

Oral History Interview
with
DR. GROVER W. ENSLEY

Fiscal analyst, U.S. Bureau of the Budget, 1941-47; technical adviser, Senator Ralph Flanders, 1947-49; executive director, Joint Economic Committee, U.S. Congress, 1949-57.

Washington, D.C.
October 7, 1977
by James R. Fuchs, Harry S. Truman Library

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FUCHS: Mr. Ensley, to start would you give a short resume of your background; when and where you were born, and your educational background, and how your career went until you reached the Government part of it?

ENSLEY: All right. I was born on a wheat ranch in eastern Washington -- that's Washington State -- in 1915. I rode a horse four miles to a one-room elementary school. I went through high school in Colfax, Washington and then worked my way through the University of Washington during the depression 1933-38, receiving first a

bachelor of arts degree, a master of business administration degree, and finally a five-year certificate in Government service. I was trained for the public service. I went from Seattle to the University of Denver under a Sloan scholarship and where I, in 18 months, received another master's degree in Government management in 1940. It was at the University of Denver that I met my future wife, Creta Mabie.

FUCHS: Government was more your major than economics, then?

ENSLEY: Yes. Upon completing my work at the University of Denver, I went to Tax Foundation in New York City, where I worked on government budgeting problems. I attended New York University, in evenings. I eventually received my Ph.D. in economics, studying under Dr. Paul Studenski. The degree was awarded in 1947. In the spring of 1941 I was invited to go to

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Washington for an interview at the Treasury Department, Debt Management Division. But while in Washington for the interview I went to see Donald Stone at the Bureau of the Budget, who I had known earlier. He was Assistant Director for Administrative Management. Knowing my academic background, and experience, he sent me to see Weldon Jones who was Assistant Director of the Fiscal Division of the Bureau. I was impressed with the Division and its leadership and I accepted a position as a fiscal analyst.

These were the days before the Council of Economic Advisers and other White House apparatus that has since been created to help coordinate and assist the President in formulating economic policy. I worked at the Budget Bureau until I went into the service late in the war.

I suppose my most interesting experience while at the Bureau of the Budget, was in the spring of 1942. Roosevelt was the President,

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of course, and we were experiencing substantial inflation with shortages and rising income. There was no coordinated anti-inflation machinery or program. I'll never forget, Secretary of the Treasury Morgenthau went to Congress and advocated a harness of direct controls -- price and wage controls, rationing, and so forth. The next day, Leon Henderson, who was in charge of war allocations, testified that the way to stop inflation was to have tax increases. Well, that hit me as rather ironic, as a junior economist.

So, that weekend I wrote a one and a half page memorandum on the need for a coordinated stabilization program coming down from the very top, from the President. I brought it in and circulated it to the senior people at the Bureau of the Budget. The memorandum recommended that the President appoint a committee to develop a comprehensive stabilization program. In those days you didn't send President Roosevelt anything

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longer than a page and a quarter memorandum. You could attach all you wanted to it, but in terms of what you wanted him to read, a page and a quarter was it. After some editing the memorandum was sent to the President over the signature of Harold Smith, the Director of the

Bureau of the Budget. The very next day, the same memorandum came back with a handwritten note: "Okay. Work fast. FDR."

It gave Smith the authority to call in Henry Wallace, who was then the Vice President, and the other people that we had suggested to have on this committee. Out of it came the appointment by Roosevelt of Jimmy Byrnes who was brought off the Supreme Court to head this stabilization program. I'm very proud of that memorandum.

FUCHS: You did that on your own?

ENSLEY: Yes, I initiated the memorandum. As a young, green economist without knowing much about

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protocol or anything else; I just wrote it and brought it in, and Gerhard Colm and other colleagues of mine at the Budget Bureau brushed it up and we worked pretty hard on it for one or two days before Harold Smith sent it to Roosevelt. But it was just at the right time and it did bring about a comprehensive stabilization program.

In 1944 I went into the service as a naval officer. Just before I went into the service, the Pabst Brewing Company was celebrating its hundredth anniversary. During the war there was considerable discussion of the prospect of postwar unemployment. There was a general feeling that once the war was over we would revert back to the type of under-employment and under-utilization of resources that we had all during the 1930s. The Pabst Brewing Company, as an advertising gimmick in connection with their hundredth anniversary created 17 prizes for the best postwar employment plans. The first prize was \$25,000, the second

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prize was \$15,000 and then 15 \$1,000 prizes. I went home one evening and wrote a brief essay on how we could achieve and maintain reasonably full employment and stability after the war, and submitted it.

About a month later, I received a call from a public relations agency wanting to take my picture. I found that about twelve other people in Washington had also received calls, including Leon Keyserling, who later became chairman of President Truman's Council of Economic Advisers; and Herbert Stein who was with the War Production Board, and later became Nixon's chairman of the Council of Economic Advisers. Out of the 17 potential winners, about 12 were located in Washington. Of course, for about ten days the big question was, who was going to win the \$25,000 and who the \$15,000 and who the \$1,000.

Well, to make a long story short, Herb

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Stein won the \$25,000, Leon Keyserling the \$15,000 and the rest of us received \$1,000 prizes. A volume of the winning essays was published.

I mention this only because it indicated the intense interest on the part of responsible Americans, during the war, to start planning then for a better America after the war.

FUCHS: Do you recall the year of that contest?

ENSLEY: The spring of 1944.

FUCHS: What were your days like, as a fiscal analyst in the Bureau of the Budget?

ENSLEY: My chief job in the Budget Bureau was to analyze trends in defense expenditures and their impact upon the economy. We talked about and tried to measure the inflationary gap that was developing as a result of rapidly accelerating war expenditures. I thought at the time that we should have had higher taxes to reduce inflationary

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pressures. I'll come back to this World War II tax deficiency when we get into the Korean war. Fiscal policies were much more intelligently managed in the Korean war. I think that was, in part, because of President Truman's experience as Chairman of the Senate Committee during World War II.

You'll recall, President Truman made his name in World War II when he was Chairman of a special committee on defense expenditures. He watched not just the waste that there might be -- and there was plenty as there always are wastes in war -- but also the overall magnitudes and the implications of those magnitudes for the economy.

As I mentioned earlier I went into the Navy and served on Guam during the last days of the war. I came back with a doctoral dissertation nearly written. It called for an effective national employment program. I was pleased, when I returned in the spring of 1946, to find that

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on February the 20th, President Truman had signed the Employment Act of 1946.

FUCHS: When did you say you returned?

ENSLEY: I came back to the Budget Bureau in April of 1946.

FUCHS: He called for this, I believe in his 21-point message to Congress.

ENSLEY: I believe in '45. Jumping ahead 20 years, on the occasion of the 20th anniversary of the Employment Act, the Congress and the White House made me Chairman of a special committee to commemorate the 20th anniversary of the Act. We had three Presidents still living in 1966 -- Truman, Eisenhower, and of course, Johnson. I got a very nice letter from Truman, who was not in a position to come to the big celebration that we had in Washington.

FUCHS: How did that come about? You were no longer

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with the Government then.

ENSLEY: No, I was with the savings bank industry in 1966, but Congressman [Wright] Patman was Chairman of the Joint Economic Committee and he remembered me from the days when I was with the Joint Economic Committee. I was rather close to Gardner Ackley who was Chairman of the Council of Economic Advisers under [Lyndon Baines] Johnson. I wrote a letter to both of them, oh, a year before and said, "Look, we should do something rather substantial on the occasion of the 20th anniversary of the signing of that act on February 20th."

It ended up, as I say, with them making me chairman of a small committee to put on that commemorative program. I think it was the first time in history that a non-member of Congress presided over what were, in effect, congressional proceedings. But that is getting ahead of our story.

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When I returned to the Budget Bureau in the spring of 1946, it became clear to me that the action in the Budget Bureau was not going to be as interesting to me as it was in the past, because there had been created a Council of Economic Advisers -- in the Executive Office under the Employment Act of 1946 to take over much of the work of the old Fiscal Division of the Bureau.

FUCHS: Did you think that the Council of Economic Advisers, which of course, was instituted by the Employment Act, was a good idea?

ENSLEY: Oh, absolutely. And its counterpart on the Hill was the Joint Economic Committee, seven Congressmen and seven Senators. The Committee didn't get organized in 1946. It wasn't organized till January of '47, and in the election of '46, you will recall, the Republicans won.

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In the fall of 1946 President Truman appointed Senator [Warren Robinson] Austin of Vermont, a great Senator, to be our first Ambassador to the United Nations, creating a vacancy in the Senate from Vermont.

Senator [Ralph E.] Flanders, a Republican, was appointed by the Governor of Vermont to fill out the remaining two months term of Senator Austin. He was then elected to a full six year term in November of 1946. He didn't know me from Adam but he did contact some people in Washington. He had been active in the Committee for Economic Development, and he wanted a young man that understood Washington to be his assistant. I was approached by the Executive Director of the CED who arranged a visit with Flanders. Economic Policy action appeared to be moving towards the Council of Economic Advisers and to the Joint Economic Committee and since Flanders was being appointed to the Joint Economic

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Committee, I accepted the appointment offered me by Senator Flanders.

FUCHS: Who recommended you?

ENSLEY: Howard Myers, who was the Executive Director of the Committee for Economic Development, recommended to Senator Flanders that I was the person he should get. Well, I left the Budget Bureau just after completing the budget at Christmastime in 1946, and was on hand when Congress met in January of 1947.

Now, Truman was President. You know how you proceed on the Hill. You have certain missions. One of my missions was to increase the pay of top Government officials. I hadn't done a great deal of work on compensation because that was handled in a different division of the Budget Bureau. But when I moved to the Hill I found that Senator Flanders was equally impressed with the necessity of breaking this

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old \$10,000 salary ceiling. Flanders was appointed to the Post Office and Civil Service Committee in addition to the Joint Economic Committee and the Banking Committee. Those were his three committees. I prevailed upon Senator Flanders to interest himself in legislation the Budget Bureau helped me draft to increase the pay of about 165 top agencies' people in the Government. This was in the summer of 1947. Well, it didn't move. There was not very much popular pressure, as you can imagine, back of it; but we kept tugging away at it.

In the spring of 1948 the Congress was considering legislation carried over from the 1947 session of the Congress. It was still the 80th Congress. Governor Dewey was emerging as the likely next President. Dewey prevailed upon Senator Flanders (this was in the summer of 1948) to push top pay legislation. We were not optimistic that we could get this legislation

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through the 80th Congress, but we wanted it to be sure to be ready to introduce first thing in 1949, and enacted in time for Dewey to attract better quality people into Government. We had the legislation all ready. By that time it had expanded to about 250 top employees. The election came in November, and Senator Flanders and I had an appointment to see Dewey on the Friday following the election to put the final touches on the bill. Well, you know that meeting never took place!

Everyone assumed that Flanders and the Republican committee would just forget all about pay legislation. Flanders was chairman of the subcommittee of the Post Office and Civil Service Committee. The other Republican member was [Raymond E.] Baldwin of Connecticut -- a very fine man who later became a judge. The third was [Herbert] O'Connor, the former Governor of Maryland, a very likeable, agreeable man who appreciated the

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importance of adequate pay for executives in Government.

To the surprise of almost everybody, Flanders had some more hearings in the special session following the election and invited former President Herbert Hoover in as a witness. I'll never forget going off with Hoover and having him tell me how expensive it was to operate and live in the White House as President.

He said, "Of course, I had outside income; it didn't bother me. But for an ordinary man, such as President Truman, it's very difficult for him to live as he ought to live in the White House and do the entertaining and to cover the expenses."

He made a good impression on me. So Flanders called a meeting of his subcommittee, two Republicans and one Democrat, in mid-November. They proceeded to work on the bill with some 250 positions for which they were going to

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propose an increase in pay.

FUCHS: These were not Civil Service positions?

ENSLEY: They were mostly political appointees.

FUCHS: Was Hoover testifying?

ENSLEY: He had testified at the hearings a little earlier.

When the subcommittee met after the election trying to decide what, if anything, they should do with this bill they started going through it line by line. I was Flanders' assistant so I went with Flanders to these meetings. At one point I interrupted the committee and said, "You know while you're doing this, I think you should also consider doing something for the President. After all, under the constitution you can neither increase nor decrease the President's salary during his four year term. So if something is done for him in the next

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four years, it's got to be done before next January 20th, and here it is late November."

All three members of the subcommittee were agreeable to the idea so Chairman Flanders said, "Well, while we go over these other positions you go into the other room and draft an amendment to this bill to take care of the President."

So I went out and wrote an amendment increasing the salary of the President from \$75,000 to \$100,000. Then I remember Hoover's comment and I wrote another provision that the President shall also receive \$50,000 on which he would not have to pay any taxes or give any accounting. It would be used as he saw fit to carry on the duties of maintaining the White House. I put those figures in just out of the air, but the subcommittee adopted that amendment as written. They also increased modestly the pay of the Speaker of the House and I think of the Vice President; but I didn't have anything to do with

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that. So that became the bill. A bill to increase the salaries of some 250 top Government officials, the President's as I have outlined, plus something for the Speaker and the Vice President. President Truman had called a special session after the election, but we could not get the bill to

the Senate floor. So, it wasn't until January of 49 when the new Congress came in, the new Democratic Congress (Flanders was then in the minority), that the pay bill was introduced and debated.

Well, the pay legislation passed the House and I forget just in what form, but it came over to the Senate just a couple of days before January 20th. I was sitting with Flanders on the floor. He went to the Democratic leadership and made a point that if this particular amendment, this one little paragraph of a five or ten-page bill, is going to affect President Truman, it would have to be passed and signed

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by the President before midnight on January 19th.

Well, you know what they did? They amended the bill, deleting everything except this amendment that I had written. They also included something for the Speaker and the Vice President. It was that provision just as I had written it, \$100,000 in salary, and \$50,000 expense account that was sent to the President just hours before he was to begin his full term. Of course, he signed it. That made him the highest paid President up to that point. In fact it made him the highest paid until President Nixon.

Senator Wayne Morse -- you may remember him. He was kind of an obstreperous man, even though he was a good person. Well, sometime in the next four years, he got mad at Truman. So, when a bill came through the Senate, he amended this Presidential pay provision, making that \$50,000 taxable. But it was pointed out in the legislative

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history that you couldn't really reduce President Truman's pay in this way under the Constitution. The legislative history was such that the \$50,000 was not taxable for Truman; but it would be taxable for his successor.

When Eisenhower became President he was paid \$100,000 and the \$50,000, but both were taxable. So he took a reduction in take-home pay. It wasn't until Nixon came in, years later, that there was a substantial increase in pay. So I like to feel that I am partially responsible for President Truman being the highest paid President in history up until Nixon.

The next Christmas Donald Dawson, Assistant to the President, sent me the pen that Truman used in signing that pay bill.

FUCHS: Were you friends with Donald Dawson?

ENSLEY: Well, he was Assistant to the President, of course, on personnel matters. During 1947, 1948

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and 1949, particularly when I was with Flanders and Flanders was on the Post Office and the Civil Service Committee, I was in fairly close touch with Donald Dawson on anything dealing with personnel and pay matters. I got to know Don pretty well in that connection.

FUCHS: Did you work with anyone else in the White House during the Truman years?

ENSLEY: In the White House, yes, I'll come to another assistant, Dave Bell in a little bit.

FUCHS: When you were an analyst in the Bureau of the Budget, was J. Weldon Jones your immediate superior?

ENSLEY: No, but I was in his division.

FUCHS: Gerhard Colm?

ENSLEY: Gerhard Colm and I shared the same office, and he was my immediate superior.

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FUCHS: Any others that you were fairly close to?

ENSLEY: Roy Blough was a close friend over in the Treasury. Bob Nathan was another, over in the War Production Board. Also we had a little clan of economists from the various Government agencies that met frequently to study the impact of the war on economic stability. Coming from the Budget Bureau, I was kind of a coordinator of that group because there was no Council of Economic Advisers during World War II. Weldon Jones had just recently come from the Philippines where he had been the head of the accounting office. There had been a number of high commissioners, [Paul V.] McNutt and others, and they were always coming and going. During the intervals when there was a vacancy, Weldon would be the acting high commissioner. So he'd had a lot of experience as an administrator. He was a wonderful person. I took one look at him the first time I saw him and decided if he'd hire me I'd work for him.

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FUCHS: This memorandum that you have written on your own; that would have gone...

ENSLEY: To Gerhard Colm. Then it went to Weldon Jones and from him to the other Assistant Directors. Eventually it went to Smith who sent it over to the White House.

FUCHS: Did you know Smith?

ENSLEY: Oh, yes. I'll never forget as a potential junior analyst, Smith personally interviewed me before the Bureau hired me. Then, later when I got a Pabst award, he had me down to his office and was very complimentary. He had heart trouble and died prematurely. He had a concept of the Budget Bureau which was quite different from his predecessors. Smith thought that the budget was more than just some statistical tables, but that it was the plan of action for the Government. There were not only expenditure controls by the Estimates Division, and the Fiscal Division

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under Jones, but also a management division. Now, of course, the organization is called the Office of Management and Budget. The roots of that broader concept of the office go back to Smith.

He also had the concept of coordinating Government statistics, and so he created the Statistical Division in the Budget Bureau headed by an Assistant Director. Then, as I say, most important from my standpoint was the role of the Fiscal Division, whose functions Smith believed were of vital importance in the formulation of Federal economic policy. There were five divisions in the Bureau.

FUCHS: Did you serve part of your time under Lawton?

ENSLEY: I came back from the service in March, I think it was, of 1946. Harold Smith was just in the process of going over, as number two man, to the newly created International World Bank. He went over as the operating head of the

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organization.

When he left, his successor was only temporary, somebody who then went to chair the Federal Communications Commission. Then Fred Lawton moved up to Director of the Budget Bureau. So I served under Fred Lawton, too. But I stayed there only from March of '46 until December of '46 when I went up to join Senator Flanders.

FUCHS: Would you have worked on any of the President's economic reports that were required by the Employment Act?

ENSLEY: No. The first economic report was not transmitted to the Congress until February 1947, after I had left the executive branch. The principal thing I did when I came back to the Bureau in the spring of 1946 was to represent the Budget Bureau and really the executive branch as liaison with the Congress in its

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consideration of and ultimate enactment of the Legislative Reorganization Act of 1946. That was a substantial piece of legislation.

There is quite an interesting story about it even though President Truman didn't have much to do with it. The staff work was done principally by George Galloway who was with the Legislative Reference Service of the Library of Congress. He was a political scientist who had spent a lifetime studying how Congress should operate. So he worked with the House sponsor of the bill who was Jerry Voorhis of California, and the Senate sponsor, Robert LaFollette of Wisconsin.

The bill called for a coordinated national legislative budget, so we in the Budget Bureau were interested in how that would work out. We were enthusiastically in support of that provision

because we'd always been critical of the helter-skelter, piecemeal way in which the Congress approached the budget. I was the

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liaison between the Executive Office and George Galloway and LaFollette and Voorhis.

Now, the interesting thing, as kind of a footnote on all this, is that LaFollette and Voorhis worked their hearts out to get this legislation through, and they successfully got it passed in late summer of 1946. But it was at considerable personal sacrifice to both. Jerry Voorhis' opponent in 1946 was Richard Nixon, and Jerry was here getting that legislation passed when he should have been back home campaigning. LaFollette's opponent in Wisconsin was Joseph McCarthy. Both Voorhis and LaFollette were defeated. Sure it was a Republican sweep that year and they might have been swept out anyway, although LaFollette was more of an independent or Republican than he was a Democrat. There was a sweeping out of the "ins," and they could well have been defeated anyway. But they could have had a much better chance.

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I've often wondered what a different type of a political setup we'd have experienced during the succeeding ten years if LaFollette and Voorhis had come back to their seats.

FUCHS: I must admit there was a lot of anguish.

ENSLEY: That's right.

FUCHS: Was the Joint Economic Committee an outgrowth of this legislative reorganization?

ENSLEY: No.

FUCHS: How did that come about?

ENSLEY: The Employment Act of 1946 had a strong declaration of the Government's policy to do everything it could to maximize employment, production, and purchasing power. It was a statement of goals. It created in the office of the President, a Council of Economic Advisers to advise the President on how to implement

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this, and achieve these goals. It called for an annual economic report to be sent to the Congress by the President.

In the Congress the Employment Act provided for a new Joint Economic Committee, composed of members of the House and of the Senate, to receive this report, to study it and analyze it, and to advise the Congress on economic policy measures that would carry out the objectives of the Employment Act. That was one of the things that prompted me to go up to work for Senator Flanders, because [Senator Robert] Taft was made the first Chairman of the Joint Economic Committee, in the 80th Congress, and Flanders was a senior Republican on the committee. I

went to the first organizational meeting of the Joint Economic Committee created by the Employment Act, in January, 1947.

The Congress had just completed the Reorganization Act which I referred to a moment ago,

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the LaFollette-Voorhis bill, which reduced the number of committees in the Senate from around fifty to about fourteen. That meant that there were a lot of vacant committee offices around. One of the prize offices was right off the Senate Gallery, G-14. The story is that this was where Vice President Garner had his office when he was Vice President. This is where he drank his whiskey and played his poker. I don't know whether that's true or not, but anyway it was a nice big office with an outer office. It was one of the few suites in the Capitol that had a private john. When Taft called the Joint Economic Committee together for an organization meeting in January of 1947, he was pretty close to Senator [C. Wayland] Brooks of Illinois who was Chairman of the Rules Committee. So Brooks said, "Well, you can have your organization meeting in this G-14. It used to be the old Industrial Committee which has been abolished, so it's free."

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It was such a nice room, and so close to the Senate floor that Taft, after the meeting, said, "I think we should try to get this permanently assigned as the Joint Economic Committee office." So he and Flanders went down to see Senator Brooks and, of course, Brooks agreed with Taft. Taft was a powerful Senator in those days. Consequently, in January of 1947, that beautiful suite was assigned to the Joint Economic Committee.

I was with Flanders two years, and then I went with the Joint Economic Committee as its Deputy Director. The part-time Director was Ted [Theodore John] Kreps of Stanford University. He resigned after a couple of years and I became the Executive Director until 1957 when I left the Government.

Every two years, with a new Congress, we would get a letter from the chairman of the Senate Rules Committee saying that because of the

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strategic location of our office suite, it was needed by the Senate Majority Leader. The letter would give us until the next Friday to move to some less desirable office in the Capitol basement!

I'll never forget when the first letter came. Taft immediately saw the chairman of the Rules Committee and got the letter torn up, and that was the last we heard of it. Then [Joseph C.] O'Mahoney became chairman in 1949. He was fairly senior. He became chairman of the Joint Committee about the time I went with the Committee. We got the same letter from the chairman of the Rules Committee. I took it to O'Mahoney and he said, "Don't worry about it." He went to see [Carl] Hayden who at that time was chairman of the Rules Committee and they tore the letter up, and we stayed. Then two years after that, when he was still chairman of the committee, he got another letter and that was torn up. Well, that went on from '47 until '55.

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I couldn't really justify this suite. We were not a legislative committee; we were a study committee. But nevertheless, you know how human nature is, if you have something good you want to keep it.

It was a beautiful office and there was a fireplace in it. Every winter morning when I'd come in, the fire would be ready to be lit. So in the afternoon I'd light the fire. I'd sit there and work during the afternoon. It was very comfortable and cozy. You'd look right out, down the mall to the Lincoln Memorial and across the river to Arlington Cemetery. I was very proud of that office. One evening in January 1955 just before I left, I walked Lyndon Johnson. He'd been in the Senate for a few years, and he had just been elected Majority Leader of the Senate. So he looked around. He looked in the john. As he started to walk out, he said, "Well, Grover, you know Paul Douglas

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is going to make a great chairman of your committee -- with all that economic background and so forth."

Before I could say anything, he left. But I knew he was mixed up because Douglas was not the senior Democrat. The chairmanship rotated between the House and the Senate, and it was the Senate's turn to have the chairman. The senior Democrat, and hence I assumed the one to be next chairman of the committee, was John Sparkman of Alabama.

The next day I got another letter from the Rules Committee saying that Lyndon Johnson wanted this office. I didn't think anything about it. I took it over to John Sparkman who I assumed was going to be our next chairman.

I told Senator Sparkman the long history of the suite. I told him I'd appreciate it if he'd tell the chairman of the Rules Committee that we just can't move.

Well, Sparkman -- he's a wonderful person and

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a good personal friend of mine -- said, "Well, I don't know that I can do that. You know, just yesterday the new Majority Leader, Senator Johnson, took me off to one side and said, 'Look, there are five or six hide-a-way cubicles in the Capitol, which are given to five or six of the most senior members of the Congress.'" And Sparkman told me, "Now Johnson said that I don't have enough seniority for one of these rooms, but, nevertheless, he is going to give me one. But in doing so, he said he didn't want any trouble with me and with Ensley when he took the Joint Economic Committee suite for himself."

Well, I thought, that's one down and I've got three to go. So, I went to see Paul Douglas, the second ranking Democrat on the Joint Economic Committee. I told the story to Douglas and Douglas said, "Well, honestly, I can't do anything about it, because under the new 'Johnson rule' which was

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just announced yesterday, I'm going to be chairman of the Joint Economic Committee."

I said, "What the hell is the new Johnson rule?"

He said, "Well, Lyndon Johnson has just come up with a rule -- that no Senator can be chairman of more than one committee."

I said, "Well, what difference does that make; Sparkman would take this committee wouldn't he?"

"Well, he can't because he's now chairman of the Small Business Committee which is a Senate Committee and two years from now he'll still be chairman of that committee. But under the rules of the Joint Committee its chairman will rotate to the House, so that two years from now a House member will become chairman of the Joint Economic Committee. So Sparkman can't afford to give up one committee to take the Joint Committee when it would be available to him for

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only one term. So, he's got to stick with this Small Business Committee even though he may prefer the Joint Economic Committee."

"Now, that means that under the 'Johnson rule' I'll be the new chairman of the JEC. When Johnson told me about this he said, 'I don't want any trouble from you now that you're going to be Chairman or from Ensley in getting that suite -- the Joint Economic Committee suite.'"

Well, I thought to myself, this Lyndon Johnson is quite an operator, isn't he? Then I thought, well, I'm going to my next ranking Democrat, then a good Southern friend of Lyndon Johnson's. This was before Vietnam, when William Fulbright and Johnson were good friends. I went to see Fulbright and told him the story.

I said, "You can understand why Sparkman can't do anything. You can understand why Douglas can't tell Johnson off. But, you can do it. You've been in the Senate all these years and

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you're senior to him. Just tell him we're not going to give up this suite."

But Fulbright indicated that Johnson had already spoken about his future with the Senate Foreign Relations Committee and that he wasn't in any position to press Johnson on JEC space. Lyndon Johnson, according to the press, later persuaded Senator Green to become chairman emeritus of the Foreign Relations Committee, thus enabling Fulbright to become chairman.

So with Senator Fulbright immobilized I realized that I had just one ace in the hole, and that was Senator Joseph O'Mahoney who had just been elected to the Senate after being defeated in 1952. He was considered a "freshman" member of the Senate. Among the committees he applied for was

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the Joint Economic Committee. Well, there were about six Democrats ahead of him, senior to him, that had applied for the one Democratic vacancy on the Joint Economic Committee.

I went to O'Mahoney and said, "You've taken care of this on two occasions before when you were chairman. Won't you please tell the chairman of the Rules Committee that we just can't give up this suite?"

O'Mahoney said, "Grover, I'd like to do it, but you know when I applied to come back to the committee, Johnson pointed out there were five Democrats senior to me who were seeking to fill the vacancy. But Johnson said, 'I'm going to give it to you O'Mahoney but I don't want any trouble from you or from Ensley when I take that suite.'"

Now, here's a case of where Lyndon Johnson had meticulously covered every possible Senate Democrat on the Committee. We moved the next day

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to space in a separate building.

I had nothing but admiration for Johnson, the way he operated. He was one of the greatest political legislative operators, in the best sense of the term.

FUCHS: We're interested in these stories that don't dwell directly on President Truman as long as they're related to the...

ENSLEY: It's related to the Employment Act.

FUCHS: ...related to any problems.

ENSLEY: The Employment Act was Truman's. He had many landmark things to point to. God knows very few Presidents can point to as many things as Truman can, of accomplishments, really. But one of them certainly was the Employment Act of 1946.

FUCHS: Who do you think was the architect of that?

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ENSLEY: Well, [James E.] Murray from Montana was the original sponsor, and [Wright] Patman was a co-sponsor. O'Mahoney was another co-sponsor; in fact, there were several co-sponsors. Taft also played a very active role in finally developing the compromise language that made it possible to pass, to get the necessary Republican votes.

Well, now moving on a bit, I was over visiting Leon Keyserling, who was then Chairman of the Council of Economic Advisers, and Gerhard Colm along in November of 1950. Their office was on the third floor of the old Executive Office Building right across the street from the Blair House. I was sitting there right by Gerhard, talking, and I heard what I thought was a back-fire of a car. I looked out the window as did Gerhard, and there was a policeman lying prone in the

middle of the street right in front of us. Then there was a fellow lying, later found to be dead, right by the Blair door. The President,

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when they were rebuilding the White House, would walk across the street with three or four Secret Service people. He didn't drive across; he insisted upon walking. He said he didn't see any point in having a great big entourage and a bunch of limousines to take him across the street to lunch. I just happened to see that assassination attempt by the fanatical Puerto Ricans. They were rushing the front door, but there were Secret Service people inside with machineguns, so they didn't have a chance.

FUCHS: You saw the policeman probably that was killed; Torresola, I believe was the attacker who was killed, and Collazo went to jail.

ENSLEY: Then another interesting thing happened; this was in 1954, in the summer I think. Eisenhower was President and the Republicans controlled the Congress. I was still Director of the Joint Economic Committee. I worked for both Republicans

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and Democrats; I'm pretty nonpartisan. I was with Flanders, who was the ranking man on the Senate side of the committee; Wolcott, who was the Chairman of the Committee, was on the House side. Flanders and I had a meeting scheduled with Wolcott over on the House floor. We started over to the House floor, but before we did, earlier in the afternoon, John Lehman, clerk of the Joint Economic Committee, and I took the elevator from the ground floor up to our office which was still in this nice suite, up two stories. In the elevator walked four people. There was a woman among them; there were four in all, obviously Puerto Rican or something similar. At the top they asked, "Which way is the Senate Gallery?"

Well, that was not an unusual request, so we pointed that you go down this way and then you go that way; then you're in the Senate Gallery. Actually it developed that those four

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people, instead of finding the Senate Gallery which they were apparently seeking, ended up in the House Gallery. They had taken a wrong turn.

That story's never really been told, but at any rate that's what happened. So later Flanders and I were on the way across to the House to see Congressman Wolcott. As we approached the House floor, there was bedlam, people running out. We walked in, before the policemen arrived. There were several Congressmen lying there stretched out. They'd been hit, you see, by these gunmen from up in the Gallery.

The police soon took over and I went back to the office and turned on the radio. The shooting was on the radio. It was reported that the police had apprehended three people that had been up in the Gallery and had done the shooting. We immediately got in touch with the police and said, "Look, I don't know whether these are the same people who rode up on the elevator or not

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with us, but there were four, not three."

So they put out an alarm and they got the fourth one at the bus depot. They caught this fourth gunman simply because we had counted them and observed that there were four instead of three.

FUCHS: You mentioned Senator Lehman before; was he in the elevator with you?

ENSLEY: I just don't remember about Senator Lehman. I don't think so. There may have been others on the elevator, but I mentioned John Lehman, clerk of the Joint Economic Committee.

FUCHS: Did that involve you in any way with the case?

ENSLEY: No. They had them all identified; there was no question about identification. There was just this question about the fourth person who they found at the depot. He immediately admitted that

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he was one of them, I gather, so I never got further involved.

I'd like to talk a little bit about the Korean war, because President Truman took some very bold action there and the Joint Economic Committee had some part to play in it. You recall that it was late June when the North Koreans invaded South Korea and Truman brilliantly got the United Nations involved, and it became a United Nations operation. Of course, being with the Joint Committee I was immediately concerned about the impact of another war, or police action, on the economy. World War II was still very much in our minds. It so happened that Senator O'Mahoney, in addition to being chairman of the Joint Economic Committee, was also chairman of the Military Appropriations Subcommittee of the Senate. This gave us a wonderful entree because it meant that with O'Mahoney's backing, I had weekly discussions with

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McNeil, the comptroller of the Defense Department. We were able to trace the acceleration of expenditures. We had constant discussions on what the impact of these events was going to be on the economy.

A bill to reduce taxes had already started through the Congress, and Truman, partly I think to stop that bill, said that the following January would be time enough to consider whether we should have a tax bill. In other words, he just suggested a kind of a status quo on taxes for six months.

We had a very competent staff at the Joint Economic Committee. We'd built up, I think, one of the best economic staffs in town. There were five professional nonpartisan people. We met night and day and decided that if he wanted to avoid the horrendous inflation of World War II, we should get busy and increase taxes immediately, and pay for the Korean war as we went along.

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It was a popular war. It wasn't like Vietnam. Everyone agreed that Truman did right. The United Nations had to go in and stop that sweep of North Korea down into the South. So, we started a kind of a slogan in the Joint Committee of "Let's pay for this as we go." I persuaded chairman O'Mahoney and ranking minority member Taft that we should not wait till January to increase taxes, but do so immediately.

We had a meeting of the Joint Committee in July, very soon after the war -- the police action -- started. We had a brief resolution which the Committee unanimously adopted, including all the Republicans and all the Democrats, to immediately increase taxes. Hearings were started almost immediately by the Ways and Means Committee. Taxes were increased that fall and before the end of January or February of the next year, we had passed three bills increasing taxes. We paid for the Korean war as we went along.

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Now you might ask, why did we have inflation? Well, there was the war-scare buying. Everybody got frantic and went out and bought coffee and sugar and tires and all that kind of stuff. You couldn't have done much about that. A related problem at that particular time was the pegged interest rates. We were not using monetary policy. Now Truman was a populist in the sense he thought interest rates should be low, always low. Thus, you shouldn't use monetary policy as a stabilization device. Back in World War II, we pegged the Government bond market - a short term rate of about 3/4 percent, and long-term Government bonds at 2-1/2 percent. That persisted through the postwar period and well into the Korean war.

During the interval between World War II and the Korean war, the Joint Economic Committee made two studies, one in 1949 and another one in 1950, on the role that monetary policy and fluctuating

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interest rates could have on economic stabilization. Paul Douglas headed the first subcommittee, and it recommended more flexible monetary policies. Truman, particularly, didn't like that. Then, Patman, who was a low-interest-rate man made the second study. We staffed that study and it came out consistent with Douglas' report favoring flexible interest rates as a stabilization device.

But the Treasury was adamant on this. The Secretary of the Treasury, [John W.] Snyder, a close personal friend of President Truman, said, "No, we're going to keep interest rates pegged at these low, low World War II levels."

This was along in late 1950 and early 1951, and it became a real crisis within the Administration as to whether or not we should have a break away from the old, rigid interest rates of the past. The Joint Committee was for a flexible monetary policy.

It was in late February of 1951 that I got

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a call from Dave Bell, who was an assistant to President Truman and who I'd known for a number of years. We served in the Budget Bureau when we were both pretty junior people years earlier.

As a little background, Douglas introduced a bill about this time unpegging the Government bond market and calling for more flexible interest rates to discourage credit in a period when we had to dampen down aggregate demand in order to minimize inflation. Even though we had a good fiscal policy, we had, in our judgment, lousy monetary policy. So Douglas introduced this bill. He was a Democrat, a fairly leading one, and there was a lot of discussion in the Congress on it. When Dave Bell called me from the White House and said, "Grover, do you think if the Douglas bill comes to vote on the Senate floor, will it pass?"

I told him, truthfully, I thought it would be a very close vote. But I thought that in

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this environment it would likely pass. Three or four days later, on March 4, 1951, there was the famous Treasury-Federal Reserve accord where Snyder and [Thomas B.] McCabe, who was then the Chairman of the Federal Reserve, agreed. I'm not sure how much Truman really was involved in it, other than to know that the legislation probably would pass if the President were to block the accord.

At any rate, they got together and they had this accord. Also, William McChesney Martin, who was Assistant Secretary of the Treasury, went over to become the new Chairman of the Federal Reserve. It was at that point that they started using monetary policy, flexible interest rates, to supplement fiscal policies in the interest of economic stabilization. It was a rather historic thing that I'm sure Truman didn't like; and I'm sure Snyder didn't like, but I think that the handwriting was on the wall. I think it would

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have passed the Congress, because it had the Joint Committee back of it, and it had all the academicians back of it. Keyserling, Chairman of the Council of Economic Advisers, wasn't back of it. But still, it was the thing to have done, and it was a great step forward. I think even though we had a lot of inflation between June of 1950, at the outbreak of the Korean war, and March of '51 when the accord was signed, nevertheless, from then on our inflation didn't proceed nearly at the speed that it otherwise would have. You'll find differences of opinion, different schools of thought on it, I'm sure, but that's my opinion.

FUCHS: What were your views of Secretary Snyder as the Treasury Secretary?

ENSLEY: He had good qualities. One of them was he was very loyal to the President and that is always a good quality in a Cabinet officer. But I

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personally think we warranted a stronger man for Secretary of the Treasury. I honestly think the times demanded a stronger man. He came up and testified before our committee, and we'd ask him a question and he'd say, "Well, there are arguments on both sides."

"Well, what are the arguments on your position?"

Well, he'd fumble a bit, but he didn't provide that dynamic leadership that I felt was called for in the Secretary of the Treasury -- the type of leadership that his successor, [Fred M.] Vinson exhibited.

FUCHS: You mean his predecessor?

ENSLEY: Oh, yes, his immediate predecessor before he went to the Supreme Court. That's right. I would say the same thing about Henry Morgenthau. I think we could have justified a stronger Secretary of the Treasury during World War II than we had. But again, there was the question of a

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very close personal friendship between the President and the Secretary. I guess we'll always have that.

Can I talk a bit about the McCarthy and Flanders era?

FUCHS: Go right ahead. There's probably more questions, if I were more knowledgeable about fiscal and monetary matters, that I should ask.

ENSLEY: Well, I'm sure some people will challenge some of my conclusions. But that's what life's all about.

FUCHS: We are glad to have your viewpoint.

ENSLEY: Flanders came to the Senate in November, 1946, succeeding [Warren R.] Austin who went into the United Nations on appointment from Truman. But Flanders didn't really take his seat until January, 1947. The same day that he took his seat, Senator Joe McCarthy of Wisconsin took his seat. That was

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quite a story in itself because McCarthy for some reason tried to get [Alexander] Wiley, his senior Republican colleague from Wisconsin, to seat him ahead of everybody else -- I could never understand quite why. Taft, who was to be the new Majority Leader, squelched it. But it left kind of a bad impression upon everybody there in the Senate about McCarthy and how pushy he was. He was put on the Banking [and Currency] Committee. Not only was he put on the Banking Committee, but he was put on a subcommittee that Senator Flanders was on, which concerned rationing. Flanders was the chairman; [John W.] Bricker of Ohio was another Republican; McCarthy was the third Republican. There were the three Republicans and I forget who the two Democrats were.

At any rate, Truman sent up a message, saying that it was imperative that we continue sugar rationing for a brief period of time. That request was referred to Senator Flanders' subcommittee.

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He had hearings on it and the Administration made their case and it was a good case. Then Bricker and McCarthy and Flanders had a Republican caucus to decide what they were going to do, and Flanders had me go to that caucus.

McCarthy said, "I ran on a platform last fall of decontrol. I'm against one day's extension of sugar rationing, the hell with Truman." Bricker was against extending control, too.

I'd been downtown before and all the previous years working for Truman, and I had probably some loyalties there. Anyway, I articulated in the best way I could the arguments for this temporary extension of sugar rationing. We had all of the equipment in being; all the machinery was there, the ration stamps, everything. It was just a question of extending the existing program a few more weeks or months until balance could be restored. I was carrying the

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President's case or trying to. This was my first real across-the-table encounter with McCarthy. This was in January or February of 1947. I could see he was getting more irritated, and more irritated at me. Finally he pounded on the table; he looked at Flanders and said, "Senator, I want you to answer me this question, is Ensley a Republican or is he a Democrat. I think he's a goddamned Democrat but I wouldn't want that in the record."

Flanders pounded right back, and said, "I never asked Ensley when I hired him what his politics were and I will not ask him now."

He spit right back at him, which made me feel pretty good. He said, "We're here arguing the merits of the case; the hell with the politics."

Well, we did extend sugar rationing for a few months, not because of that, but just because the Senate Banking Committee was controlled by the Democrats plus two Republicans -- Charles Tobey

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who was the Committee Chairman, and Flanders. So those two Republicans plus all of the Democrats stuck together and persuaded the Republican-controlled Congress to extend sugar rationing.

The second round that Flanders had with McCarthy was just a few weeks later. The State of Wisconsin was celebrating its 100th year anniversary. So state leaders wanted to have a commemorative coin run off. Well, just the year before, the Treasury correctly decided you couldn't be running off commemorative coins for every occasion that came down the pike. Flanders was chairman of a little subcommittee on commemorative coins of which McCarthy was a member. Of course, McCarthy came from Wisconsin. Well, he just raised hell on this. We licked him, and he never quite forgave Flanders for that. So that was the second case where Flanders had it out with McCarthy. This is long before he got into the

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Communist issue. McCarthy just didn't handle himself very adroitly on these matters.

Well, the third occasion came in the summer of '47. A feeling developed that there should be a joint committee on housing. There's a long history back of that. Public housing and urban renewal were the big issues. So it was decided that there would be a joint Senate-House committee to make a year's study of Government housing programs. It was just assumed that Senator Tobey, who was the ranking Republican on the Senate side, would be the chairman of that committee. I went to the organization meeting. McCarthy and [Ralph A.] Gamble, a Republican Congressman from New York came, and they maneuvered to the point where they wouldn't permit any proxies to be voted on the organization. Flanders couldn't be at that meeting; he was in Europe on some mission. Because of lacking that one vote, I guess, Tobey lost, and Gamble of New York was elected chairman.

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He was a very "weak sister;" he was just a front man. McCarthy was really the chairman of that joint committee on housing. He went out with a lot of money that had been appropriated, and hired a big staff and they worked on housing for nearly a year. They came up with a 600 or 700-page book as a proposed committee report. The sum and substance of it was that the only people that were for public housing, or Government housing, were Catholic priests and do-gooders.

Well, the true majority of that committee could not subscribe to that. It was a rump session that organized that committee because they wouldn't let the proxies vote. The absentees could not register their vote, so you had the committee organized and staffed really by a minority, which came up with this proposed report.

We were approaching the deadline for a report to be filed with the Senate and the House.

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Flanders was convinced we needed public housing programs, urban renewal, just as Taft was. I went down to the housing agency; I didn't have either the ability or the time to write a report. With the agency's help, however, we got together a 40-page report, setting forth the reasons why President Truman and his housing agency thought we should have a positive housing program of slum clearance and public housing and so forth.

We had a final meeting of the Joint Committee. McCarthy came in with Gamble and they sat down with their staff behind them. They argued unsuccessfully for several hours, at which point Flanders brought out this little 40-page report that we had earlier circulated to the majority -- to those that we needed in order to make it the majority report. At the appropriate time I passed this little report around and got their signatures. So the minute I got the majority of the signatures, the Democrats and Tobey and

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Flanders, who made the majority, got up and started leaving. I had in my hand the report signed by the majority.

McCarthy said, "What are you going to do with that?"

I said, "Well, it's going to be filed with the Senate and the House this noon."

He said, "Well, the press is out there."

I said, "Well, that's up to Flanders and Tobey as to what they want to do and they told me to give it to the press."

"Won't you wait at least an hour till I can have additional copies of the minority report to be issued at the same time?" McCarthy requested.

So we waited. We honored his request. But this little 40-page report became the majority report of the committee. Over the years Flanders and McCarthy couldn't see eye-to-eye. So it wasn't surprising a couple years later, in 1954 I guess it was, when Senator Flanders got up on the

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Senate floor and made an eleven-minute speech introducing a censure resolution directed at McCarthy. I was sitting next to Flanders. It was on the basis of that censure resolution that a special committee was organized with Senator [Arthur V.] Watkins of Utah as Chairman. He was a very judicious and wonderful man. They brought back a verdict that Senator McCarthy should be censured and the Senate did.

FUCHS: How was your average day with the Committee? How did you function there? You say you had a staff of five professionals?

ENSLEY: In addition to myself, and I kind of rode herd over everything, we had a man who served as clerk of the Committee, but he also was a statistician. He was John Lehman. He understood Government statistical programs, so he was the liaison with the Government agencies on statistics. We had an economic-outlook man who

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studied the economic outlook, the implications of this or that program on inflation or deflation, employment, and unemployment, and so on. He was James Knowles. We had a monetary-policy man, who studied and concentrated on monetary policy. He was William Moore. Then we had a man who concentrated on fiscal policy -- taxes and expenditures programs. His name was Norman Ture. I was the fifth professional economist.

FUCHS: Did your staff remain pretty much the same or did you have much turnover?

ENSLEY: No turnover. We would, on occasion, bring in a temporary person to do a special job. For example, when Senator Douglas had the monetary policy study, which was a monumental study, we brought in Professor Lester Chandler from Princeton who worked with us for six months. When Representative Patman a year later had his study of monetary policy, we brought in

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Henry Murphy who was with the International Monetary Fund, and who before that had been with the Treasury. He came at the recommendation of Secretary Snyder, one of the best things Snyder ever did for us. He told Patman that Henry Murphy was a good man, and he was. We convinced Patman of that. For a year, Patman saw the light on the need for a flexible monetary policy. I'd been a very close personal friend of Patman all the time.

James Knowles who worked on economic outlook, had a group of Government economists from the Council of Economic Advisers, from Agriculture, Commerce, and Labor that he was constantly meeting with so we could tap those brains. It was the same way with each of our specialists. And we had very close liaison with the universities.

I think those were the golden years of the Joint Economic Committee, if I may say so. In

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the field of monetary policies we paved the way for the "accord," which was a monumental thing. We paved the way for responsible fiscal policy during the Korean war, with this resolution I mentioned. Senators Flanders and Sparkman made the first study, a whole series of studies, on the need for doing something about the poor people. It really was a prelude to the "war on poverty" that Kennedy later instituted. We had the first hearings and the first study of automation ever made by the Government. We made the first comprehensive study comparing Soviet economic growth with American economic growth. We made one pioneering study like that right after another. That was a very busy, active, influential committee in those days. I think everyone would agree with that.

FUCHS: You made recommendations; how did the Committee forward its recommendations?

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ENSLEY: In a variety of ways. We would use our influence downtown. If we had an idea, we would try to work on the President or the Cabinet or the executive agencies to get them to support a particular move and let them take the initiative. Then we would work with the Congress in two ways. We'd work informally. For example, O'Mahoney in addition to being Chairman of the Joint Economic Committee, was Chairman of the Military Appropriations Subcommittee and he used to take me down to the Appropriations Committee. McKeller was the Chairman way up into his eighties, in his dotage. O'Mahoney would have me give a lecture to the full appropriations committee on the meaning of the budget, in capsule form. He would take me down and I would, in thirty minutes, just give the highlights of the budget, in a way that I think would have some meaning to them. So we had all this cross-ventilation through

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committees. In addition, we would file formal reports with the Congress. We used every technique that we could think of.

FUCHS: Did you ever come in personal touch with the President?

ENSLEY: Not with Truman. I regretted that. He and Flanders were close. Here's a case where a freshman Republican Senator, Flanders, could see Truman anytime he wanted to. He didn't abuse it. In the period when I was working for Flanders, those first two years, he went over three times, and I went over with him. But I did not get into those meetings. I would drive Flanders over in my car.

Flanders had rapport with Truman. He liked Truman. They were about the same age; they had a lot in common, I think. They were both self-made men; neither of them had had a college education, even though both of them had many

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honorary degrees. But I must admit I never had the privilege of meeting Truman. I have met every President since then, except Carter; I've not met him. You know, Johnson made quite a point of bringing people in, and Kennedy did, and Ford, and Nixon even.

A month before Nixon resigned, in 1974, he had me out to San Clemente to talk about inflation and housing. I was up at my farm in Virginia, and read in the paper that Nixon was having a conference of experts at the White House to see what could be done about stimulating housing. Well, he didn't have a housing man in the group; he didn't have a savings banker there, or a savings and loan man there, or anyone who, in my judgment, knew anything about housing. The more I thought about it the more concerned I became, so I sent a telegram to the President, congratulating him on his interest in inflation and housing. But I indicated that I thought that he could do better

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in selecting a group of people to advise him. The next day I got a call from some assistant at the White House, saying that the President was leaving for San Clemente but he'd like very much if I would stop in to see him in San Clemente the next week. It so happened that the next week I was to be on my way to bank meetings in Alaska. I had started two mutual savings banks in Alaska. There was no problem in stopping in San Clemente.

I flew out a little early and had breakfast with Carol Kilpatrick who was an old friend with the *Washington Post*. He briefed me on how things operate there. That morning I went down to the President's compound. I must say, for three and one-half hours President Nixon sat at the end of the table without one interruption, without one distraction, and talked about inflation and housing. He looked good. As I came out, a reporter called me over to one side and said, what did I think about it.

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I said that I was astounded at how well Nixon looked and how thoroughly involved he got in the discussion and how little he was distracted. This was just a month before he resigned.

The next day the paper said, "A prominent Democrat who was at the meeting said that he was surprised how well Nixon looked, and how articulate he was in the discussion."

FUCHS: Didn't include your name?

ENSLEY: No, he didn't put my name down.

FUCHS: Truman, it is said, was quite knowledgeable and interested in the budget. I don't know if you had a chance to observe that, but did you get that impression?

ENSLEY: He got his spurs perhaps back in the days when he was with county government out in Missouri. Really, of course, he made his name, I think, as Chairman of that "watch dog" committee on military

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expenditures [Truman Committee]. When I was at the Budget Bureau I used to dig out things for him, although I'd never see him personally. This is when he was still in the Senate, in the early days of the war. I was very impressed with the questions; he asked the right questions. He got at the right issues. He obviously had a good staff. But still you have to give him the credit.

Truman became President in April 1945 when I was in the naval service overseas. I returned to the Bureau in March of 1946. I remained in the Budget Bureau only until the following December, and I was still pretty junior, so I didn't have much opportunity to see him in action on the Budget. I was working most of the time, too, as liaison with the Legislative Reorganization Act group -- with George Galloway, LaFollette and Voorhis.

FUCHS: You were, to quote, a "technical adviser" to

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Senator Flanders, primarily in the economic area?

ENSLEY: Yes, legislation. I'd never been in Vermont. Flanders handled that. He had a Secretary that handled the Vermont mail. Of course, he didn't get much mail from Vermont because you know, the people up there are pretty quiet. I don't know how it is today, but in those days, it was a pretty easy job handling Vermont problems. The Senator could concentrate on major national issues which he liked to do, on major economic issues, pay legislation and things like that.

FUCHS: Why did you leave the Joint Economic Committee?

ENSLEY: Well, I left in 1957, and there were two reasons. First, Washington was not as stimulating to me then as it had been earlier. I was an admirer of Eisenhower. In fact, some of my relatives claim we were sixth cousins. I don't know. My mother is Swiss and his mother came from a Swiss background. Perhaps we were

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distant relatives. But there wasn't the stimulating environment in Washington in the mid-fifties that I craved. Then I had four children soon to be in college. I had been offered jobs with private enterprise. Having been trained for public service, I felt that I couldn't make that philosophical adjustment easily, from a non-profit situation to a profit situation. I'd been invited by an automobile company, for example, just to come and work up a rationale for their bigness. I'd

been invited by a petroleum company to come and do nothing but rationalize their depletion allowance. Those were lucrative offers, but I just philosophically couldn't bring myself to that. Then all of a sudden, out of the blue came an offer from the National Association of Mutual Savings Banks. They'd never had a strong executive head. They did have a secretary. They'd had a study made by Booz, Allen, and Hamilton of what needed to

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be done, and the leading recommendation was that they hire a strong, dynamic, "go-go" type of executive head.

So, they approached me and I was quite impressed with the mutual concept. These are non-profit institutions; they go back 160 years. They involve people getting together and forming a group of trustees and hiring somebody to run this non-profit institution for the benefit of the depositors and the customers -- the borrowers. That impressed me; and the pay and fringe benefits were good. There are savings banks in 60 countries. So I went with them, and as time went on I got more involved in savings banking all over the world.

Two years ago I was elected president of the International Savings Bank Institute in Bogata, Columbia. My first job was to preside over that Bogata savings bank Congress. I introduced the President of Columbia in his own

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parliament building there. Now, I'll preside over the Congress in Madrid next April where I'll introduce the King of Spain. He's going to open our Congress. I just came from the Soviet Union and from Japan and from Poland where I was an official guest. Those banks, of course, are government institutions. But there's something non-political about it. I don't care whether you're a Socialist or Communist government or a democratic-capitalistic system like we have, there's one thing in common -- they both understand the necessity of savings and of capital formation and improving the quality of your capital and making it more productive for the benefit of mankind.

I sat down for three days with the head of the State Bank in Russia. We talked the same language. He was using the carrot to encourage the people to save in Russia, so they'd have more capital to build better steel mills, more

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housing, better railroads, probably more armament, I don't know -- I didn't get into that aspect of it. But there's a certain common denominator here among all systems, whether it's a dictatorship or a democracy, or whether it's a socialistic or Communist, or democratic capitalism. The only way you're going to have progress is to consume less than you produce. You take that savings and plow it back into capital goods and equipment that will manufacture things for you. So I found the last 20 years a great satisfaction and something that didn't call for a philosophical adjustment for me to move from government into this area.

FUCHS: This is a very interesting career.

ENSLEY: So, now I'm retired at 62. One of the first things I did at the National Association of Savings Banks was to put in a mandatory retirement age at 62 because I think in a trade association,

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you've got to be young and dynamic and forceful and work hard at it. At 62 I could have stayed on another ten years if I would have wanted to. I had enough political grassroots strength in the business that I could have coasted along nicely for another decade probably. But it would have been at the expense of a dynamic savings bank industry which I think is important.

When I was working for the U.S. Congress here in Washington 23 years ago I bought one of these bends in the Shenandoah River. I don't know if you're familiar with western Virginia or not.

FUCHS: I used to wade in parts of the Shenandoah and fish.

ENSLEY: Really?

FUCHS: I love that part of the country. I haven't been there in 20 years.

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ENSLEY: From Woodstock to Strasburg is 11 miles, as the crow flies. That river goes 51 miles and there are seven bends, and they're legendary. Well, 20-some years ago I bought one of these bends for \$5,000 -- 250 acres. We have no adjoining private neighbors. The river is our front and side neighbor, and the George Washington National Forest lies behind me. I had to have a bridge built across the river to get in and out of here. It's the most fantastic place in the world. Ever since then I had looked forward to retiring here, where I have now retired. Still this year I'm traveling more than half the time to carry out my responsibility as president of the International Savings Banks Institute.

FUCHS: Well, I hope you enjoy yourself.

ENSLEY: At 62 I still feel I have a few things in me. If just the right thing came along in the Government -- I don't want anything in budget or

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any high-pressure job. But if I could become an ambassador or something like that, that's my real goal. I'd like to be an ambassador for about three or four years. I have lots of friends all over the world by reason of the savings bank movement. Senator Sparkman and others are working on it. Sparkman is chairman of the Foreign Relations Committee.

FUCHS: It would be very nice.

ENSLEY: I don't think I have much of a chance of becoming an ambassador, because it's a very personal thing for the President. There are two categories of ambassador. There are those that are career people, that go to these sensitive places where you've got to have a wealth of background.

There are these others that are less important in terms of the political sensitivities, and the President has, naturally, a very personal relationship there. I'm too nonpartisan

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I guess. So I don't have any expectations of ever achieving it. But I do have a few people that have been pushing me.

FUCHS: I had difficulty finding out where Toms Brook was.

ENSLEY: It's about half way between Strasburg and Woodstock. Just a wide place in the road.

FUCHS: I used to go down there; seems to me I went through Middleburg and Strasburg. I fished for trout in Cedar Creek; do you know where Cedar Creek is?

ENSLEY: Yes. But the Shenandoah River is a little bit too warm for trout. We get bass, and brim; once in a while, a catfish.

FUCHS: Do you fish?

ENSLEY: Oh, yes. I've got a fish pond there too, and if I'd known you were coming I'd have brought

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a few pictures. I caught a 3-1/2 pound bass in my fish pond just a few weeks ago.

FUCHS: That's beautiful country.

ENSLEY: It really is. We built a new house just last fall, and I was the architect. I didn't hire an architect but I have a lot of architect friends, so I would carry my plans with me and whenever I would get one who would give me the time of day, I'd show him my plans and benefit from his comments. We have a most unusual house.

FUCHS: I'll bet it is. I remember I used to run into those hunt-club groups with packs of hounds.

ENSLEY: That's down more in Middleburg.

FUCHS: Yes, Middleburg.

ENSLEY: That's down in the horsey country, just

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a little this side. We're beyond that. That's fancy country, where Elizabeth Taylor Warren and the Mellons and the Firestones reside. I'm not in that crowd.

FUCHS: That's really interesting; they just cover the road with those little beagle dogs. I always thought the Shenandoah Valley was just beautiful. I hated to leave here. It's sure a nice place to retire to.

ENSLEY: Yes, it's just wonderful.

FUCHS: On the first Council of Economic Advisers I believe there was John D. Clark and Keyserling and Nourse. Do you feel they were all...

ENSLEY: I liked all three of them personally very much, but the three of them had very divergent views. Nourse took a very straight-line position, a very stiff attitude. His attitude was that he and the Council should be kind of a supreme

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Court and give the President their advice, but, never go out and explain it to anybody else. So there I was with the Joint Committee, trying to get Nourse to come up and give us some of the rationale behind the president's program. But he wouldn't come; he wouldn't talk. He'd come up and have a little informal lunch with me, or with a member, but in terms of meeting with the committee, he just wouldn't do it.

Now, Leon Keyserling was the other extreme. Leon would talk at the drop of the hat, and was an extremely aggressive advocate. Perhaps he was a little too much so, in the sense that when Truman left the White House and Eisenhower came in, the staff of the Council was under suspicion and Flanders and Taft had a difficult job in perpetuating the Council of Economic Advisers. I think in part it was due perhaps to Leon's excessive zeal for being an advocate.

Keyserling was succeeded in the Eisenhower administration by Arthur Burns who took, again,

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a protective attitude as Nourse had done. I couldn't get him to come up. He would come up, as long as a tape would not be made. I would tell Burns that Senator so and so is very anxious to come, but he's got three other committee meetings, and if there's no transcript he can't get caught up. Burns was very rigid on that. Of course, Burns left after the Eisenhower era and went back to New York. I'd become very friendly with Arthur Burns, and I think very highly of him. He's changed his mind on this. He's admitted to me that he was too rigid in those days. As you know now, when he came back to the White House and then more particularly over to the Fed [Federal Reserve System], he's up testifying all the time. He's a very excellent witness. He's one of the best witnesses I've ever seen, whether I agree with him or not. I don't agree with him on some issues. But believe me, he can hold his own about as

effectively as anybody I know in arguing economics with any opponent. He's grown with the job and I think he's come to appreciate the role of the Congress -- the necessity of the Congress understanding economic policies and understanding the rationale back of the Federal Reserve policy or the rationale back of the President's policies. So, there's been an evolution there.

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I think it's settled now into a pretty good pattern. The chairman of the Council [of Economic Advisers] does testify. Both Chairman Charles Schultz and his Republican predecessors have testified. But it got off to a bad start. Edwin Nourse had a purist approach. He would advise only the President, without offering his rationale to anybody else. He was followed by Keyserling who took the opposite point of view. Actually the ideal is in between.

FUCHS: That's very interesting. You have a great

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deal to contribute. Too bad I can't spend more time with you.

ENSLEY: Well, come up to the farm and spend a few days with me sometime.

FUCHS: It would be interesting.

ENSLEY: Sometime when you find yourself coming this way again, let me know. I've been in New York the past week. I went up last Thursday and got back night before last. I have a general manager of the International Savings Banks Institute in Geneva; our office is there. We have a 25 member staff. Our general manager was at this meeting in New York and came down to the farm with Mrs. Ensley and me. I brought him and his wife in and dropped them off at the airport on my way in to meet with you. I've been really exhausted the last few days going to meetings and entertaining these people.

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Sometime when you come east and have a day or two extra, get in touch with me. I might be in town or I might not be around. If I'm not I'll tell you. But if I am I could come down to pick you up at Dulles Airport. I live just on the other side of Dulles about 75 miles. I'm pledged to go through my documents this winter or next. In fact, I have a file on Senator Benton; he was on my committee, a file on O'Mahoney; a file on Dick Bolling, a file on all members of the Joint Economic Committee. Rather than just send those out raw, I'd like to thumb through and see what's in them, you know. A lot of it is chaff that wouldn't be worth anyone even looking at.

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