; are there any lessons for today?

SNYDER: I don't know; I just think the rates are entirely too high. Chairman Volcker is a man of great integrity and knows that interest rates are but tools to fight inflation. He went in there to show that he was determined to try to do something about it. It hasn't worked; we're still going out and paying 15 percent for mortgages for homes. I can't justify that, but what are you going to do when it really bucks the trend?

[166]

SHICK: Was it a hard fight to get the idea for the Accord accepted or just a hard fight to get these positions?

SNYDER: Oh, it wasn't hard. We definitely knew we couldn't let it go on. It had to be corrected... The Fed couldn't keep raising interest rates.

SHICK: What was the fate of them after the time they were sold?

SNYDER: We came out with a little higher rate there and you could turn in the old ones for them. . .we went along with it.. .we didn't have any trouble.

SHICK: You described in some of the papers you gave me, the Treasury's role in development of the general agreement on tariffs and trade. . .are there any footnotes?

SNYDER: No, that was largely a matter of the Customs working with the International Trade Association... you asked if there were any footnotes. .sure.. .I

[167]

had it.. .oh, here it is. International Trade Organization, and it tells how they worked it out together.

SHICK: So, there's a volume that is headed for the Treasury Library? That's a copy of what's in the Truman Library, right....?

SNYDER: I think so, because it's a statement by Secretary Snyder on the International Trade

Organization Charter before the House Committee on Foreign Affairs, May 11, 1949. Here's the Treasury's position.

SHICK: What was the role...

SNYDER: We cooperated. . .you want an answer, yes, we cooperated.

SHICK: What about the actual policy making prepared by the State Department; was the Treasury active in this policy making?

[168]

SNYDER: Yes, it was through the Customs. The State Department was only a partner...it was more in backing up the World Bank.

SHICK: In the spring of 1940, the U.S. began a program of freezing all foreign assets of the United States; as part of this program a survey was developed to measure the amount of foreign investment in the United States, and American investment abroad. The survey based on 1941 and 1943 respectively was published and disseminated during your administration. Did you ever see the results of those surveys?

SNYDER: They were pretty sketchy. . .there was nothing ever publicly released, really. We closed in on some of the big ones like the big chemicals, and four or five mining operations, and there was a lot of trading off.

SHICK: The report states that this was the first time that complete information was available

[169]

on withholdings of foreigners in this country and the question is why weren't these surveys pursued again. . . it was 30 years before another survey was done. Was it believed that policy could be made without continuous gathering of such data?

SNYDER: Well, the Eisenhower Administration got a wrong notion, so we began to allow banks, and not only banks, but General Motors or IBM, and many others, to go over and invest in plants in foreign countries, and when you start doing that you're exporting American capital, and what they completely overlooked was the fact that they weren't only exporting capital; they were exporting jobs. Because if they went over there and built these big plants, the jobs would be given to the foreigners and we'd lose jobs over here, when the foreign plants began exporting to the U.S. items produced in the U.S. -owned plants. It was not a well thought out program. And, of course, they were taking full advantage of it and

[170]

using cheaper labor to come and flood our market with a lot of things, and so you see, these trade agreements here began to get out of gear.

SHICK: Did the Commerce Department object to the Treasury's pursuing these surveys?

SNYDER: No.

SHICK: Did the Treasury Department feel that the Commerce Department sample surveys and sample estimates were sufficient for the policy?

SNYDER: No, they were just horse-trading, and what we were trying to find out was if there was a lot of investment over here that were Hitler investments ... sort of like the black-market. Of course, there was just a great deal ... a lot of business in St. Louis. But, personally, I think that, I just told, you is the reasons that after we once got the Hitler stuff lined up, we were anxious to put some U.S. money back over there to help build up the country and forgetting about the repercussions

[171]

that could come. Clay was a fine man and did a great job for Ike.

SHICK: Would you have controlled the multi-national cooperations; the development of multi-nations. Would you have controlled development of multinational corporation, the American investment abroad if you'd had any power?

SNYDER: I would have definitely tried to minimize it.

SHICK: How?

SNYDER: Well, we'd just have had to put a limit on the amount of export capital.

SHICK: What do you think the impact of that would have been?

SNYDER: I don't know.. maybe none at all, but I would have tried it. There would have been a row from Wall Street, but that isn't the place that controls the Administration's power.

[172]

SHICK: What was the Treasury's role in the Marshall Plan?

SNYDER: Well, it was tremendous. The Treasury had to handle the monetary side of it. We had to help FCA go over there to the countries that we were trying to help and examine their monetary system and see if they were going to make proper use of the money. We had to try to see to it that the countries that could contribute in some fashion did so. We would have to hold down the total cost So I set up a group of trained men. . .that's how I got, associated with Georgetown University. The Treasury didn't have any international monetary people to speak of at that time. So, if we'd get a request that a country was wanting to get some money, why, we'd

have to send someone over to find out what they were going to use it for. . did they have the capacity to use it? Could they turn it to their good and learn to improve themselves?

173

To do that I had to get a course set up in international law and diplomacy and language of the country. And, Georgetown opened up classes like that for my people. So I was grateful, and when I got out of Government, they said, we helped you, now you come over and help us. I said, what do I know about education? President Bunn said, just come over and talk with us. Well, I couldn't back out of that, because they really did help me when I needed it. So I went over to help the Georgetown President. The next thing you know, I said, we ought to build up a group of alumni. So we spread out and got people involved from all over the United States, and called our group the Board of Regents, an impressive name. They have helped Georgetown's growth through the years.

SHICK: Was there a reason you went to Georgetown as opposed to Johns Hopkins?

[174]

SNYDER: No, because it was just what I told you.

SHICK: Well, so is the School of Advanced International Studies.

SNYDER: Was that in existence at that time?

SHICK: Well, right after the war. . .I just wondered...

SNYDER: Well, it was Georgetown that asked me. So I went over there. I knew Father Walsh, Father Bunn and Father McGrath.

SHICK: Did you initiate Treasury's participation in the Marshall Plan or wait until State approached you?

SNYDER: No, actually, the man who's most responsible for the Marshall Plan was William Clayton. FDR sent Clayton over to Europe to study what the national economic status in Europe was going to be after the war. The report he came back with was so shocking that Dean Acheson wrote a speech

[175]

touching on it, and, unfortunately, chose to deliver it in Vicksburg, Mississippi. Nobody paid any attention to it. But it was decided that it was worth another try, and as Harvard University was offering Marshall an honorary degree, Acheson wrote his speech in which Marshall said that the United States should be prepared to help those who wanted to help themselves. Acheson advised Ernie Bevin that this was coming out in a speech at Harvard University by Secretary Marshall,

and advised him to read it and immediately declare it a great boon to mankind, which he did, saying that it was wonderful to have America willing to help. That's how it really got started.

SHICK: Formally, how did the Treasury then. .task forces...?

SNYDER: We had to get in and see how we were going to finance it, and we had to work with the State Department to see about what the extent was; we had to take the Clayton Report and analyze that..

[176]

as to how much food and economic help, it was going to take. How much know—how, how much construction work, and all that sort of thing, and try to get an estimate on what it was going to cost. The Treasury was in it up to their ears. I would like to show you the letters from the heads of State in Europe, and the Ministers of Finance. They were most grateful to us for coming over there and helping to work out tough problems. So, it was all working together... Treasury steps in here, and State Department there, and so on. It was all working together... and President Truman would guide it.

SHICK: On the law enforcement responsibilities of the Treasury.. .do you feel that the Treasury's law enforcement agencies were effective?

SNYDER: I told you that...yes, I think they were very effective. No question about it; we did more than just control narcotics. We did more through

[177]

our control of black-market operations through the Internal Revenue.. .to tighten up on these gangsters, in curbing their activities and smuggling. We were very effective in controlling that, and stopping a lot of those gangs from ruining this country with contraband, and so forth. I think we did a great job.

SHICK: Was part of the effect on this of the drug control a function of the Narcotics Control.. .a function of the magnitude of the traffic of that time compared with now. If you had it to do now...?

SNYDER: We had better control of it then, than they do now.

SHICK: Is that because of the administrative mechanic by which you controlled it, or simply because it was a much smaller..?

SNYDER: Well, both.

[178]

SHICK: What are the administrative mechanics to which you attribute the effectiveness of control?

SNYDER: Well, the people we had working in those various departments.

SHICK: Compared with the FBI, did the Treasury take a major active role in trying to break up organized crime?

SNYDER: No.. .except through the various operations.

SHICK: Did IRA get involved in trying to get people convicted. . . get organized criminals convicted after Al Capone?

SNYDER: Oh, yes.

SHICK: Was that your idea, or was that the FBI's idea or the Justice Department's idea?

SNYDER: Justice and FBI never offered any suggestions as to what the Treasury did, because that was our own idea.

[179]

SHICK: Were the Treasury's relations with the FBI harmonious?

SNYDER: I would say, restricted. . .they were always trying to get the Secret Service over into Justice.

SHICK: We didn't discuss that on tape earlier...?

SNYDER: I thought we did.

SHICK: No, we discussed it at lunch.

SNYDER: Well, they were trying to get control of that type. If they had ever got the Secret Service in they would have gone for our Internal Revenue; that's one of the finest crime control outfits in the country; so then it would have been our Narcotics. . .our Customs. We had a marvelous setup there...we did have. I've lost track of it now. We worked up a system whereby we made arrangements with the top leaders in Europe to

[180]

notify us of any big sales of jewels, or gold, or anything of that sort that took place over there. We were immediately on the alert for them...when they would land, we would put a stop to it.

SHICK: Didn't they have a rationale on terms of function.. .for taking over the police-like services,, .especially the Secret Service?

SNYDER: Did who?

SHICK: The FBI.

SNYDER: Oh, yes, they had a great rationale for it...it was so clear that all they wanted was just to get that function over there, and a lot of people said, you know what they're trying to do is get a control of the President's operation.

SHICK: How did you decide to thwart that?

SNYDER: By lobbying the Congress for what we wanted...

[181]

that we'd been carrying the Secret Service all the time, and just pinning it on to different agencies at budget time...and we wanted to give it genuine status in the budget operation, which needed Congressional recognition of the important status of this unit that was taking care of the President.. protecting the President.

SHICK: How did the FBI react to your political success?

SNYDER: Well, they were very upset about it, and they accused me of slipping up in the night and persuading the Congress to pass the bill. Although we'd been having hearings for weeks. . .it was out in the open. But there was actually a piece in the paper that the Treasury had slipped up there and had this passed in the night.

SHICK: Did you have any personal dealings with J. Edgar Hoover?

SNYDER: Yes, he and I received honorary degrees at

[182]

George Washington at the same time. We were friends...he invited me down there, and I've had two or three speeches that I went down to deliver about law enforcement to the FBI.

SHICK: President Truman was not an admirer of J. Edgar Hoover...?

SNYDER: I just used a little more delicacy.

SHICK: Was there ever any types of personal retaliation or anything by Hoover?

SNYDER: To me or...?

SHICK: Yes.

Did the Treasury have any relations with the CIA?

SNYDER: Oh, I don't know. . . working arrangements or anything of that sort... that was out of our area.

SHICK: The Treasury Historical Association understands

[183]

that the CIA's wartime predecessor had an office in the Treasury building. Do you know if that's true?

SNYDER: I don't know.. I could find out very easily.

SHICK: I guess they want to know or they wouldn't have put the question in.

SNYDER: They ought to be able to find out.. right in the Treasury. I never was aware of it.

Are there any other topics you'd like to explore?

SHICK: No, unless it's... I've read all these things... Will those be on file anyway...people could get access to them.

SNYDER: Now I've got something to ask you. Will you record that they are going to compile more than just your tapes...?

SHICK: I gather... I don't know... I'm just...

[184]

SNYDER: Because we can't possibly.. when you start to answer questions, look at all of that...we can't sit here in one afternoon and put in the whole Treasury operation. We're hitting highlights of certain phases of it...now, remember Abby has told me that I can edit these tapes. I just wanted to be sure if things didn't come out the way I intend them to...the way the facts are or diplomacy...I could change them.

SHICK: On the chiming of the clock, we'll close the interview.

Index

Acheson, Dean, 41, 43, 45, 46, 70, 80, 174-175
American Bankers Association, 157, 159
Arliss, George, 83
Atomic bomb, use on Japan, 52-53
Australia, contribution to the Korean War, 46

Bank closures, Great Depression, 8
Banking business, mechanics of, 17-19, 28-30
Bartelt, Edward F., 129
Bevin, Ernest, 175
Bradley, Omar N., 46
Budget, U.S. reduction in Truman Administration, 160-162
Burns, Arthur, 90
Byrnes, James F., 61

Carter, Jimmy, 113
Central Intelligence Agency, 182-183
China, threat in Korean War, 44
Civil Service employees, evaluation of performance, 132, 136-138, 146-148
Clark, Champ, 83
Clark, Georgia Neese, 118
Clayton, Will, 174
Clifford, Clark, 98-99
Coast Guard, U.S., role of, 12-13
Congress, U.S., relation between Secretary of Treasury and members of, 81-83, 103-106
Connally, John, 113
Council of Economic Advisors, 91-95, 99
Covey, Matthew, 128-129, 131

Defense Plant Corporation, 9-10, 22, 48, 59, 75, 150
Durr, Clifford, 9

Eccles, Marriner, 165
Election, Presidential, 1948, 98

Fayettesville, Arkansas, 28
Federal Bureau of Investigation, 178-182
Federal Loan Administration, 2—3
Federal Reserve Board, U.S., 44, 45, 89-91, 162-164, 166
Finland, repayment of U.S. World War I loan, 38
Finletter, Thomas K., 46
First National Bank, St. Louis, Missouri, 2, 48, 125
Foley, Edward H., 126-127
Forrestal, James V., 7

Forrest City, Arkansas, 17

Fortune, 87

France:

 Korean War, contribution, 46

 lathes, U.S. repurchase from, World War II, 73-74

Full Employment Act of 1946, 88

Gardner, O. Max, 5-7, 11, 88, 105, 120, 127

Georgetown University, 21, 26, 172, 173-174, 182

George, Walter, 104-106

Giannini, A.P., 48-49, 50

Graham, John, 128

Grien, William, 97

Hamilton, Claude, 9

Hannegan, Robert E., 15, 66-67

Harriman, Averell, 96

Harvard University, 21, 26

Hickerson, John D., 46

Hoover Commission, 123, 140-141

Hoover, Herbert, 123

Hoover, J. Edgar, 181-182

Housing industry, post World War II, 84-87

Humphrey, George, 131, 146

Ickes, Harold L., 7

Interest rates, 165—166

Internal Revenue Service, U.S., reforms in, 11-12, 14-15, 32, 60, 104-105, 120-124

International Monetary Fund, 45, 149, 150, 151

International Trade Organization, 166-167

Japan:

 atomic bombing of, 52-53

 military threat of, World War II, 71-72

Jessup, Philip, 46

Johnson, Louis A., 45

Jones, Jesse, 9, 59, 71-73, 75

Keyserling, Leon H., 92-94

Klagsbrunri, Hans, 9

Korean War, outbreak of, 40-46

Lawrence, David, 78

McCarthy, Joseph R., 106-108

Marshall, George C., 70, 80-81, 175

Marshall Plan, 37, 38, 172-176
Martin, William McChesney, 90, 128, 154
Matthews, Francis P., 46
Maybank, Burnett, 90
Mellon, Andrew, 154-156
Mexico, peso-dollar exchange rate, 48
Morgenthau, Henry, Jr., 3, 15, 39, 165

Niel, Robert, 8
Nourse, Edwin G., 92

Office of War Mobilization and Reconversion, 4-5, 16, 53, 61, 84-87, 88, 138-140
Overby, Andrew, 127-128, 141

Pace, Frank, Jr., 46
Pendergast, Tom, 49
Perkins, Frances, 7

Rayburn, Sam, 43, 82
Reconstruction Finance Corporation, 2-3, 9, 16, 18, 59, 136
Reconversion, 2-3, 4-5, 84-86, 138-140
Rolfe, E.A., 17
Roosevelt, Franklin D., 15, 39, 50, 78, 104, 106, 153, 174
Roper, Daniel, 39
Rose, Russell, 83
Rosenman, Samuel I., 98, 138-139
Rusk, Dean, 46

Savings bonds, U.S., 157-159
Sawyer, Charles, 96
Schram, Emil, 9
Sherman, Forrest, 46
Smith, Walter, 59
Snyder, Drucie, 81
Soviet Union, alliance with U.S., World War II, 106-107
Steel seizure, 1952, 79
Stimson, Henry L., 7, 52, 53
Symington, Stuart, 20-21, 150

Treasurer of the United States, 117-118
Treasury Department, U.S.:
 assistant and under secretaries of, 124-129
 bureaus of, policy formulation and coordination, 114-116, 118-119
 Congress, U.S., drafting of legislation with, 109-112
 Federal Bureau of Investigation, relations with, 179-181
 Federal Reserve Board, relations with, 89-91, 162-164, 166

- Government departments, and other, 66-70, 77
- interest rates and debt financing policies, 100-102
- Korean War, financing of, 42, 44
- law enforcement, effectiveness of, 176-178
- loyalty probe of employees by McCarthy Committee, 106-109
- Marshall Plan, role in, 172-176
- monetary policies, 149-154
- personnel policies, 142-148
- reorganization and reforms under Truman administration, 31-37, 39, 130-131
- Savings Bonds, sale of, 157-159
- Truman, Bess Wallace, 21, 64
- Truman, Harry S.:
 - atomic bombing of Japan, and, 52-53
 - budget, U.S., knowledge of, 161-162
 - business and labor leaders, White House meetings with, 97-98
 - character and accomplishments, 49-50
 - Korean War, and outbreak of, 41-43, 46
 - Senate office staff, size of, 150
 - Snyder, John W., appoints Secretary of the Treasury, 1-3
 - Snyder, John W., relationship with, 47-48, 51, 52, 60-65, 75-76, 79
- Truman, Margaret, 21
- Truman scholarships, 20-27
- United Nations, Korean War resolutions, 43-44, 46
- United States:
 - export of capital in foreign investments, 169-171
 - foreign assets in, 168-169
- U.S. News and World Report*, 78
- Vandenberg, Hoyt S., 46
- Vardaman, James K., 98
- Veterans Bureau, U.S., 36
- Vinson, Fred M., 1, 3-4, 5, 120
- Volcker, Fred, 90, 165
- Walker, Frank C., 7, 15
- Wallace, Henry A., 7, 65
- Warren, Lindsay, 130
- Wartime agencies, U.S., termination of, 138-140
- Webb, James E., 46, 130
- Wiggins, Lee, 11, 124, 127, 165
- Woodruff, Robert, 105
- World Bank, 33, 45, 121, 127, 141, 150, 151, 168
- World War I, military career of John W. Snyder, 53-59
- Wyatt, Wilson W., 86