Oral History Interview

with

LOUIS H. BEAN

Economist, research staff of the Bureau of Agricultural Economics, U.S. Dept. of Agriculture, 1923-33; Economic Adviser, Agricultural Adjustment Administration, 1933-39; counselor, office of the Chief of the Bureau of Agricultural Economics, 1939-41; Assistant to the Director of the Board of Economic Warfare, 1942; Chief Fiscal Analyst, Fiscal Division, Bureau of the Budget, 1943-47; member of the staff of the Secretary of Agriculture, 1947-53.

Arlington, Virginia
September 11, 1970

by Jerry N. Hess, Harry S. Truman Library

The Harry S. Truman Library
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HESS: Mr. Bean, to begin, will you give me a little of your personal background: Where were you born, where were you educated, and what are a few of the positions that you have held?

BEAN: Well, I was born way back in 1896 in Lithuania, came over to the United States in 1906 following my father's migration here a year earlier.

I like to say that the reason why I'm here in your presence is the Russo-Japanese war, as my father migrated as a result of that war. And if that hadn't happened I don't know where I'd be today. But we came to the United States, settled in New England.

I entered first grade at the age of ten, because I'd had no schooling prior to that except lessons in the Old Testament, that's all of the education that we had at that time. Went to the schools of Laconia, New Hampshire;

[2]
grade school, high school; graduated in 1916.

From there I went on to the University of Rochester, New York, entered the class of 1920, and graduated in 1919 a year ahead of my class, in part because I had a little bit of military service which gave me some credits, and partly because I felt I wanted to get through with my education as soon as possible, which is the effect the war had I think, on some of us youngsters of that day.

My interests, professional interests, at that time were unsettled in a sense, because I didn't know whether I wanted to go into business, or science, or law, or what, so I took courses that would permit me to go into any direction I chose. I concentrated in chemistry partly because I needed -- I felt if I could pass all of the exams in chemistry I would have enough credits to graduate in less than three years, and I did. But I dropped chemistry and went into -- as a livelihood after college, into the labor management field.

HESS: What attracted you to that field?

BEAN: Well, it is partly economics and partly because it had to do with one of the low income groups of the country, a little bit of sociological interest. And to prepare myself more thoroughly for that new profession

[3]
that was opening up known as labor management, I decided to go to the Harvard Business School because it had a course in factory management.

While I was at the Harvard Business School the depression of 1920-21 developed and this new activity known as labor management got a setback because management became less interested in dealing with labor unions, more interested in mere employment problems and that didn't appeal to me. So, at that juncture a classmate at Harvard who was destined to go to the Bureau of Agricultural Economics in Washington, induced several of us in that class to take Civil Service examinations.

HESS: What was his name?

BEAN: Schoenfeld, William A. Schoenfeld. He later became our agricultural attache in Germany, he was Assistant Chief of the Bureau of Agricultural Economics for a little while. But anyway, as a result of taking examinations in agricultural economics, for which I had no background whatever, I found myself at the top of the list, one of three at the top and was invited to come down here, and given a job and I took it and stayed on that job for thirty years; 1923 to 1953. I started out as a junior assistant agricultural economist.

[4]
HESS: What were your duties at first?

BEAN: Well, I was going to say I worked for awhile under that title and then a little later got a raise and a promotion, and a year or two later another raise and another promotion; after each promotion you dropped one of the words in the title. You dropped the "Junior," then you dropped the "Assistant," and then you dropped the "Agricultural," and you became a pure Economist. And finally came the Republican administration in 1953 and they dropped the "Economist." In other words, at that time I was Economic

Adviser to Secretary [Charles F.] Brannan, having been Economic Adviser previously to Secretary [Clinton P.] Anderson, and before his day to Secretary [Henry Agard] Wallace. But the new administration felt that it wanted an economist of its own. So, my job was rewritten so they could bring in somebody else and I decided to leave the Government, which I did.

Now, the work that I was engaged in was agricultural economic research for the first ten years, with specialization in the interrelations between agriculture and business. By the time I came to the Department in 1923, the Bureau of Agricultural Economics was already fairly well organized, a new postwar entity, and most of the

[5]

jobs were already filled in research in commodities. The one spot that was still to be filled had to do with the relation of business conditions, the general economic conditions of the country to agriculture. And since I had just come from the Harvard Business School it was assumed that I was the person to fill that spot. So, that opened up for me a wide range of interests because agriculture touches the rest of the world in many ways.

So, in the pursuit of relations between agriculture and the rest of the economy, I was able to get involved in business cycles, in wage levels, in general income, farm income, price movements, export-import trade, financial conditions, stock market, weather conditions, all of the things that could possibly have a bearing on agricultural prices, became part of my terrain.

If you were to ask what were specific accomplishments in those first ten years, I was one of the men involved in what has since become known as the agricultural outlook. Once a year the Department of Agriculture gathers together economists, extension officers from all over the country, for a few days. An attempt is made to foresee what the agricultural developments would be for the next year so that farmers can gauge their acreage programs. And that service to farmers was

[6]

initiated almost the day when I joined the Department in 1923.

The first conference was held within the first month, and my assignment that year was to draw up a report on the balance of international payments as one of the items for understanding what kind of business activity the country would be in in the coming year.

For the first conference chiefly experts from the outside were brought in. One of the experts happened to be a young man by the name of Henry Wallace. There were economists from western banks, New York City banks, from industry and colleges and so on. But after that first year or so, the experts in the Department took over. We all developed our own sense of competence in our specialization, and ever since then the outlook conferences have been held by experts in the Department, commodity experts primarily, with the guidance and discussions of outsiders as well. It has become a well established, well recognized service, a contribution to economic understanding of farm problems and related general problems.

HESS: What other accomplishments come to mind?

BEAN: The next one that comes to my mind is the preparation of an index of agricultural prices. The Department at

[7]

that time had no general measure of what prices farmers received for their products. There was information which was gathered once a year as of December 1. But I was asked to construct a monthly index of prices received by farmers. That led me to scouting around the country to see where we could obtain records of prices that farmers received, and one of the contacts that that led me to was Henry Wallace in Iowa. I bring in this name here because from then on I had an almost continuous association with him and it meant a great deal to me.

HESS: When did you first meet Mr. Wallace?

BEAN: It must have been in 1923. I don't recall whether I had already gone out to check with him on the availability of local prices in Iowa as they might have been published in his paper, his father's paper, called *Wallace Farmer*, or whether I met him at the end of the year at a meeting here in Washington of the American Statistical Association.

From then on he used to come to Washington quite regularly during the years when his father was Secretary of Agriculture. He was then interested in statistics, agricultural prices. He had written a book on the corn-hog price ratio, as a determinant of hog production, a forecaster of hog production. So he used to look us up and visit around the Department of Agriculture with fellow statisticians

[8]
and I was fortunate enough to be one of them. So, I originated that particular index and it is still going today. As you read it in the press, the farm index has gone up so many points, and the index of prices the farmers pay and it's paid in a certain manner. The first of these indexes I take credit for.

That was followed by initiating a series known as "Farm Income." We had <u>no</u> adequate measure of what farmers were getting for their crops. In those days the Department used to tally, at the end of the year, the value of crops produced in terms of prices prevailing in December of each year. No recognition of the fact that farmers probably sold their stuff at either lower or higher prices before that. And the livestock was nothing more than the value of livestock inventory as of January 1. Neither of these were good measures of farmer's income. So, my next assignment was to develop an annual report on farmer's income. That's still alive, it has been greatly expanded. This led to estimating farmer's expenditures as well. So now when you read that the farmer's net income has gone up, say, from sixteen billion dollars a year, to seventeen billion dollars a year, it's based on that work we did in the late 1920s.

The next item of contribution had to do with

[9]
establishing fairly definite evidence of the interplay between agricultural income and non-agricultural income. The dependence of, say, the dairy farmers, on factory payrolls. That type of relationship I developed in the late '20s, and that also has been substantially expanded so that the Department publishes currently, comparisons between farmer's income per capita with non-agricultural income per capita.

As a result of working in this field of statistical relationships, I developed an improvement on what was known then as multiple correlation. I don't know whether you are at all statistically inclined. Today if you knock on the Government door and ask for a job and you use certain phrases like "computers," "programming," and model-building," you're readily accepted. In the early 1920s if you approached a statistical office in a government agency and you said, "multiple correlation," you were almost in, because those were the key marks of standing in the profession. Well, I did quite a bit of work in that corner of statistical analysis, and developed what has now become known as the Bean Shortcut Graphic Method of Multiple Curvilinear Correlation.

HESS: Got your name on the title.

BEAN: And that field has since been greatly elaborated with the advent of high speed computers, but there's

[10]
much that lends itself better to graphic correlation, as against the highly technical, sophisticated electronic computer operations. And it is, I think, being used by many statisticians and researchers in government and business. But I rather think that my work is partly responsible for that. I published articles on the subject in December 1929 , and December 1930, and recently these articles and associated articles have appeared in book form (Kelley Publishers, N.Y.).

Well, this takes us to about 1929, 1930, '31. Then came the great depression, and maybe I ought to mention one item by tooting one's horn. As Mr. Paul Appleby, the administrative assistant to Henry Wallace and later Under Secretary, once said, "Louis, if you don't toot your own horn, who will?"

In January of 1929, in connection with our annual agricultural outlook, I was about the only one in the Department of Agriculture who argued that come the fall of 1929, in other words the crop season of 1929-30, farmers would be experiencing a letdown in business activity and in the demand for their products. I was not able to say that the recession would be a minor one or a deep one.

HESS: But you did look for a recession at that time? What

[11]
were the indicators that you saw?

BEAN: Well, let me first say that, from the standpoint of Government, I, through the Department of Agriculture, was the only voice that prophesied a downturn. It was unusual for a government agency to allow that kind of a forecast to get into print.

The factors that led me to that conclusion were, first, a familiarity with certain studies the Harvard Economic Committee had been publishing. In those days there was a group of Harvard economists who had studied economic statistics and economic history, had put together various indicators which they called the A, B, C curves. The A group represented speculation, typified by the stock market index. The B group represented current business activities, industrial production, employment, and that sort of thing. And the group C represented financial operations, bank credits, interest rates and so on. So there were available to us in those days, three indexes which the Harvard people used to put out in the form of a monthly letter, to business subscribers, called the A B C Curves. A preceded B and B preceded C, so that you could then, using the stock market index, predict the rest.

By the end of 1928 these three curves became

[12]
useless because the speculative curve, the stock market curve, had gotten way out of historical terrain. But I was able to modify the Harvard speculative curve, or rather to analyze it in a way that the Harvard people were not. I recognized that this upsweep that represented the speculative boom of the late '20s...

HESS: People buying on margin.

BEAN: People buying on margins, and all kinds of speculation. I recognized that this speculative index had two elements in it, a longtime trend and a cyclical component. And viewing it in that way, I recognized a combination of speculation, business activity, and finance, that looked very much like the combinations that prevailed preceding earlier depressions, or recessions; that of 1926, that of 1923, that of 1919.

So that was the main prop in my thinking. There were some others. I studied the course of certain industries, the automobile industry I remember particularly struck me because the prices of, stocks of, automobile companies, showed a decline in 1928 as against the continued rise in the rest of the stock market. And that I interpreted to be a foreshadowing of a general decline in the market, that we were at the peak of a business situation and that the next move would be down.

[13]
I probably ought to say also that by following this kind of analysis I was a year too soon in forecasting the upturn. I thought we were going to get it in 1931-32 and it didn't come until 1932-33.

So, we are now somewhere at the bottom of the depression, the arrival of the New Deal, and in that connection I perhaps ought to mention the fact that I used to be visited not only by Henry Wallace, but also by M. L. Wilson. He became Under Secretary under Henry Wallace and then later, head of the Extension Service. But in the middle of '32 he was one of the "John the Baptists" of the New Deal. He went around the country explaining what the depression was doing to farmers and what kind of measures were required to get farmers out of the depression. I think it led him to visiting with Governor Roosevelt in Albany, because Roosevelt was then looking for bright ideas for farm programs that he could talk about in the campaign in farmer's language. The reason I mentioned M. L. Wilson at this juncture is that he came to me one day for certain information that he could use in his talks over the country. And one of the items I gave him had to do with a chart demonstration of the piling up of agricultural surpluses, of stocks abroad, which of course, affected agricultural prices abroad, which

[14]
in turn led these countries, especially Germany and other European countries to erect tariffs against our exports.

Well, Wilson was able to make use of this illustration of one of the farmer's problems, the piling up of surpluses. The reason I think of Wilson at this juncture is because after I gave him this material which I worked up for our use in the Department as well as part of the Department's publications, I could tell where he was traveling over the country giving speeches -- I would get letters asking me for the chart that M. L. Wilson used in his talk. He probably used to tell them, "This is the chart that Louis Bean prepared, and you write him and get a copy," or something like that. So, I was able to follow that campaign a little bit.

HESS: Follow his progress around the country.

BEAN: Yes. With the New Deal having arrived in 1933 and agricultural programs having been launched, at that juncture Wallace had asked me to come out of the Bureau of Agricultural Economics to become part of his main office. He had then, as Economic Adviser, an associate of mine, Mordecai Ezekiel. The two of us had the same office and we both served Wallace directly. I became, for purposes of payroll, Economic Adviser to the

[15]
Agricultural Adjustment Administration, but housed in the Secretary's office with Ezekiel.

Thinking of your question: What contributions you made at that juncture, my mind turns to one of the early legal cases that came up as a result of the farm programs, and it was necessary to present materials supporting the agricultural legislation. And Ezekiel and I were asked to prepare an economic document which we called the Economic Bases of the Agricultural Adjustment Act. So, students who look back now at the early developments of the agricultural segment of the New Deal find that particular document useful as a point of reference.

I also developed a bulletin on the relation between agricultural and non-agricultural income for the Agricultural Adjustment Administration. At that time in the late and middle 1930s I also developed the first index of national income. Since I was free to develop material as required for understanding the agricultural situation, the national income was of great interest to us because that was the source of the purchasing power that the farmers depended upon.

In those days all that the country had in the way of measuring national income were annual estimates put

[16]

out by economist and statistician Dr. W. I. King, for the National Bureau of Economic Research, and that work was taken over by the Department of Commerce, still on an annual basis. We wanted something more current, so I constructed, on the basis of three segments of information, factory payrolls, railroad payrolls, construction payrolls, the equivalent of a national index of national income month by month.

HESS: One question at this juncture: One of the methods that was employed by the Agriculture Department as you will recall was a method of killing every third pig and plowing under every third row of corn. What was your view on that?

BEAN: Well, in the first place, I think the plowing under of every third row, that bright idea I think was already launched in the latter days of the Hoover administration. I think it was proposed in connection with cotton, not corn. The so-called slaughter of little pigs that you referred to, came a little later, and I personally had no responsibility for it. Wallace has been charged with that enormous crime of killing pigs at the weight of eighty pounds instead of a hundred and eighty pounds! I don't know whether the crime is greater as the weight goes down or not. But that was really a proposal forced

[17]

on Wallace by the farm organizations, he didn't propose it. But it's gone down in history as part of the Wallace program.

But in terms of economics, and I don't know whether you'd say, the humanitarian aspects of killing pigs, I sense no crime, because there was no dearth of food in those days. There was a dearth of dollars rather than food. As I say, I see no greater evil in killing a two hundred pound pig as against a hundred pound pig. Some pigs are allowed to grow to even heavier weights, maybe four hundred pounds. But anyway, my personal preference would be, as a matter of fact, no pigs at all, because I'm not sure that mankind needs pigs, or meat, in its diet.

HESS: You think we'd all be better off as vegetarians?

BEAN: Probably, no worse off. The economy would be better off. And having worked on other problems in recent years, especially having to do with world problems of food, hunger and malnutrition, I think a great disservice is being done. I mean if you look at the world as a whole, in terms of what it is producing for mankind, I would say a great disservice is being done by channeling certain of our food products through inefficient "processing factories," known as animals, in order for the

[18]

human being to get a certain amount of, say, protein. We are in effect feeding -- the land devoted to agriculture is really feeding two populations, animals, four-legged creatures, and man, two-legged creatures. We feed animals in order to derive from them something that man can then chew on. But in that process we lose 3/4th, approximately, of the valuable food element, protein.

If you give an animal, say a hundred pounds of protein in the course of a year, what we get back in the form of meat, eggs, milk, contains only about a fourth or a fifth of what the animals had to use for its own bones, for its own meat, for its own muscle, for its own hair, for its own teeth. It has to use up that much, and then have left about twenty, twenty-five percent for man.

So, it's a very wasteful process, a very costly one, and it just doesn't make sense. I mean if the world were properly organized, as a factory, to produce food for humans to use, with an eye towards doing away with protein malnutrition, this indirect way of obtaining protein would be a crime, because we don't need animals for food, and using animals just means that we're just not utilizing food resources most efficiently. In recent

[19]
years a great deal of progress has been made by food processors in converting soybean meal, cottonseed, peanuts, etc., into a large variety of meat substitutes and beverages bypassing the animal.

I'd like to claim a little bit of credit for trying to popularize this notion that we are wasting food when we are processing it through the animal for our own use. I have written on this subject, and even presented testimony before a congressional committee in 1961 entitled, "Closing the World's Nutritional Gap," with emphasis on the availability of foods and liquids from oil seeds. Because the animal has to absorb three fourths of the oil seed protein for its own needs, the cost of the products is very high. Protein derived from beef may cost as much as forty times, if not more, than the same quantity that you get out of soybeans. Now soybeans happens to be very rich in protein. Forty some odd percent of the soybean is protein. The only other commodity that beats it in terms of availability of protein, is fish. And so the world now is really beginning to pay more and more attention to fish protein, fish meal, and protein from the oil seeds, with soybeans as the prime vegetable protein source.

We today feed most of our soybeans to animals. As

[20]
I said, we get back only a fraction of what we feed and the enormity of what we do is exemplified by the fact that soybeans is now one of our largest cash crops. During the past thirty, forty years, we've built up our soybean crop to be one of the top three cash crops of the country; more than a billion bushels a year. Most of it going into feed. And worse than that, if I can continue giving you a sort of Sunday school lecture, we are the awful example, awful in my terms, to the rest of the world, because the rest of the world, seeing what we've been able to do in the way of feeding our protein and cottonseed meals to hogs, to poultry, are beginning to do likewise. In India they are beginning to learn how to produce soybeans. We've sent teams over there from the University of Illinois to teach them. They are developing their soybean production, still small, but as it expands I'm convinced that most of the soybeans will go primarily into live-stock, rather than directly into human food. And they're going to become, in the use of that commodity, I'm afraid, as wasteful as we are.

Now this is perhaps a digression but let me justify it by saying that the President's Science Committee on Food and Population published a report on that subject

[21]

two or three years ago, and in dealing with proteins, it included in that report, some of the material that I had developed, illustrating how wasteful we are, or the world is, in diverting protein into animals in order to get human food, and pointing up the high cost of protein obtained through meat, as compared with protein directly from soybeans, from sunflower seeds, from peanuts, from cottonseed. Well, so much for an interest that I've developed in recent years rather than an interest that I had while in the Department of Agriculture.

Then came the middle and late 1930s, and as I said, Ezekiel and I were in the office of the Secretary of Agriculture. My mind turns to the situation at the end of 1936 or '37. In those days Wallace began considering not only the immediate farm situation, but what it was likely to be in the next five years, and that led to our interest in projecting the national economy for the next five years, the national income, the stock market, commodity prices and so on, and I prepared a report on that subject. And in 1935 or '36, maybe '35, I predicted that the economy would rise to a peak by March, or the spring of 1937. We would then have a letdown in business and a decline in the stock market, which we did get. And I also projected the recovery for subsequent years. Whether that is a contribution or not, I don't know. All I know at the moment

[22]
is that it was, what shall I say, a contrary view.

Roosevelt was then, by "then" I mean the spring and summer of 1937, being advised with regard to the business situation by [James A.] Farley the Postmaster General, that things looked very nice. There was no evidence of a business recession as he saw it.

Now Farley saw the world, or the American world, through his economic sights, consisting of postal receipts. He got reports currently from the various cities, the volume of mail handled and the number of stamps sold, were holding up very well. On the other hand, we, looking at the business situation quite differently in terms of industrial production, agricultural and non-agricultural manufacturers, and employment, saw a recession developing.

Now the difference between us, and by "us" I mean Ezekiel and myself, versus Farley, was that Farley was dealing with an aspect of business which lags after developments in the rest of economy in terms of production and employment. Because people do not curtail sending letters as soon as they lose a job, or as soon as industrial activity has declined five or ten percent. In the same way retail sales in general hold up for some time after a recession has started so there was a

[23]
diversity of opinions that Roosevelt got, one represented by Farley, the other represented by the Department of Agriculture.

Perhaps I should backtrack a moment and mention the NRA, the National Recovery Administration, which came into being in 1934. We had very little to do with it except, one day [Rexford Guy] Tugwell came back from the White House and said that they had discussed creating an industrial recovery agency. Now that we had the programs for agriculture, could we give them some ideas for programs for industry. And he said there is a young man by the name of Strauss working for Morley over in the Treasury and he was being asked to put together some ideas too, so we should get together with him. Well, Ezekiel and I drafted a memorandum for Tugwell's use, in which we argued that whereas in agriculture it was necessary to restrain production, because we had surpluses which were responsible for the low level of farm prices and income on the industrial side, we had a surplus of unemployment and a shortage of industrial activity. What was needed then was to raise industrial production while holding down agricultural. Anyway, that was the point of view that we held.

The sequel to that particular episode of our meeting with Strauss -- he was at the same professional level of

[24]
activity in the Treasury as we in Agriculture -- had to do with the establishment in the Department of Agriculture of the office of the Consumer Counsel. The Consumer Counsel was an idea which Henry Wallace developed. I remember clearly our walking across the street from the south building to the Administrative Building one day after lunch and said, "I think it would be a good idea if we had a Consumer Counsel in the Department of Agriculture." Why? Because he felt that he was going to be so pressured by agricultural organizations, the Farm Bureau and others, that he would need some kind of protection against them in behalf of consumers. So, a few days later the Department's lawyer, Jerome Frank, came out of a meeting in Wallace's office and sat down at my desk and said, "We've just been talking about appointing a Consumer Counsel, and somebody recommended Stuart Chase for that job."

And I said, "No, I don't think Stuart Chase is the man you want. You want Frederick Howe."

And as soon as I said, "You want Frederick Howe," Jerome Frank jumped out of his chair as if he had been sitting on a tack, and said, "Why, of course, that's the man we want. I know Frederick Howe, he lives right across the street from me," (in someplace outside of New York City).

[25]
Now, why did I mention Howe at that juncture? It was because when we went over to the Cosmos Club one evening to meet young Strauss on this question of ideas for industrial recovery for the NRA, there sat not far from us, Frederick Howe, and another person who was involved in consumer organizations. As I looked at Frederick Howe I remembered his name, way back in the 1910-14 period, as being the head of a movement to keep down the HCL, the high cost of living, of that period. You see there had been rising prices all the way from 1896 to 1910, so consumers were concerned about inflation and he was involved in that effort to check inflation. That's how he happened to come to my mind. That's how I happened to pass his name on to Jerome Frank, and that's how he was appointed, and became quite a figure on behalf of consumers in the Department of Agriculture for several years. So, I'll claim a bit of credit for that.

What else -- what else comes to mind? In '38, '39, '40, we got involved in the early stages of our involvement in the war. Henry Wallace I think took the position in those days that, "Yes, there is a war in Europe and we don't want to get involved in it. Therefore, we should modify our agricultural programs in

[26]
the light of not having that market." So, in those early days, Wallace really sort of held back from our participation in World War II. I think that position probably came natural to him coming out of the Midwest where people are not as international-minded as those in the East and Far West.

HESS: Isolationist sentiment was rather strong.

BEAN: Yes, although basically Wallace was not an isolationist. He wrote a booklet in early 1933, *We Must Choose*, a plea really for lowering tariffs, for expanding international trade.

Well, we come to about 1940. About that time, just before the election, I think Henry Wallace (I suspect, although he never said it to us), had some concern about the future of some of the men that he had drawn in around him. There was created in the Bureau of Agricultural Economics a group of economic counselors, and two of us were transferred from the Secretary's office to this group in the Bureau of Agricultural Economics. There were five of us: "Buck" [Foster F.] Elliot, and Jack Fleming, and O.V.

Wells, and Howard Tolley, and Tolley I guess was then Chief of the Bureau. So, I became one of the economic counselors in the Bureau of Agricultural Economics up to the time when Wallace,

[27]
as Vice President, was put in charge of the Board of Economic Warfare.

Wallace asked me one day whom should he put in as head of the Board of Economic Warfare. I said, "Why, the man that you want to put in there is Milo Perkins."

Milo Perkins was a very close friend of Wallace's and an assistant in the Secretary's office. Wallace had put him in charge of the surplus food distribution program and the development of the food stamp program, which has remained since, as a national program. But he had done such a good job of working that program out with the business community, particularly the grocery industry, that he had excellent standing in the business community. For that reason I suggested that he put Milo Perkins at the head of the Board of Economic Warfare, as his administrator, which he did.

I then went over to the Board of Economic Warfare, because of Wallace, and stayed there for a couple years until the BEW got into trouble with Jesse Jones (head of Reconstruction Finance), and was reorganized, part of it transferred to Commerce and part of it to State. At that juncture, Henry Wallace and Harold Smith, who was then Budget Director, worked out an arrangement for me to go over to the Bureau of the Budget to serve Harold Smith in much the same way as I had served Wallace. In

[28]
other words I became one of the Fiscal Analysts in the Bureau of the Budget, with the understanding that Wallace was free to call on me any time he wanted something that I could do for him.

HESS: What kind of a man was Harold Smith?

BEAN: Harold Smith I didn't know too well, but I have a very favorable impression of him as a person and administrator. I guess he was very close to Roosevelt, and must have been very close to Wallace, since they were able to enter into this kind of an understanding. No, I can't elaborate on him because I don't know enough about him except that the contacts that I had with him left me with a sense of a very decent, able, concerned person.

While at the Bureau of the Budget, one of the activities that I engaged in, somebody reminded me of the other day, I had completely forgotten it, I used to hold luncheons every Tuesday, consisting of some key people from the various departments interested in economic planning.

There had been a National Resources Board under [Frederic A.] Delano in the New Deal days, which later sort of died out. Several of us, while I was still in the Department of Agriculture, used to hold meetings in the Department to try to keep a "planning" group together,

[29]
one or two men from the Labor Department, somebody from Commerce Department, one or two from other agencies. We used to meet every week and discuss the broader questions of the economy. I think out of that group interest grew the development in the Department of Commerce of the Business Advisory Council. I can't document that, but that's my suspicion that out of our trying to maintain an interest in planning, and having in that group, one or two men from the Department of Commerce, the Department of Commerce was able then to build on it.

So, I used to carry a similar activity in the Bureau of the Budget. That led me into an interest in postwar planning, postwar problems, and it led also to my being one of the several people around town who was brought together by a fellow by the name of Bertram Gross who was then working with Senator -- Senator from Montana, what is his name, Thomas -- no...

HESS: Thomas was from Utah.

BEAN: Utah. Now who is the Senator from Montana? Oh, I should know his name [Senator James E. Murray]. Anyway, this young man, seeing that the work on the committee that he was on, for the Senator, would terminate with the end of the war, developed an interest in planning, postwar planning, and planning for maintaining full

[30]
employment.

So, he brought together a group of us from various departments and we used to meet and discuss, and out of that activity grew, finally, the Employment Act of 1946. And one of my tangible activities shows up in the pamphlet which was submitted to the Senate committee on the subject, which presented a lot of the basic longtime economic records to justify an interest in greater stability after the war, in price level movements in the construction industry activities and various other economic indicators. So, there is a compilation, I forget now what it is called, *Facts related to full employment* or something like that. Sam Thompson of the National Planning Association and I brought this material together, securing the cooperation of all departments concerned.

Then the Council of Economic Advisers was organized under that act and two men from the Bureau of the Budget were scheduled to join the new unit, Gerhard Colm and myself. Gerhard Colm had developed the system of national income, the gross national product, so that he was the logical person for that new agency. I was supposed to go over with him, but Dr. [Edwin G.] Nourse, called me in one day and said that he couldn't take me in because he was being watched very closely, and there was a great

[31]
deal of concern about subversive characters in the Government.

HESS: They didn't think you were a subversive character did they?

BEAN: Well, no, but I think in those days when the Bureau of the Budget came to the Congress with its budget, they were asked certain questions: Do you still have Gardiner Means on your staff? Do you still have Alvin Hansen on your staff? I mean they would ask -- they would probe to that silly extent as to who was employed in various agencies. Well, since Nourse had already hired Colm, who had come to this country as a German refugee in 1933, or 1934, he said he couldn't take another person with a foreign background, (I was born in Lithuania and came to this country at the subversive age of 10!).

HESS: This was even a couple of years before McCarthy wasn't it?

BEAN: 1946 this was. Which reminds me of an episode which I perhaps should have mentioned way back in 1927. In those days I was secretary to a committee that used to meet once a month on demand and form price prospects. It was called the Agricultural Demand and Price Committee and we used to publish an analysis every month, commodity by commodity, including a review of the business situation, (still being published in 1971).

[32]

In the fall of 1927 we were experiencing a sharp advance in cotton prices following a very large crop in 1926, with a smaller crop in '27. And in view of the situation that had developed, I wrote the analysis of the cotton situation and indicated that the prices had already risen beyond the level that could be sustained for the balance of the year, and therefore, farmers should expect a declining price level from then on (a hint to farmers to market early). The representative of the Cotton Exchange or the *Wall Street Journal*, I forget which one, picked up that sentence in our report and wired it to New York where it was put on the board of the Cotton Exchange that day. That day I think was sort of a hectic day for the Cotton Exchange, prices were fluctuating quite a bit, but with that information on the board, prices tumbled. Whether that information caused it or whether there would have been a decline of prices that day, for other reasons, we don't know. Anyway, we were blamed for having broken the cotton market in September, 1927. That resulted later in an investigation.

One of the southern Senators by the name of "Cotton Ed" [Ellison D.] Smith, cross-examined all of us who were on that committee including our boss, Dr. [Oscar C.] Stine. The Senator's main effort was to pin down the

[33]
man who wrote that sentence. We had taken this position, that the report was a group product, that there was no individual responsibility. So, we stood behind that protection. In fact at one stage, Senator [J. Thomas] Heflin...

HESS: But you did write it?

BEAN: Yes, I wrote that statement, but as I say, it was then turned over to the committee, so I disclaimed responsibility for a committee job. If they wanted to hang the whole committee, why, that's all right.

But Senator Heflin, I think, suspected that I was the guilty one, at least held the pen that wrote that sentence. In fact he said, "Now if you don't admit we'll put you in jail."

Anyway, it was a very interesting episode. The consequence of that was that the Congress passed a law prohibiting the Department of Agriculture from ever coming out with a forecast of cotton prices. The Department predicts prices of all other commodities, but <u>not</u> cotton. And it stems from that particular episode. So, I don't know whether that's a...

HESS: They have a pretty strong lobby in Congress don't they?

BEAN: Oh yes. I don't know whether that's -- what kind of a feather that is in my greying hair, but anyway, it was

[34]
an interesting episode.

Oh, another sidelight of that episode, just to show you how Congressmen in <u>those</u> days looked at the world. Cotton Ed Smith when he heard that I came from Lithuania, Russia, immediately explained, "Oh, Roosia." He referred to textile mills in Lithuania, and now he understood why I would write a report which would be in favor of the Lithuanian textile mills. Mind you I had left there when I was age ten. (I still don't know whether Lithuania then had or now has textile mills.)

We are now where? We're through the war.

HESS: Through the war.

BEAN: Through the war, and we've set up the Council of Economic Advisers, without me. I then came back to the Department of Agriculture to serve Secretary [Clinton P.] Anderson, who later became Senator Anderson, to serve him as I had served Henry Wallace.

I perhaps should explain that my service to Henry Wallace was in a way quite unique: It represented Wallace's view of proper administration. He knew that all the other people under him were somehow tied into activities in the Department, heads of bureaus, and heads of agencies, with problems which reached into commerce and industry and within the Department, so that when he looked at

[35]
the administrator of a particular bureau, he could see all the interests that lay behind that administrator, within the Department, and outside. He wanted some men around without having to worry about their inside or outside ties. So, when he looked at Louis Bean, what he saw was a person who had no outside interests, whose mind he understood, whose work he understood, and could bank on Louie Bean's objectivity.

HESS: He knew you didn't have a constituency.

BEAN: Yes. And the same way I think he looked at Mordecai Ezekiel, because from time to time he would come back from the White House and say, "Oh, the President asked us to do this and this. I wish the two of you would prepare some material on it." Now, I know what he was after. He knew that Ezekiel and I were very close, in fact, we used to work in the same office together, but he also knew that we were different types -- Mordecai had blue eyes and I had brown eyes and therefore, we would probably look at a problem a little differently, and he wanted the report from both of us. So, he'd make assignments to each of us at the same time. He knew that we would be working jointly on the program, but that he would have the benefit of two types of minds, each of which he knew were objective, loyal, disinterested with no outside connections.

[36]
HESS: I heard that President Roosevelt used to make assignments like that too. Assign several people to the same task.

BEAN: Oh, well, he used to throw out the same assignments to his entire Cabinet. And so Wallace would come to us sometimes and say the President has asked for information on such and such a problem, had nothing to do with Agriculture, and he expected people in Labor and other departments to give him some ideas about Agriculture. Yes, that was his technique, which means to me, of course, that he was big enough to be able to take ideas and shuffle them around and make them his -- fit them into his own views. Other Presidents, I think, probably want subordinates to argue things out and then give him their final conclusion.

HESS: On one sheet of paper.

BEAN: On one sheet of paper, yes. Or, well...

HESS: One question about Mr. Wallace: Do you know why Mr. Wallace was selected by President Roosevelt as his running mate in 1940?

BEAN: No, I don't think I do. In my relations with Wallace I don't think we ever discussed <u>his</u> political ambitions, or his political status. I rather suspect that he had an ambition toward the Presidency.

[37]
HESS: But he didn't say so.

BEAN: But -- never. Never to me did he say, "What shall we do, what ideas to further my interest," never. I rather suspect that he probably knew that I was aware. The only time that I got involved in this kind of a problem was -- was it in 1940? Yes, 1940. This would be the third term.

HESS: That's right.

BEAN: Appleby asked me would I go to see Sidney Hillman.

HESS: "Clear it with Sidney."

BEAN: Yes. But the reason -- I had met Sidney Hillman way back in 1919-20 when I decided that I wanted to go into labor management work, and I took a job in that field, and he was then a young labor leader who had succeeded in establishing an interesting relationship with the clothing manufacturers, where they -- the clothing manufacturers set up a group of economists, labor managers, to deal with Sidney Hillman and <u>his</u> economists or advisers. And out of that grew what was known as the industrial court, where if we couldn't agree with the labor union representative in a factory, we would then go to an industrial arbitrator, or an industrial court, and argue the question before him.

Well, so in those days I had met Sidney Hillman,

[38]
although I didn't know him too well I knew what kind of personality he was. So, on the strength of that, Paul Appleby asked me to visit with him and to get his interest in sponsoring Wallace for the Presidency. And I remember clearly Hillman's response. He said, we are interested in one thing right now, and that is to get Roosevelt to run for a third term. And since that is our interest right now he didn't want to be diverted into other side issues, or other possibilities.

But that is my only, what shall I say, relation to the presidency problem of Henry Wallace.

HESS: Okay, now that's 1940.

BEAN: That's 1940.

HESS: Did you ever hear Mr. Wallace speak of any disappointment that he may have had that he did not get the vice-presidential spot in 1944?

BEAN: No. No, all I know -- all your question reminds me of is that I saw him shortly after that and he had spent some sleepless nights, which is probably unusual for him. So, that I feel that that disappointment went deep.

That's all that I -- I remember another episode where (and that had to do with Truman), I forget the occasion, but maybe it was before the 1948 election, because I had gone to see him in January of '48 to make sure that he had

[39]
an understanding of what I saw in the political trend.

HESS: With regard to who, Wallace?

BEAN: This is Wallace, in say January of ’48.

HESS: Now this is after he had already said he would run?

BEAN: Yes. Right after.

HESS: His declaration was in the latter part of December of ’47.

BEAN: The last day of December. Yes. Shortly after that I went to see him. I think I wanted him to see how I looked at an election which had just taken place in a New York district where either the Socialists or the Progressive Party man or somebody had won. As I studied that election result I saw that the reason that this man won was because of a very apathetic note, hardly anybody had come out. So, he won because very few Democrats or Republicans turned up to vote. And I wanted Wallace to see that, to understand it, because I thought he was interpreting -- in fact he may have made some remark that his Progressive Party was going to do in November what the voters did in this particular case in January. I also about that time wanted him to know that the polls were showing him in decline, but <u>that</u> he already knew, because he told me that a poll that Stassen had run indicated that Wallace’s support was only ten percent

[40]
compared with twenty-seven percent earlier. So, I don't think that he was fooled by or misinterpreted his position or his prospects. But I think that it is on that occasion that some question -- I may have raised some question as to his interest in the campaign, and I may have hinted that he was really perhaps trying to hurt Truman.

HESS: What did he say?

BEAN: I don't recall exactly, but my impression is that he brushed that aside, that that was not his purpose. Of course, his purpose, knowing what he thought of back in 1945-46 , before he was fired as Secretary of Commerce, he was greatly concerned about peace, he was concerned about the kind of advice that was coming to Truman from the Navy or the Army, where they were recommending, according to Wallace, that this was the time to do something about Russia, while it was still weak. And he stood against that kind of policy.

Well, no I have nothing more specific than that, but he denied any purpose to hurt Truman because he had failed to get the Vice Presidency, or because Truman had fired him. Now perhaps I ought to mention also in this connection, that while I was in the Bureau of the Budget, Henry Wallace had become Secretary of Commerce after his failure to get the Vice Presidency in '44; he undertook to write a book published under the title of

[41]
Sixty Million Jobs, and that I was one of the prime movers in helping him round up material for that book. I got several people in the various agencies to provide basic materials on finance on budget, on employment and what not. And...

HESS: One subject that is quite often brought up about Mr. Wallace deals with the "Mystic Letters."

BEAN: Yes.

HESS: At the time that you were working with him did he show any signs of believing in the occult, or however it would be expressed?

BEAN: Wallace -- I perhaps ought to say, I shared with Wallace an interest in science, philosophy, and religion. Now he -- my interest has been, I suppose you'd call it superficial, but I think his was a deep interest. At one time he was interested in the Theosophical Society. Somehow that led him to become acquainted with [Nicholas] Roerich. I don't know how that happened. I know of his contact with a Miss Grant who was part of the Roerich Museum in New York.

Now the letters, I don't know what Wallace's final position was on the letters, whether he denied them or what. What does the record show, do you happen to know?

HESS: I don't believe that he did. I think that they were proven that they were his letters.

[42]
BEAN: They were proven as his?

HESS: I think so.

BEAN: Well, I don't remember quite what his position was when that first broke in the 1940 campaign. Was it '40 when Willkie was running? Well, it was in '40...

HESS: It was brought up in '48.

BEAN: In '48, but it was also...

HESS: Earlier.

BEAN: Brought up earlier. In fact, it was threatened to be brought up in (so I understand), in 1940 when Willkie was running, because I think there was a move, a threat to use those letters, and -- let's see he was running for Vice President with President Roosevelt, therefore there would be some point in the Willkie people using it against him. I think that there was also a counterthreat made to Willkie that if he made use of those letters, or talked about them in any way, there would be some talk about him and his family relations -- I forget whether he had another woman or something. It was that kind of a ploy. Now as to the reality of those letters, I wouldn't be surprised that they were real. How meaningful they are, I wouldn't know because I never saw them. It's

[43]
conceivable that he may have written in a way where he sort of accommodated himself to Roerich and some of the others, to learn about and from them.

You see he was really basically an experimenter, not only in the field of economics, but he was an experimenter with regard to his body, probably in regard to his mind. I say with regard to his body because he undertook to test certain foods on himself.

One week in the Department of Agriculture, he had the head of the Bureau of Home Economics prepare meals out of soybeans. So for a week or two we were served various products made out of soybeans, because he wanted to experiment. Earlier he had tried other foods on himself.

Now I say I know of his interest in the field of the occult, but I can't say that it was an interest that was any different say than mine.

Mine is an intellectual interest, and it's an interest in terms of trying to see how science, philosophy, and religion sort of hang together. Now, whether his interest went more deeply than that I don't know.

It's conceivable that he had some psychic gifts, but I wouldn't know, I have no -- sometimes you'd see him looking at you -- as if he was really probing deeply into

[44]
you, but beyond that I have no knowledge. Later, of course he turned back to his own church.

Well, this is a long way from -- we haven't gotten anywhere near the episode that you think is interesting.

HESS: Let's move back to the Department of Agriculture, and we had got up to the days of Clinton P. Anderson who came in on June the 30th of 1945. What comes to mind about that -- about those days?

BEAN: Well, in the first place, Clinton Anderson, in my mind, had some of the characteristics of Henry Wallace, in that his range of interest is very wide; not as wide as Wallace's. Wallace's interests really were quite universal. He was interested in history, and philosophy, and religion, and the occult, and science and weather, and all aspects of agriculture and...

HESS: Have you ever known anyone who had wider interests?

BEAN: No, the only -- the man that comes to my mind whenever I think of Wallace's interests, as a matter of fact, is [Thomas] Jefferson. Now, that doesn't mean that I know all the other characters between Jefferson and Wallace, but the only person that comes to my mind in terms of the range of interests something like Wallace's, is Jefferson. Jefferson was interested in...

HESS: Agriculture.

[45]
BEAN: Agriculture. Wallace was interested in agriculture, but one of his contributions was a hybrid seed, corn. I think Jefferson was interested in improved varieties of rice. Well, yes, he's the only man that I think of.

I would guess there must have been many, many others who had very wide interests, but I don't know. But I do know that Clinton Anderson had interest in geology, and astronomy, and various things. And the reason that I know that is that shortly after I became part of his office, he told me of a meeting of the National Academy of Science, that there would be a talk there on the corona by Dr. [Donald H.] Menzel of Harvard, and would I go over there and hear what he had to say.

Well, it so happened that I was very much interested in hearing Menzel because in 1933, or thereabouts, Wallace had received -- was given some funds, by the Congress, to use for basic research. And various proposals then for projects came to him on which to spend his million dollars or whatever the fund was. And one day there came to the Department, Dr. Menzel, looking for support for a project of his. His project was scanning the sun so as to study the corona without having to wait for eclipse.

You see the only way that you could look at the corona was when there was an eclipse. So he said he had

[46]
a gadget that would scan the sun so that you could look out at it any time and photograph it and you'd have a continuous record.

Well, Wallace asked me to recommend on that project and I said, "By all means, since there isn't a great deal of money involved, support it," because sooner or later I felt that you would find some kind of a linkage between the sun and agricultural production, through weather knowledge.

Well, that got Menzel started on this project and he established a laboratory at Climax -- where is it, Climax, Colorado, where I think they have been scanning the sun, photographing the corona, ever since. There is now a continuous record.

And he, on this occasion that Clinton Anderson wanted me to attend, presented a movie of the corona and I must say I don't think that I've ever seen a more thrilling movie than that. What you saw there was the vast activity on the surface of the sun, with great expulsions of something or other going way into space that never came back. Other projections which settled back onto the sun's surface; curtains of something or other opening up at each end of the corona as if revealing a stage in between. Anyway it was a fascinating experience resulting from

[47]
Clinton Anderson's interest in something seemingly extraneous to his official duties.

The other aspect of my association with Anderson, I had just come from the Bureau of the Budget and one of the side interests that I developed had to do with the amount of steel that this country would have to have to support a full employment economy after the war. And there was conflict among economists and over the country as to what level of steel production we should have. Steel production had been raised to something like ninety-five million tons per year during the war. It settled back somewhat after that. And some industry spokesman took the view that since we'd built up this high level of capacity for war purposes, we won't need it all, and this is way beyond what we needed back in the best year we ever had, 1929, therefore the industry really should cut back. This was the position of one of the steel presidents. Well, I took a look at the problem since this fitted in with my interest in postwar full employment problems. And I came to the opposite conclusion, mainly that in spite of the fact that we had all of this capacity -- this was in 1946 or thereabouts. By 1950 with full employment, we'll need a capacity of something like a hundred and ten

[48]
million tons to produce a hundred million tons.

Well, my name got pretty well mixed up with that controversy. I testified before Congress and gave several talks on the subject when I came to the Department of Agriculture there was a criticism sent in by one of the steel companies to Anderson about my testifying on a subject that had nothing to do with agriculture. And Clinton Anderson shot back a reply immediately. He said, "As Secretary of Agriculture, I am interested in steel because I'm interested in farm machinery, etc., etc., etc., and it's perfectly all right for Louis Bean to be involved with this problem."

What else can I say about Clinton Anderson? These are the two episodes that come to my mind and...

HESS: On that point...

BEAN: He didn't stay -- he wasn't there very long.

HESS: June 30, '45 to May the 10th of '48 when he resigned to run for the Senate. Where he has been ever since.

BEAN: The only other thing that comes to my mind in that connection was that I probably gave him some results of my political analyses as to what the prospects were in the coming election.

HESS: And in the next one...

BEAN: Now then we come to…

[49]

HESS: Charles Brannan.

BEAN: Charles Brannan. Now with Charles Brannan -- my contribution to Brannan's office wasn't as exciting let's say, as it was with the other two because he had another economist that he relied on, someone who had been with the Farmers Union that had sponsored Mr. Brannan.

HESS: Who was that?

BEAN: John Baker. I mean he was more comfortable I think with John Baker, much perhaps in the same way that Wallace was perhaps comfortable with me on certain aspects of his work than with other people in the Department.

HESS: What was your view of the Brannan plan for agriculture?

BEAN: I think I favored the Brannan plan, if we have the same thing in mind. The essence of his plan was that he would let the market determine the level of prices, and farmers would be given enough to make up for the difference between market price and parity, and another part of that program was a limit on the size of payments to any individual farmer. Both of these purposes I find myself favoring.

HESS: Why do you think that that failed to get through Congress? It was not passed as you recall?

BEAN: Well, in much the same way you have conflict on these

[50]

issues right now. I suppose the answer is that the pressure from those who were getting the large payments, or were going to get them, was politically too strong for Brannan.

Now, let's see, this is 1948, '50, '52. I think by that time the conflict between the Farmer's Union and the Farm Bureau must have developed because Brannan was really an outgrowth -- or rather a person proposed and pushed by the Farmer's Union. And so I could easily see, looking back on it now, that probably that conflict between the Farm Bureau and the Farmer's Union, reflecting itself in the greater Farm Bureau support in the Congress, or greater following in the Congress than the Farmer's Union had, probably is the key to why the Brannan plan didn't go through.

HESS: Any other accomplishments of interest during those last few years?

BEAN: My mind turns to a meeting that Brannan called in 1950 or thereabouts, having to do with water resources, and I thought that men involved in the future of water in the United States, or those in agriculture, ought to know something of what was coming. And I remember preparing a chart in which I had recorded the annual rainfall for several of the Midwestern states, Missouri

[51]

and the Dakotas, the purpose of which was to show that as we are looking into the next decade, we would find ourselves in the middle of 1950s with some dry years, not unlike the dry years of the 1930s. I mention that because nobody in the Department of Agriculture was interested in forecasting this item of interest to agriculture. As a matter of fact, we did have the dry years in that area in the 1950s, that my charts foreshadowed.

And that reminds me of something else which is, I think, a real contribution, but I don't think so recognized by the Department. At one of the staff meetings, in Brannan's day, this was I think in 1951 or early 1952, I held forth, before the largest staff meeting ever assembled. There were men from every one of the divisions. Usually only the top people came to staff meetings with the Secretary, but here the whole Department was interested and was represented. And the occasion was to hear me present some of my findings with regard to forecasting weather and crops a year or more in advance.

Just to give you an idea of what I talked about, the Department and the Weather Bureau had prepared a report on the adequacy of the water supply of the

[52]
Missouri River Basin. And they provided some longtime records in that report which the mathematical meteorologists had analyzed, but had analyzed these records as they always do, on the assumption that these numbers are just random numbers, that there's nothing in the records of anything that's systematic, or repetitive, to give you any basis for sensing the future.

I studied some of those records and concluded that that was an erroneous view; that these records were not just random numbers. And I showed a striking record of the amount of water going down the Missouri River at Sioux City year by year from 1898 to 1949. That was the end of the record. I said, "Look, these ups and downs from 1937 to '49, the last year of the record, you had this kind of three-year swing, and then another swing of six years, and then another one of three." I said, "This part of the record is an exact replica of an earlier segment of this record. In other words, history has just been repeating year by year." And I said, "Since what we've experienced from 1937 to 1949 is a repetition of the past, let's see what would happen if in 1950, 1951, 1952 we continued to repeat the earlier part of the record." And I said in effect, "Assuming that this parallel continues, then we're due for an increase in 1950-51 and another

[53]
increase in '51-52, which will take us to flood level. Therefore, be warned that Sioux City will be flooded out in the spring of 1952."

Well, I'd expected that people involved in problems relating to the Midwest and to water supply and what not, would have come to me afterwards and said, "Now, let's see, what have you got here, and how do you get this way?" Well, nobody did, but came the spring of '52, Sioux City was flooded out.

And a number of other examples as to how the past can actually foretell the future if you know how to look at the past without assuming that these records are just plain random numbers. As a matter of fact, this view is the official position of the Weather Bureau, of all weather bureaus around the world. They know they can't predict more than a day or a few days advance, and even then not always. I think the tendency is to look at the records and see nothing there because their minds are already convinced that you can't predict weather for more than a few days ahead.

Well, that was an attempt to present something new to people in the Department, and that happens to be a very difficult subject to get people excited about. Only three men in my experience were susceptible. One was

[54]
Wallace, he wasn't susceptible, he encouraged this kind of probing. In fact, when he came to the Department in '33 he brought along with him a young mathematician from Iowa that he had worked with, in order to have him probe weather problems with an eye towards predicting. Wallace himself had already done a lot of work in correlating weather in Iowa with aspects of the moon. Now, you might say that's crazy, it was perhaps to everyone else in those days. I mean if he had publicized the fact that he had studied...

HESS: That would have been worse than the "Mystic Letters" wouldn't it?

BEAN: But as a matter of fact, I mean this is just indicative, of how men may be pilloried because they are in advance of their times.

Recently one of the meteorologists of our weather bureau, published a paper in which he gave the results of his analysis of the amount, the variations in rainfall over the United States in relation to the phases of the moon. He found, for example, that the characteristic behavior of the rainfall record during the period -- during the month from one full moon to the next, took on a certain kind of fluctuation. He examined the daily data for the first twenty-five years of this century from

[55]
1900 to 1925 and got a certain typical behavior, related to the phases of the moon. He did it also for the next twenty-five years, 1925 to 1950, and found a pattern of almost exactly the same contour in this twenty-five year period as in the earlier one. And so he demonstrated, he thought, that there is some kind of relationship between the phase of the moon and the daily rainfall pattern. While he was making that study for the U.S. another meteorologist down in Australia made exactly the same conclusion. So, you might say that Wallace's intuition was quite correct, there is some kind of relation or influence.

Now, I have since then probed this subject much more extensively, but that takes us into more recent activities than the period that you want covered.

So, we're through with Anderson; we're through with Brannan.

HESS: And now brings us to the very interesting subject of when did you develop your interest as a political analyst?

BEAN: That was shortly before the election in Maine in September of 1936.

HESS: What heightened your interest in that particular election?

BEAN: Well, in the first place I was sort of sensitive

[56]
to Wallace's interest in politics, and there crossed my desk just before that, one of these business service letters where they talked about business activity and the stock market and what not. But in that particular issue they published the record of elections in Maine for a long span because of the upcoming election in Maine in September '36. So, I studied that record and observed the high correlation between the election in Maine in September and subsequent general elections in the United States as a whole. It was an observation which very few people had made. There had been, you know, that old phrase, "As Maine goes, so goes the nation," which had been discarded because as popularly interpreted, that relationship didn't exist. Maine had always been Republican, and the country has been Republican and Democratic. But what I saw was that regardless of whether Maine went Republican or Democratic, the Democratic

proportion fluctuated up and down, similar to the national Democratic percentage. In other words, Maine could fluctuate between thirty and forty percent, say within that range, and the national figure might be between say, forty-five and fifty-five, up and down, and the ups and downs in the national would be similar to those of the lower figure

[57]
for Maine. In other words I wasn't concerned whether Maine went Republican or not.

HESS: Winning or losing.

BEAN: I was concerned with Maine's political temperature. So, I sent a note to Wallace pointing that out before the election. Then after the election on the 15th of September, Wallace asked me how about it, what's the meaning of this election in the light of what you've shown me? So, I studied that some more and gave him my interpretation and said, "Maine has just gone sixty percent Republican. This means that the national election in November will be sixty percent Democratic, and that Roosevelt will carry all but three states."

HESS: What were they?

BEAN: Maine, Vermont and Pennsylvania.

HESS: Pennsylvania. You were only wrong on one state, weren't you?

BEAN: Only wrong on that one state. And I think the reason I was wrong was because the New Deal impact in Pennsylvania was slow in coming. In 1932 for some reason or other the shift to the Democratic side hadn't completed, wasn't as full as it was in the other states, so that when I came to judge Pennsylvania in relation to the national picture, it left me with a low figure,

[58]
low Democratic figure as a projection for '36.

Anyway that was also about the time I had stumbled onto a page in the *World Almanac* which gave the Democratic percentages for every election, state by state, from 1896 to 1932. And in that compact record, as I studied it state by state, I saw a great deal of systematic relationships. So, that opened to me an area of interesting information because I saw the interplay between the national shift and how it showed up in each state. That was the beginning of my political downfall if you want to call it that, because it's cost me a lot of time since then.

Now, knowing that Wallace was interested in politics, also knowing that politicians of the day didn't have this elementary information that I saw on this page, it led me to do all kinds of things, correlating each state with the national. So, as 1936, 1938 came along, I found myself trying to predict these elections because by that time I had already started looking at the congressional elections as well as the presidential and it led me to predict, in view of the business recession that had developed in '37-38, that the Democrats could lose, dropping from something like eighty percent control of the House to somewhere between sixty and

[59]
sixty-five. Well, they dropped to sixty-one and a half. Then came 1940, I again came out with an analysis which Ernest Lindley published in the Washington *Post* state by state. I guessed that the country as a whole would go about fifty-four percent Democratic, which it did in 1940. In '42 I don't think I made any predictions.

In '44 -- following the '42 election where the Democrats, again, lost heavily, as they had done in '38, but went to a lower level of control in Congress, I examined the election results to see what had happened, and observed that where the Democrats lost more heavily there was greater apathy. The vote had fallen off, and fell off more on the Democratic side than on the Republican.

Then I began looking at the prospects for '44, and the reason I kept on being interested was because I had a ready market for anything that I might turn up in this field, Wallace was very much interested, just as he was interested in pushing me into weather analyses.

Well, in advance of the '44 election, I prepared a memorandum on what had happened in '42, and showed that much of what happened then was a reflection of a great falling off in voting. I submitted my report

[60]

to Wallace, he probably submitted a copy to [Frank C.] Walker, who was then Postmaster General, and I don't know to whom else, but I discovered later that a copy of that report fell into the hands of a fellow by the name of Randolph in the Treasury, and he had used my material in presenting a case for establishing a committee, a nationwide bipartisan committee, to bring out the vote in 1944, on the theory that just as a low vote in '42 had hurt the Democrats, a return to a normal vote would be helpful. There was then organized a nation-wide committee headed by Henry Kaiser. You know <u>that</u> name?

HESS: Yes.

BEAN: The industrialist. And he pulled together all kind of talent, theater talent and others, to jazz up a nationwide interest in a larger turnout in the '44 election. So, in a sense, I want to claim a little bit of responsibility for that campaign and also for initiating what is now general knowledge that the party in power loses ground in a mid-term election. More recently I've defined the party in power as the party that elected the President. In other words the party in control of the White House.

We are at 1946 -- and that reminds me of an analysis I

[61]

made of what to expect in '46. I showed it to a Congressman [Herman Paul Kopplemann] from Connecticut, and he said, "Why don't you go over and show this to Rayburn," Sam Rayburn, who was then Speaker of the House. So, I went over to see Rayburn with my chart and showed him that if the trend that had developed after 1936 down to 1944 continued into '46, I said, in effect, "You're out of a job after ’46, because the Republicans will take over.”

He said, confidently, "Oh, no, that's -- we have all kinds of committees at work."

HESS: He didn't think there was very much danger?

BEAN: No, he didn't. The Republicans lost heavily in '46, just as my charts foreshadowed.

HESS: The Democrats.

BEAN: Pardon?

HESS: The Democrats.

BEAN: Yes, the Democrats lost heavily.

This takes us right up to the '48 election. By 1947 I had pretty well covered the historical political records, both congressionally and presidentially, and it led me to observe an additional characteristic of the record, namely, the longtime cyclical swings.

I had studied the presidential elections, from

[62]

one election to another, the shifts in the congressional elections, but by this time I had familiarized myself with the longtime sweep, and concluded that the longtime political tide lasts for twenty or twenty-two years. That led me to note that between the Democratic sweep of 1936, and the Republican sweep of 1946 in the House, marked a ten-year span which began to look like half of this longtime political tide. And it raised the nice question as to whether we weren't, at that point, 1947, turning the corner, the Democratic corner, say from that low point of '46 -- a hint that the curve in 1948 would turn up in favor of the Democrats.

Mayoralty elections in 1947, revealed Democratic gains in certain cities of New York State and Ohio, and others. A very strong indication that the Democrats were stronger in '47 than they had been in '46, corroborating my sensing that perhaps the Democratic tide had reached the low point in '46. I also observed that as in '42 there had been a great falling off in voting in '46. In '42 I could associate apathy with war; we were all interested in something other than politics, in 1946, there was also great apathy, for which I still don't have an adequate explanation. Anyway, it was an apathetic year and cost the Democrats

[63]

a great deal. But looking towards '48, a presidential year, it is clear that the turnout would be greater in '48 than it was in '46 because it was to be a presidential year.

So, you have this basis judgment with regard to where the political tide, that it was probably turning up, partly corroborated by these mayoralty elections of '47. I think also there were some polls, published by Gallup, which showed that some of the occupational groups, particularly the farm groups, had turned more Democratic in '47 than they had been in '44.

This was the situation by the end of '47 that led me to begin thinking of 1948 as a Democratic year. Then by January of 1948, Gallup came along with polls in certain industrial states, New York, Ohio, a half a dozen or so. And I examined these state polls in relation to the historical record for each of the states, and concluded that they really indicated that the national picture, on the theory that these states were barometric for the country as a whole, as of January 1948, was something like fifty-three, fifty-four percent Democratic.

Oh, let's see what else did I have. Oh yes, there was another peculiar record. I had looked at the

[64]

mayoralty elections in Chicago, and observed that the way Chicago went in its mayoralty elections the year before the presidential election, was a sort of foreshadowing of what the national presidential election would be like. In the book I wrote in '48, *How To Predict Elections*, I included this analysis under the heading, "As Kelly Goes, So Goes the Nation."

Let's see what else was there?

HESS: One question: What was your opinion of the relative strength of the two men that were running -- Truman and Dewey? Of course this would be after the conventions when they were chosen.

BEAN: Yes, I'm not sure I dealt with the personalities. What I have just referred to were the elements that controlled my thinking.

HESS: You were thinking more of the parties themselves?

BEAN: That's right, yes.

HESS: What was your own feeling during the summer and early fall of that year when all of the polls, and most of the major news services, were picking the Republicans, saying the Republicans were going to win? What were your feelings?

BEAN: I think throughout that summer, in all the talks that I gave (and I must have given quite a number), I presented

[65]
an analysis based on trends, turnout, state polls. I did recognize however that Truman's popularity had slipped, that he had a problem with the Jewish vote, and with the Wallace Progressives and the Thurmond Dixiecrats. I listed the kinds of things that could mess up an analysis based on evidence up through the beginning of '48. But these factors that I recited, were really the ones that I leaned on.

Now, when the polls finally came along, and showed Truman behind Dewey, I obviously was baffled. I was in the peculiar position of either having to say, "Look, mine is the historical approach, and this is what it indicates, and therefore this is right," or to say that, "Something has happened which history doesn't indicate, or doesn't give any basis for judging, and the polls are right." I can best answer your question by pointing to two episodes.

Toward the end of the campaign, I was visited by a young man who then worked for Drew Pearson. David Karr is his name. And he came in to discuss with me the contradiction between -- or the conflict between what I had published in a book -- are you familiar with my book of '48?

HESS: *How to Predict Elections*.

[66]
BEAN: Yes.

HESS: Yes, sir.

BEAN: He asked, how did I square my book with the Gallup poll? There was no way that I could square it. You either lean on the book, take that approach as valid, or forget it and take the polls as correct. And I had no way of judging which was the correct one, except that since mine was my own approach, I probably would lean on it. But there was no way that I could say that I was right and the polls were wrong, or vise versa. When this chap left my office, after we discussed this problem, I said, I remember -- I can even see him now going past my secretary's desk and going toward the door. I said, "Now remember, if you say that Dewey is winning, then you are accepting the polls. All I can do is just say to you that if you accept the polls, then you can turn to the back of my book where I indicate the relation of the popular vote to the electoral vote. But this," I said, "is your interpretation of the Gallup poll, not my prediction."

I think the following Sunday, to and behold, Drew Pearson came out with a statement that Louis Bean predicts Dewey.

Well, that was one episode. But the other one came

[67]
toward the very end of the campaign, a few days before the election, when I was visited by Peter Edson. I wonder if you know the name or not.

Well, he's now a local retired columnist. He came to see me on this same question. He said, "Now look, the polls indicate that Dewey is in. So why don't you fall in line with that?

I said, in effect, "How do I know that they are right or that I am right?" I did say that for the polls to be right, the vote, the turnout would have to be very large, something like sixty million voters would have to participate. Such a large turnout, according to past experience would favor the Democrats, and would mean a Truman victory.

But anyway, he came out with his column a day or two later and I forget how he worded it, but the impression got around that Louis Bean had gone against his book, his analysis, and that he said Dewey was in.

Now let's see, what else just before that election?

On the Sunday before the election Bill [William Lawrence] Shirer and I were on a radio program. And by that time it was already clear, from the latest polls, that some shifting was going on and Gallup began to report that there was an increase in Truman's percentage. So I observed that in the light of what is developing,

[68]
currently, it would mean a Truman election. That's as I recall the situation.

HESS: Where were you on election night?

BEAN: I was with one of the national broadcasting companies commenting and interpreting election returns. It wasn't until 3 a.m. that it was possible to say "Truman." Ohio, Illinois and California returns had vacillated all night around fifty percent, and Dewey didn't admit defeat until 11 a.m. the next day.

Now, in connection with the 1950 election I, of course, was able to take a good look at what happened in 1948. Are you familiar with my analysis, the book called *The Mid-term Battle*?

HESS: Yes.

BEAN: Now there I show why Truman won and it is not for the reasons, necessarily, that I gave, or rather the focus is a little different. I mentioned to you that in the fall of '47 I had spotted in Gallup's polls that the farmer vote had already shifted toward the Democratic side, whereas other groups, business groups, professional groups, had not changed as much. And while I pointed to that fact, I had no way in the fall of '47 or early '48 of knowing how important that single fact would turn out to be. Looking back at the 1948 election, what stands

[69]
out as you examine it state by state, congressionally and presidentially, is that Truman had lost something like a hundred and eighty-five electoral votes in the eastern states, compared with Roosevelt's electoral

votes of '44, and Truman would have lost the election, except for the support that came to him from the farm belt.

HESS: Why do you think he garnered most of that support?

BEAN: Just one second, one more comment, then I'll take up your question.

There developed throughout the land, in all rural areas, a turn to Truman, county by county, from the Hudson to the Rockies. These areas gave Truman greater support in '48 than they have given Roosevelt in '44. And that sweep, or that pickup in the rural areas, gave Truman certain states, Ohio, Iowa, Colorado, Minnesota, but contributing fifty-six electoral votes, which was enough to elect him, without which he could not have made it.

Now, your question was what?

HESS: Was, why did the farm vote swing to Mr. Truman?

BEAN: Well, my interpretation is that there was an economic, a pocketbook reason for farmers supporting Truman as against Dewey. Early in the campaign, as I recall, [Harold] Stassen had had a meeting with Dewey in Albany,

[70]
and coming out of that meeting Stassen indicated that Dewey favored sixty percent of parity. Secretary of Agriculture Brannan seized on that, and so, of course, did Truman, saying in effect that that city slicker is offering farmers only sixty percent and we are offering you a hundred percent of parity. I don't know exactly how they put it, but it was essentially that kind of argument. Now that, I think, was the potent clincher for the farm vote. There were other reasons as well, lack of storage for the large crops of 1948, and falling prices.

HESS: Do you recall the rewriting of the -- or the renewal of the charter of the Commodity Credit Corporation in which grain storage bins were not...

BEAN: I was going to mention that. Sometimes I say that what elected Truman was the weather. The good crop conditions of the summer of '48 produced those bumper crops of cotton and wheat, grains in general, at a time when the farmers were demanding more storage facilities and didn't get them. And, as a result of that, you had the pressure of these large supplies on prices, so that prices were sagging or went down during the campaign. That interesting economic complex, large crops, low prices, inadequate storage facilities, and a candidate saying in

[71]
part, or interpreted to have said he favored only sixty percent of parity, I think that seems like a reasonable explanation of why you had this nationwide rural pickup for Truman.

HESS: And as Mr. Truman said at the Dexter Plowing Match, the National Plowing Match, out in Dexter, Iowa, the Republicans had "stuck a pitchfork in the farmer's back."

BEAN: Well, all right. Yes, I think that's a good Truman statement.

HESS: Did you ever speak with Mr. Truman about your predictions?

BEAN: Clinton Anderson took me to the White House on one occasion and I think it must have been after the '48 election.

HESS: The record shows it was on December 8, 1948.

BEAN: What I remember about that visit is that I had many of my charts with me and I didn't know how much time Truman could give me. I talked awhile and asked, "Shall I go on some more?"

And he said, "You go on talking and I'll tell you when I'm not interested," or something to that effect. Both Anderson and Truman were particularly interested in the charts which showed that farmers gave Truman his winning margin and labor gave him his margin in the

[72]
Congress. Labor leaders at that time were claiming that they had elected him.

I also recall that while he had made fun of the polls and pollsters, he told us he had made it a practice to check on a certain barometric wards to find out how things stood.

This visit with Truman after Anderson's 1948 election to the Senate reminds me that I had had an interesting association with Anderson when he was a Congressman, as well as my association with him as Secretary of Agriculture.

HESS: What was that?

BEAN: I was then in the Bureau of the Budget. This was in 1944. He was very critical of the Gallup poll because he felt that the Gallup poll was engineered in favor of the Republicans.

HESS: He thought it was rigged?

BEAN: Yes, rigged is the word. And he undertook to investigate, and in doing so he asked me if I would head up a committee. And I said, "Yes, I'll be glad to serve <u>if</u> you give me a committee of certain people," and I named the ones that I thought would be competent. So I found myself as chairman of this small group consisting of [Morris H.] Hansen from the Census Bureau, Phil [Philip M.] Hauser, now of the University of Chicago,

[73]
and I think Rensis Likert, then of the Department of Agriculture, or maybe already of Michigan, I forget which. And we visited Gallup at Princeton. Then Gallup came to Washington and testified before a committee. Interestingly enough, we did not find any evidence that the poll had been tinkered with, or rigged. Except -- there is one point however that turned out to be interesting from my standpoint.

Early in '44 when Gallup came along with polls for certain states, I studied those polls as I had, this was '44 -- I had in earlier years, and he published a national Democratic figure as well as a few state polls. He reported a national Democratic percentage of fifty-one. As I studied his state figures, and their relation to the past behavior of these states and the nation, I felt that the national figure was not fifty-one, but probably fifty-three. So I went to see Gallup. I said, "Look, according to my interpretation of your state figures, in the light of the historical correspondence of these states and the nation, the figure ought to be fifty-three, not fifty-one," and Gallup didn't say anything. But during the Anderson hearings it developed (that is after the election), that Gallup had actually cut back the result by two points. In other words he had a showing

[74]
of fifty-three and cut it down to fifty-one on the basis of his judgment that the vote in '44 would be a light vote, and on the basis of his experience in 1942, a light vote hurt the Democrats.

So, this is the only point that I found, or the committee found, where Gallup could be criticized because he injected -- he had a right to inject his judgment, but he should, we felt, have indicated perhaps in a footnote, that the figure wasn't the result of a poll, unedited.

HESS: To show that those two points had been removed.

BEAN: Yes. The only thing -- it would have been proper for him to footnote it and say, "We find fifty-three, but in the light of my judgment, as to a light vote, we think the figure is only fifty-one."

Incidentally, four years later Gallup's poll by states in January of '48 turned out to be an excellent forecast of the November election. And that raises a nice question as to why the state polls in January 1944 and again in 1948 were accurate barometers. Why were the August, September, 1948 polls wrong? And I don't have the answer.

HESS: That's an interesting question though.

BEAN: There are other things about that 1948 election which,

[75]
as we are digging into it, would be interesting to mention. For example there's some evidence that in the rural areas where voters usually vote Republican, they refrained from telling other people that they were going to vote Democratic. Farmers wouldn't brag in a Republican community where you had always voted Republican that this time they were going to vote for Truman. I heard of meetings where farmers would come in and instead of the usual free discussion, they sat around and listened, walked out without saying anything. So, there was that problem of how many people refrain from telling pollsters how they really meant to vote.

HESS: One other interesting thing in 1948, of course, Mr. Truman had two splinter parties running against him.

BEAN: Oh yes, yes.

HESS: Henry Wallace and Strom Thurmond.

BEAN: Now, let's see how did I deal with that? I don't think I dealt with the third party business because I had no way of measuring the strength. I did include in my book a chapter on third parties, but there's no way of tying that into the results -- into that election except to note, after the election, that the Wallace vote in New York, Maryland and Michigan put them into the Republican column.

[76]
HESS: And in 1952 I read in the *New York Times* that you didn't make a prediction that year because you said there were too many factors, but that the Democrats could win if times were good, but weight had to be given to two topics: graft and corruption, and the charges of Senator Joseph R. McCarthy, were the two things you said had to be watched. As you recall, the so-called "mess in Washington" was quite an issue in that election. Just how much of an effect did the "mess in Washington" have on the '52 election?

BEAN: There's another article in *Harpers* -- was it the *New York Times* or *Harpers*?

HESS: This was in the *Times*.

BEAN: In the *Times*. I don't know about the *Times*, I don't recall it particularly, but in the *Harper* article written before the candidates had been chosen, I think I said that if the Democrats nominate a typical Democrat, and if the Republicans nominate a typical Republican (in those days the typical Republican was [Robert A.] Taft), I said all of the information that we then had about the way the country divides on issues and between parties 1952 could be a Democratic year. Now, the Republicans didn't nominate a typical Republican.

HESS: No, they did not did they?

[77]
BEAN: So that was my thinking in early 1952 and I think it was reasonable.

HESS: Yes.

BEAN: Now in '52.

HESS: Well, just two quick questions.

BEAN: Well, there is something more to be said on your question of how influential were these nebulous issues of that campaign. Yes, corruption, Korea, and communism was one, need for a change was another, and of course the Eisenhower image was another one. How do you separate -- well if you're interested in my present views of that question I can elaborate.

HESS: Fine, go right ahead.

BEAN: But I have to take you into both the 1956 election as well as the 19...

HESS: That's all right.

BEAN: In early 1960, when there was common speculation that the Democrats would nominate either Kennedy or Stevenson, Stevenson was then always referred to as the twice loser. It was my impression that his label probably lowered Stevenson's Gallup rating. So I undertook to find out, by conducting polls in which the "twice loser" idea was minimized. I published the results in a private pamphlet, "Stevenson in 1960" in which I concluded that

[78]
Stevenson could win. One of the supporting factors was that he would not have to contend against the Eisenhower personality, which I figured cost Stevenson five percentage points in 1952 and in 1956. Another factor in his favor was that he would not have to contend with the Suez crises of 1956 which gave Eisenhower a lift of about five points during the last week before the 1956 election. In determining the effect of Eisenhower's popularity and of the composite of issues, I made use of the fact that normally there is an almost perfect correlation between the popular vote for President and the popular vote for Congressmen. According to the correlation Stevenson should have had about a fifty percent vote instead of forty-five, but Eisenhower beat him by ten points. This additional margin of five points is a rough measure of Eisenhower's popularity leaving the other five points for issues that worked against Stevenson.

In the 1956 election campaign Eisenhower's rating was down to about fifty-two, fifty-three percent, which rose immediately with the outbreak of the Suez crises by five points. In the election results the spread between Eisenhower and Stevenson was close to fifteen points, of which five stands for Eisenhower's popularity,

[79]
five for domestic issues and five for the international issue of Suez. In the "Stevenson in 1960" pamphlet I gave the details of this analysis as well as of the three types of polls I had taken in early 1960.

HESS: Predicting the future, do you care to make any predictions for 1972?

BEAN: No, not yet, not knowing who the candidates will be, and not knowing what the business situation will be, nor what domestic or international issues will bother us in 1972. The only thing that I could say, as far as the economic picture is concerned -- in my book on "The Art of Forecasting" published this year by Random House, I proved an historical record of business recessions. It pointed to the probability of a recession in '66-67 which we got, to another one in '69-70 which we are now witnessing, and the next one is due in 1972-73 which means that probably '72 before the election, would be a good year. That the economy would be in pretty good shape during that summer and fall would be my offhand guess, but all the rest...

HESS: Less inclination for a change then. When times are good.

BEAN: Yes, it would help, if as this record suggests, the country will be in a relatively prosperous condition,

[80]
it would be a favorable factor for the Republicans, but that's not necessarily a guarantee for the party in power. For example, in 1952 the country enjoyed favorable economic conditions, and the party in power lost, but it lost for other reasons. So, we don't know whether Nixon is going to run, we don't know -- if you have eighteen year olds voting, how that will affect the elections. Will the law and order issue be around?

HESS: What's your opinion of the possible switch of labor from the Democratic column to the Republican column?

BEAN: Well, that's a nice question and at the moment I don't have any basis for judging. I stopped the other day at the office of COPE, you know, the AF of L-CIO Political Education Committee, to see if I could get anything of their reaction to Nixon's rather smart operation on Labor Day with the labor leaders, inviting them for dinner at the White House as to whether or not that will affect the labor vote. A comment I picked up indicated to me that not everybody in labor thinks the dinner is a very smart move, that is for labor. So, while on the face of it it looks as if it is a nice political operation to begin to woo labor to the Republican side, I have no way of knowing how

[81]
far that can go. I wish I knew history a little bit better to tell you to look back to the relations between [Samuel] Gompers for example and Theodore Roosevelt, but I would like to check on that. No, I just have no way of knowing the effect of this operation -- it fits in perhaps nicely with the thesis that [Richard MA Scammon and [Ben J.] Wattenberg have laid out in their latest book, *The Real Majority*, where they argue that the Republicans will be moving towards the center, trying to pick up a good part of the labor vote, supposedly interested in law and order. I think it's too early to judge.

HESS: Very good.

BEAN: Now, what else can I tell you that would be appropriate for the Truman Library.

HESS: I have two general questions that I usually end with: One, in your opinion, what were the major accomplishments of Mr. Truman's administration?

BEAN: Well, the first thing that comes to my mind is his carrying on to a large extent the philosophy of the New Deal. I seem to remember from my vantage point in the Bureau of the Budget in 1945-1946, that he came through with something like a twenty-one point program and I think that was put together to carry on the programs

[82]

of the New Deal. There was a good deal of talk then that Truman would not fit in with a New Deal program, but I think that listing indicated that he would.

Well, I'd have to recite what everybody else probably thinks of, the Marshall plan, that came under his administration and the Korean episode. I would imagine these two things will stand out in his administration, but I want to give you one criticism I have of Truman.

HESS: That's part of oral history too, what is your criticism?

BEAN: You don't need to tell him that, but...

HESS: He'll never hear it.

BEAN: I've felt -- in the first place I've always felt that there was a great deal in common between Truman and Wallace. In spite of the fact that they differed on foreign policy, that set them apart, I still feel that there is a great deal that they had in common. They both were Midwesterners, etc., etc.

HESS: They should have got better acquainted, is that correct?

BEAN: Well, they should have gotten -- I don't know how well acquainted they were before the break, but after the break, I felt that Truman would have done the country

[83]

a service if he had somehow gotten Wallace to admit that his third party operation was a mistake, which Wallace had -- he did later. If Truman could have forgotten that episode and recognized Wallace for Wallace's basically good qualities he would have done the country a service in fitting Wallace into the public service again. I don't know whom you would match Wallace with, as a person who was able to influence people, draw people into government service. I remember when I joined the. Board of Economic Warfare, people came to that agency because it was Wallace's agency, and Milo Perkins was going to run it. In those days people thought very, very highly of Wallace. And young people were stimulated and wanted to work in anything that he was mixed up with, probably more sincerely, and more thoughtfully, than the youngsters who flocked around [Eugene] McCarthy in 1968. Well, this is my complaint or criticism, that he…

HESS: That he didn't utilize Wallace's talents.

BEAN: He didn't rise above that particular episode which I think he should have recognized as the kind of aberration that many, many political figures have experienced and have kept Wallace serving the public in a way that very few people were able to do.

[84]
Now, there's one other comment I ought to make, and I don't know if it is appropriate in this connection or not. The controversy that exists in the record between Truman and Wallace on that famous Madison Square Garden speech. You know what I'm referring to?

HESS: September of 1946.

BEAN: Yes.

HESS: Whether or not he <u>did</u> read the speech or whether or not he <u>did</u> give approval.

BEAN: Now, when the *Memoirs* came out in which Truman discusses that episode, the press picked it up, and again highlighted the fact that Wallace said this and Truman said something else.

Wallace was in town shortly after that and came to see us, and I said to him that I wish I had seen him just before he answered the press comment about that episode in the *Memoirs*. I said, "I wish I had been somewhere near you at the time because I could have given you a suggestion, or support." I said, "When you left Truman's office, where you showed him the draft of that speech, you talked to me on the phone within the hour and you told me that you had been to see Truman with that speech and he approved it."

HESS: Did Truman read the speech?

BEAN: Yes, as you will see. Then I learned that he was

[85]
going to give a talk in Iowa (see I'm referring now to his visit with us shortly after the appearance of the *Memoirs*), and I said, "I would like to see what you are going to say there in Iowa."

He said, "Well, if you'll stop by at the farm I'll show it to you."

Well, his farm is in South Salem, New York. So, a week or two later I was in New York and I went up to see him and he met me at the station and took me to his house. And he brought out two copies of the talk he was going to give and we sat down on a couch side by side, he with a copy of the paper on his knees, and one on mine. And as we began going over it, he turned to me and he said, "This is exactly the way Truman went over that speech."

HESS: The Madison Square Garden speech.

BEAN: Yes. Now, the other fact that sticks in my mind and makes me feel that Truman read that speech, is a paragraph in that speech which is just incomprehensible if Truman had not read it. He has a paragraph in there, if my recollection is correct, where he says, "At this point the President said, 'You can tell them that this goes for me too.'"

Now, I say it's inconceivable, no matter <u>what</u> you

[86]
think of Wallace, that he would <u>dare</u> to say in public something that the President didn't say. Can you imagine a Cabinet officer doing that?

So, on that point, I am inclined to think that the record isn't quite straight and that for various reasons Truman chose to handle it as he did. Now, it's perhaps understandable because he had to consider his relations with Byrnes more important at that time in terms of the significance of the negotiations in Paris, much more significant than anything that he might be involved in with Wallace. Anyway, those are the two comments that occurred to me.

HESS: We are coming down pretty close to the end, but I have a quick question: In 1944 when Henry Wallace was not chosen as Vice President were you disappointed? Did you think that he should be chosen again as Vice President?

BEAN: Yes.

HESS: What did you think of Mr. Truman at this time coming in and taking Mr. Wallace's place?

BEAN: Well, I...

HESS: Did you have any views about this man?

BEAN: About Truman?

HESS: About Truman.

BEAN: No, nothing more than what the public had.

HESS: Did you know very much about Mr. Truman?

[87]
BEAN: No. Oh, you remind me of the fact that I had heard early that year that there was a meeting of certain people in one of the local hotels where they were discussing how to dump Wallace. Now this was about the time in early 1944 when Wallace had gone off on a mission to the Orient, Siberia, China.

HESS: Far East.

BEAN: Far East mission. And I'm reminded now that while he was away I had examined the '44 prospects, and concluded that it was a Democratic year. I guess it was on the basis of the Gallup state polls that I mentioned earlier, of fifty-three percent Democratic, and that implied to me that the public was Democratic still, regardless of any concern about the Vice Presidency. And since I had heard sub rosa that there was a movement on foot to keep Wallace off the ticket, I made it a point to let Wallace know as soon as I could on his arrival from that trip to the Orient, that as far as one could tell from the way the public stood, there was no reason for denying him the Vice Presidency. The argument was about that he would hurt the ticket.

Well, the polls indicated to me that the Vice Presidency had no real significance because Roosevelt had been re-elected in 1940 with a fifty-four percent

[88]
vote and the country was still fifty-three percent without knowing what the ticket was to be. Anyway there's no evidence that the second man on the ticket swings the vote, except in the case of -- I was going to say in the case of [General Curtis E.] LeMay. In 1968 when [Governor George C.] Wallace chose him as his running mate, Wallace's curve began going down.

HESS: Did you speak to Mr. Wallace when he returned at that time to tell him about the meeting?

BEAN: The meeting? No. I did turn over to him my political analysis.

HESS: Well, one last thing: What is your estimation of Mr. Truman's place in history?

BEAN: Well, I would accept the version, or the view that I think was expressed by Paul Douglas, that Truman was wrong in small things, but right in the big things.

HESS: Thank you very much, sir.

[89]
INDEX