

Farewell America by James Hepburn

for Walter,
the first born of a New America

That whenever any Form of Government becomes destructive of Life, Liberty and the pursuit of Happiness, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness . . .

. . . when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty to throw such Government and to provide new Guards for their future security.

DECLARATION OF INDEPENDENCE

The Man of November 5

The election of the new Prince of the Universe should have had profound and far-reaching consequences for the future of the American people and for the life, liberty and happiness of Mankind.

But in the summer of 1968, the legitimate representatives of the Republican and Democratic Parties decided to pick their candidates for 37th President of the United States from among the merchandise on sale in the bargain basement.

In the decades and in the history books to come, 1968 will be remembered as the year the lights flickered out -- as a year of frustrations, regressions and shattered myths. These reversions to the past -- Prague, the Vatican, Chicago -- are the manifestations of political and economic forces seeking desperately to preserve situations of which they have long since lost control.

But the twilight descending upon the United States will have the gravest consequences of all, for it is America that sets the pace of the world, and often dictates its choices.

As the Sixties draw to a close, the peoples of the earth, left to themselves without gods and without leaders, are awaiting new decisions. The Man of November 5 cannot escape the confrontations before him. By refusing these choices, he will leave the problems unsolved.

Two Americans, John and Robert Kennedy, had the courage to meet these problems head on and break down the doors to the future. They were stopped by the frightened accomplices of the traditions on which they infringed.

When John Fitzgerald Kennedy's head exploded, it was for some the signal for toasts. One November morning the cannon boomed, the Panama Canal was closed, flags everywhere flew at half-mast, and it is said that even Andrei Gromyko wept. Adlai Stevenson declared that he would bear the sorrow of his death till the day of his own, and the Special Forces added a black band to their green berets.

Almost five years passed, and another bullet shattered the brain and stopped the heart of another Kennedy who had taken up the fight.

There was another funeral. Once again the Green Berets formed the Honor Guard; once again the Stars and Stripes flew at half-mast. One evening in June, Robert Kennedy joined his brother beneath the hill at Arlington, and those passing by can bring them flowers.

"Happy Days Are Here Again," they sang at the Chicago Convention. But the scores have not been settled.

Who killed them?

And why?

This book sets out to answer these questions. But beyond the facts and the outcries, behind

the assassins and their motives, other culprits appear. The responsibility of American civilization is no longer in doubt.

Europe sometimes speaks of taking up the American challenge. But do the force of arms, the excesses of an economy and the abuses of a political system constitute an adequate example? Washington, Lincoln and the Kennedys gone, never in two centuries have the virtues and hopes on which the young Republic was founded been so gravely endangered as they are today.

By their meditations, by their decisions, by their rebellion, the citizens of the United States will bring about their Renaissance.

We dedicate this book to the youth of the Seventies. Only they will know how to face the crises that lie ahead. May they find in these pages the strength to defy the redoubtable old men and revive the forgotten glories.

Farewell America

INVASION

It is a mistake to look too far ahead. Only one link in the chain of destiny can be handled at one time.

WINSTON CHURCHILL

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Legacy

The worst fault of a highly-intelligent sovereign is to impose tasks on his subjects which are beyond their forces, for his aims go far beyond what they are capable of doing and, when he is in charge of an undertaking, he thinks he can foresee its consequences. His administration is therefore fatal to the people. The Prophet himself has said, 'Pattern your step on that of the weakest among you. Too great an intellect is a burden for the people.'

IBN KHALDOUN

Americans are the sons of Calvin. John Calvin preached that the pursuit of wealth and the preservation of property is a Christian duty. He taught that the temptations of the flesh demand a discipline as strict as that of the military profession. "He created an ideal type of man theretofore unknown to both religion and society, who was neither a humanist nor an ascetic, but a businessman living in the fear of God." ⁽¹⁾

Two centuries later, this new type of man came under the influence of John Wesley. ⁽²⁾ "We exhort all Christians to amass as much wealth as they can, and to preserve as much as they can; in other words, to enrich themselves." For President Madison, "The American political system was founded on the natural inequality of men." Correlatively, the moral philosophy of the United States is based on success.

At the end of the Eighteenth Century a Frenchman, the Chevalier de Beaujour, wrote on his return from North America, "The American loses no opportunity to acquire wealth. Gain is the subject of all his conversations, and the motive for all his actions. Thus, there is perhaps no civilized nation in the world where there is less generosity in the sentiments, less elevation of soul and of mind, less of those pleasant and glittering illusions that constitute the charm or the consolation of life. Here, everything is weighed, calculated and sacrificed to self-interest."

Another Frenchman, the Baron de Montlezun, added, "In this country, more than any other, esteem is based on wealth. Talent is trampled underfoot. How much is this man worth? they ask. Not much? He is despised. One hundred thousand crowns? The knees flex, the incense burns, and

the once-bankrupt merchant is revered like a god."

The British went even farther than the French. "They are escaped convicts. His Majesty is fortunate to be rid of such rabble. Their true God is power." ⁽³⁾

In an introduction to a series of articles by historian Andrew Sinclair, the *Sunday Times* wrote in 1967, "In the five centuries since Columbus discovered the New World, savagery has been part of American life. There has been the violence of conquest and resistance, the violence of racial difference, the violence of civil war, the violence of bandits and gangsters, the violence of lynch law, all set against the violence of the wilderness and the city."

The opinion of these Europeans is subject to question, but George Washington, speaking of the future of American civilization, commented that he would not be surprised by any disaster that might occur.

The disasters began as triumphs. The conquest of the West, the rise of the merchants, the industrial revolutions were America's great crusades, and from them were issued her Titans and her gods. Every civilization has its ideal man. an archetype that stands as a model for the average citizen. Athens chose the philosopher and the artist; for the Jews, it was the law-giving prophet; for Rome, the soldier-administrator; for China, the learned Mandarin; for England, the empire builder; for Japan and German, and professional soldier; for India, the ascetic. For the United States, it was the businessman!

While other nations might have chosen wisdom, beauty, saintliness, military glory, bravery or asceticism as their popular divinities, the United States chose the civilization of gain. The true gods and the only Titans of America were Jay Gould, Daniel Drew, Jay Cooke, Andrew Carnegie, Charles T. Yerkes, Solomon Guggenheim and Irene Du Pont.

Some of these men, like J. Pierpont Morgan, became gay, high-living nabobs. But most, like Henry Ford, were frugal and dreary puritans. All of them, even the most devout, even the most devoted, even the most sincere, had one thing in common: where business was concerned, they were tough. The churches approved of this attitude. In his book *Heroes of Progress*, the Reverend McClinock wrote:

"May he long enjoy the fruits of his work and promote the reign of Christ on this earth, not only through the Christian use of the vast fortune with which God has favored him, but through the living example of his active and peaceful piety." He was referring to Daniel Drew, who cheated his associates, bribed municipal governments, and took advantage of the credulity of the people.

The first American giants -- Rockefeller, Vanderbilt, McKay, McCoy -- whether they were oilmen, shipowners, prospectors or livestock dealers, made or consolidated their fortunes by smuggling arms and supplies during the Civil War. Today's Titans are often college graduates. Some are affable and well-bred. They constitute an oligarchy of directorial bureaucrats who, while lacking the personal fortunes of the old Titans, have preserved their power and conserved their practices. For them, and it is true, profit is "the remuneration of a decision made in conditions of uncertainty." ⁽⁴⁾ But this equation has become the basis for a moral philosophy that takes neither the nation nor the individual into account.

"Men who spend every weekday making money, and every Sunday at the Temple, are not made to inspire the muse of Comedy," wrote Alexandre de Tocqueville, and he was correct. The standards of American society have been raised to untouchability. The dollar remains the criterion of worth and success. Money is the only real measure of human beings and things, and American society, while classless, is nothing more than a graph of economic levels. ⁽⁵⁾ "That which a people honors most becomes the object of its cult," wrote Plato. This is a democratic notion in so far as it offers everyone a chance, or at least appears to, but its rigidity leaves room for all kinds of excesses.

In other times and on other continents, these Titans would have been, if not scorned, at least gauged by their relative worth. But the Titans have become the pride of every American citizen. In no other society is the cult of the successful man so strong, and it is unwise to disregard it.

"America has been built by individual effort and a recognition of individual responsibility . . .

Government may guide and help its citizens, but it cannot supply talent to those who do not have it, or bestow ambition or creative ability on those who are not born with these qualities." ⁽⁶⁾

This morality demands the tolerance or the complicity of those who hold political power: Congress and the President.

Theodore and Franklin Roosevelt were accidents along the way, deviates from the American mythology. An American who enters politics for unselfish reasons is regarded with suspicion. His attitude can only conceal a lust for power or a senseless and dangerous devotion to the "public welfare." Politics and the public welfare have little in common, and the activities of a politician are not considered normal or comprehensible unless they are pursued for selfish and material gain. President Jackson was condemned in 1831 by Vincenne's Gazette in these terms: "Ambition is his crime, and it will be his undoing."

Harold Laski has written that "a strong President is a moral threat" to all those who have toiled to build an American society whose prosperity is based on initiative, energy and efficiency, but also on what Europeans call corruption, an additional arm made available to those whose sole motivation is profit. America, wrote George Washington, is a country where political offices bear no proportion to those who seek them.

America accepted Franklin D. Roosevelt only because she had no other alternative. She found herself again in Harry Truman, a solid citizen with no perverse ambitions who declared that "the combined thought and action of a people always lead in the right direction." ⁽⁷⁾ Eisenhower was the ideal President. A victorious commander, he dazzled the crowds. Inconsistent, he had no dangerous political philosophy. A petty bourgeois, he dared not oppose the Titans.

And suddenly Kennedy appeared, the first President born in this century, a millionaire, a liberal, and an intellectual. The Democratic candidate nevertheless made no attempt to conceal his aims.

"In the decade that lies ahead -- in the challenging revolutionary sixties -- the American Presidency will demand more than ringing manifestoes issued from the rear of the battle. It will demand that the President place himself in the very thick of the fight, that he care passionately about the fate of the people he leads, that he be willing to serve them at the risk of incurring their momentary displeasure."

"We stand today at the edge of a New Frontier -- the frontier of the 1960's -- a frontier of unknown opportunities and perils -a frontier of unfulfilled hopes and threats." ⁽⁸⁾

"Woodrow Wilson's New Freedom promised our nation a new political and economic framework. Franklin Roosevelt's New Deal promised security and succor to those in need. But the New Frontier of which I speak is not a set of promises -- it is a set of challenges. It sums up, not what I intend to offer the American people, but what I intend to ask of them. It appeals to their pride, not their pocketbook -- it holds out the promise of more sacrifice instead of more security . . ." ⁽⁹⁾

"The Scriptures tell of a time when there were giants on the earth, and that is what our country needs today. This is not the time for futilities. This is not the time for petty complaints and half-measures. This is the time for men of action, not men of words -- this is the time for giant hearts, not faint hearts . . ." ⁽¹⁰⁾

"We have no time for complacency, timidity, or doubt. This is a time for courage and action." ⁽¹¹⁾

"The old era has ended. The old ways will not do." ⁽¹²⁾

It was all so beautiful, so unreal, that no one believed it. They even admired his inscrutability, his ingenuity in using a metaphor borrowed from American folklore, from the myth of the West, to mask a demagogy that was all the more inoffensive because it seemed credible. Others, more cunning, grew concerned when, in West Virginia, under the low roofs of a forgotten America, the Senator from Massachusetts spoke to the abandoned miners, to the unemployed, to the families vegetating in the hills. America began to ask herself if Kennedy was speaking seriously when he bent towards the little people and the forgotten.

Kennedy's socialism aimed at enriching the poor rather than impoverishing the rich, but it was dangerous nevertheless. For one hundred million Americans, the gravest danger, after bankruptcy, is that those just behind may catch up with them. The nouveaux rich are only rich so

long as no one grows richer. The have-nots live in constant fear of the down-and-outs, and the hate and fear of the little Puerto Rican for New York are really no more than the hate and fear of half of New York for the little Puerto Rican.

Millions of Americans have risen from the proletariat to the middle class with insufficient intellectual means. They or their sons want to continue to climb the ladder of society. This new American bourgeoisie, which has risen by its own toil, works less today and lives better, and pays less taxes. It claims to be descended from the Pilgrim Fathers, but its origins go back to the washing machine. The Great Society is essentially sectarian and violent. Its mottoes are "each man for himself," "it's none of their business" and "woe to the vanquished."

Today's American is at the mercy of his anxieties. The United States has grown so wealthy that she has lost touch with the rest of the world. America is neither here nor there, be it a question of power or of weakness. She no longer knows what is happening on this earth. Her universe exists in the third person.

The difference continues to widen between the American radicalism of the Thirties and the radicalism of today, whose ethical basis is possession. True, this basis can be traced far back into the American past, and finds its theme song in the ballads of the Far West, where men killed for a horse or a bottle of beer. But Jeffersonian tradition placed, or restored, human values above real estate values.

Hemingway's Americans saw the Spanish Civil War as a struggle for the preservation of spiritual as opposed to material values: the power of the Church, the domination of the Army, and the wealth of the big landowners. They were in sympathy with the other Spain, although to all appearances it was Red. But today, when a majority of Americans are landowners, what other insurgents scattered throughout the earth still have the sympathy, or at least the comprehension, of a sufficient number of Americans, of the men who nevertheless trace their origins back to the revolutionaries of the Thirteen States of the Union? And let no man be mistaken about the struggle for civil rights. The Negroes too want to become landowners.

America is no longer a young nation. There is New York, of course, superlatively demanding, offering, in the absurd and the sordid, the crude atmosphere of youth and folly of a town in search of its identity. Its culture is centered on the Jew and the Negro. It is a young city, but it is not an American city. It rejects the provincialism, the racism, the folklore, the religion, and the superpatriotism of the ordinary small town, whose preoccupations are diametrically opposed to the policies of any progressive and imaginative government.

Imagination itself has become "un-American." It is accepted, but with fear and distrust, when it embellishes a concrete experience, the story of how a fortune was made or a victory won. But where it exists solely for itself, when it becomes a culture or a dialectic, it is no longer tolerated." Americans are insensitive to philosophical ideas. They need something tangible, something concrete, something that has been acted on the stage. Acted, that is, seen and felt. What is said is not important. We are not impressed by explanations, and verbal play leaves us indifferent. What we want is action." ⁽¹³⁾

It was to men without imagination that Kennedy addressed these words:

"Now the trumpet summons us again -- not as a call to bear arms, though arms we need -- not as a call to battle, though embattled are -- but a call to bear the burden of a long twilight struggle . . ."

The message got through, but there was something suspicious about the style. Culture is a major threat to modern American society. A society fears its deserters more than its enemies, and in its mind intelligence is too often equated with leftism. Kennedy said, "Our nation cannot allow itself to be economically rich and intellectually poor." And Steinbeck added, "What a joy that literacy is no longer prima facie evidence of treason."

But a portion of American society instinctively understood that Kennedy was declaring war on its own. "High society," like the middle classes, felt only suspicion or dislike for his university professors. The American upper crust tries in so far as possible to preserve itself in a superb state of ignorance. For these people, brilliant men like Theodore C. Sorensen or Adlai E. Stevenson, the

kind of men who are too poor to leave big tips and too proud to accept them, are intruders in a society that places no value on pure intellect, or accepts it only when it occurs in one of its sons.

These well-to-do, these profiteers, these weaklings, and these simple people had one thing in common: their fear of everything that Kennedy represented. His principal fault was that he was not like them. He did not share their desires and their complacency, their weaknesses and their intolerance. These citizens of the Twentieth Century had no conception of the responsibilities of a President whose role, in reality, is that of viceroy of the universe.

The United States has never faced the irreparable. She has never even experienced a catastrophe. She has known no Roman domination, no barbarian invasion, no feudal wars, no massive bloodbaths. In consequence, she finds it difficult to accept a dominant leader. On the contrary, she wants a President who is subject to the will of his constituents, and even of his adversaries.

The chances of becoming President of the United States are extremely slight, even for a man in the forefront of public life, and such opportunism is needed that the way is left open for a mediocre but crafty politician who knows how to please. With Eisenhower, the United States was content to spend eight years in an armchair. The intellectual emancipation and the agitation of the new generation succeeded at the beginning of the Sixties in defeating, by a narrow margin, the advocates of a placid administrator of a complacent nation devoted to the welfare of the majority -- in other words, corrupt. It was the strength of his electoral organization that carried Kennedy to victory, with the help, perhaps, of the seasonal favor of an actual minority that suddenly tired of mediocrity or, like a woman, was momentarily seduced.

But, once he was President, Kennedy set out immediately to give the nation a sense of responsibility and of pathos. This was all the more disturbing in that it was abstract, and therefore unfamiliar. How many of the 185 million Americans in 1960 sensed that this man would betray their heritage, the American way of life, the established order?

Often primitive, readily stubborn, and capable of sudden violence, the American character contains dangerous elements with which men like Jefferson, Lincoln, and Theodore and Franklin D. Roosevelt have had to contend. If, as Machiavelli wrote, men find it easier to forget the loss of their father than that of their patrimony, then "there is nothing more difficult, more dangerous, than to try to change the order of things."

NOTES

1. Herbert J. Muller.
2. Founder of the Methodists.
3. Oliver Sharpin, *The American Rebels*, 1804.
4. Professor B. S. Keirstead.
5. "An American citizen is now worth \$200,000" (*Dallas Morning News*).
6. David Lawrence, *US News and World Report*, January 18, 1965.
7. Harry Truman, *Mister President*.
8. In Washington, January 14, 1960.
9. At Los Angeles, July 15, 1960.
10. At Anchorage, September 3, 1960.
11. At Detroit, September 5, 1960.
12. At Seattle, September 6, 1960.
13. Arthur Miller.

Farewell America

3King *The only glory in public life is that which portends the future and blazes a path through the haze of the present.* DISRAELI Senator Kennedy won the 1960 Presidential elections by an "exquisitely narrow" margin. ⁽¹⁾ White, Protestant Americans can legitimately claim that he was not

their President. Kennedy was elected with the votes of 70% of the Negroes, 78% of the Catholics, and 80% of the Jews, not to speak of the women. For what American woman wouldn't have wanted to be the mother, the wife, the elector of this gracious young man who, while campaigning in Boston, invited the ladies to step up to the platform one by one so that he, his mother and his sister might have the pleasure of making their acquaintance and of taking tea with them afterwards? ⁽²⁾ For his father, Joseph P. Kennedy, one of the twenty richest men in the United States, wealthier than Rockefeller or Henry Ford, richer than the Pews, the Harrimans or the Whitneys, there were no accidents in politics -- only money and organization. John Fitzgerald Kennedy wanted to become President almost as much as his father wanted him to, no matter what road he had to follow. And he followed it. During the Kennedy campaign, you couldn't take three steps without running into a Kennedy banner, a Kennedy poster, a Kennedy brother or an employee of the Kennedys. Kennedy was seen, Kennedy was heard, and in some cases it was even possible to sleep with Kennedy. Kennedy spoke several times a day, and everyone talked about Kennedy for the rest of the day. The Kennedys were a new breed of politician. They had as much money, or more, than the best of the professionals, and they developed an electoral machine more powerful and efficient than any before. If we are to believe Victor Lasky, old Joe Kennedy once declared, "Three things are needed to win an election. The first is money, the second is money, and the third is more money." Lasky claims that with the millions he spent for his son John, Joe Kennedy could have had his chauffeur elected to Congress. Senator Humphrey's bus was no match for his opponent's Convaire. There is some truth in these sarcasms, but John Kennedy was the only Democratic candidate who could have beaten Richard Nixon in 1960, no matter what the sums involved. At that time, John Kennedy already had a remarkable knowledge of politics, the daily diet of his family. To his technique, perfected by fourteen years in Congress, he added a total faith in his destiny. During the 1960 Democratic Convention, three candidates arrived almost simultaneously at Los Angeles airport. Stevenson's first words were, "I do not want to be chosen, and I have come here almost incognito." Johnson said, "I'm sorry to be late, but I've just been traveling all over the country." Kennedy declared, "I am here to receive the nomination." In Congress, no one could decide whether he was a liberal or a conservative. A member of the Democratic Party, he often voted with Harry F. Byrd, the leader of the economy bloc. His vote in June, 1960 with Senator Williams of Delaware on a matter as controversial as the oil depletion allowance was surprising, but Senator Williams' bill was rejected by a wide margin, and it was thought that Kennedy had only been employing clever tactics. ⁽³⁾ He had voted against a similar bill in the past, and everyone remembered that he had supported the Republicans in the House of Representatives by voting against statehood for Hawaii, and against the censorship of Senator McCarthy. In short, it was said that he was independent because he could afford to be. This reasonable explanation satisfied even his toughest critics. He was on friendly terms with everyone, and in particular with the committee chairmen, who appreciated his courtesy and his attention. He was not as experienced as Senator Anderson, or as good a speaker as Governor Clement, or as popular with the farmers as Hubert Humphrey, but he was John Kennedy, the handsomest man in the Senate, a veteran of the war in the Pacific, the winner of a Pulitzer prize. Another millionaire, Henry Cabot Lodge, had money, but not as much as Kennedy. The power of the Kennedys could work magic, as Edward Kennedy's election to the Senate in 1962 was to prove. President Kennedy would probably have preferred that his younger brother wait two more years, but he yielded to family pressure and, in the best Kennedy tradition, the organization was set in motion. There was more to this organization than just dinner parties and beautiful women. With rigorous pragmatism, the Kennedy Brain Trust analyzed the problems at hand and determined the most effective action. The power of the Kennedys had become a political reality capable of upsetting the traditional electoral scales. Certainly, America had known other dynasties in the course of its history. There had been the Adams, the Harrisons, the Roosevelts and the Tafts, but the potency of these families manifested itself only once in a generation. John Adams was elected President at the age of 61, and his son John Quincy Adams did not enter the White House until he was 57, and without having played a real role during his father's term in office. William Henry Harrison entered the White House at 68, and was followed only by his grandson at the age of 55.

The Roosevelts, Theodore and Franklin, were only distantly related. As for the Tafts, they exercised their power in different spheres: William Howard was President, Robert a Senator, and in 1962 Robert A., Jr. was only running for the House of Representatives.⁽⁴⁾ That same year Edward Kennedy, aged 30, took his seat in the Senate. Robert Kennedy, 36, occupied the post of Attorney General under his brother John, making the Kennedys the most powerful family in the history of the United States, and probably in the history of the world. Chief of the most powerful nation in the world, Commander-in-Chief of her armed forces, alone responsible for the use of nuclear weapons, directing relations with more than one hundred foreign governments, distributing more than ninety billion dollars a year through 2.5 million federal employees, living in a 132-room mansion, traveling in two jet planes or in one of the ten helicopters in his personal fleet, John Fitzgerald Kennedy was the most powerful man in the world. The voters liked the idea that John Kennedy was the great grandson of the owner of a barroom and accepted the fact that his father had made his fortune as a bootlegger and had played the stock market when he was Ambassador to London. The average American, raised in the belief that the way money is earned has nothing to do with morality, saw nothing frightening about this. The rise of the Kennedys was in the best American tradition. Joseph had been the first Kennedy to graduate from Harvard. His sons attended Choate before entering Harvard in their turn.⁽⁵⁾ His daughters and daughters-in-law attended Radcliffe or Vassar and were polished in the finishing schools of Switzerland and France. The Kennedys, now better-dressed than the most respected brahmins of Beacon Street,⁽⁶⁾ were no longer obliged to hide behind tinted window panes. They were in a position to set the styles themselves. The working American doesn't really like the kind of people who have never had to earn a living. The self-made man rejects the notion that man is, to a great extent, the result of his social position, and the fact that the wealth of a family like the Kennedys permits its sons to set forth in the pursuit of power with no financial worries, and with a treasury large enough to finance a war. Obviously, this represents a threat to a democracy, which wants nothing of the virtues of political Sybarites, and many Americans feared the power of the Kennedys. The public was not fully aware of what had happened when, on January 20, 1961, a new administration that was really a new regime took over in Washington. Largely inspired by George Pope Morris, the Civil War poet, and by Abraham Lincoln, the new President's Inaugural Address was one of the finest pieces in the history of American literature. This long sermon in blank verse with key words that rhymed was the thunderclap announcing the birth of a new state. It was the advent, not of a dynasty, but of the intellect. "We observe today not a victory of party but a celebration of freedom -- symbolizing an end as well as a beginning. For I have sworn before you and Almighty God the same solemn oath our forebears prescribed nearly a century and three quarters ago. "The world is very different now. For man holds in his mortal hands the power to abolish all forms of human poverty and all forms of human life. And yet the same revolutionary beliefs for which our forebears fought are still at issue around the globe -- the belief that the rights of man come not from the generosity of the state but from the hand of God. "We dare not forget today that we are the heirs of the first revolution. Let the word go forth from this time and place, to friend and foe alike, that the torch has been passed to a new generation of Americans -- born in this century, tempered by war, disciplined by a hard and bitter peace, proud of our ancient heritage -- and unwilling to witness or permit the slow undoing of those human rights to which this nation has always been committed, and to which we are committed today at home and around the world. "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty. "This much we pledge, and more. "To those old allies whose cultural and spiritual origins we share, we pledge the loyalty of faithful friends. United, there is little we cannot do in a host of cooperative ventures. Divided, there is little we can do -- for we dare not meet a powerful challenge at odds and split asunder. "To those new states whom we welcome to the ranks of the free, we pledge our word that one form of colonial control shall not have passed away merely to be replaced by a far more iron tyranny. We shall not always expect to find them supporting our view. But we shall always hope to find them strongly supporting their own freedom -- and to remember that, in the past, those who foolishly sought power by riding the back

of the tiger ended up inside. "To those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required -- not because the communists may be doing it, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich. "To our sister republics south of our border, we offer a special pledge -- to convert our good words into good deeds -- in a new alliance for progress -- to assist free men and free governments in casting off the chains of poverty. But this peaceful revolution of hope cannot become the prey of hostile powers. Let all our neighbors know that we shall join them to oppose aggression or subversion anywhere in the Americas. And let every other power know that this hemisphere intends to remain the master of its own house. "To that world assembly of sovereign states, our last best hope in an age where the instruments of war have far out- paced the instruments of peace, we renew our pledge of support -- to prevent it from becoming merely a forum for invective -- to strengthen its shield of the new and the weak -- and to enlarge the area in which its writ may run. "Finally, to those nations who would make themselves our adversary, we offer not a pledge but a request: that both sides begin anew the quest for peace, before the dark powers of destruction unleashed by science engulf all humanity in planned or accidental self-destruction. "We dare not tempt them with weakness. For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed. "But neither can two great and powerful groups of nations take comfort from our present course -- both sides over-burdened by the cost of modern weapons, both rightly alarmed by the steady spread of the deadly atom, yet both racing to alter that uncertain balance of terror that stays the hand of mankind's final war. "So let us begin anew -remembering on both sides that civility is not a sign of weakness, and sincerity is always subject to proof. Let us never negotiate out of fear. But let us never fear to negotiate. "Let both sides explore what problems unite us instead of belaboring those problems which divide us. "Let both sides, for the first time, formulate serious and precise proposals for the inspection and control of arms -- and bring the absolute power to destroy other nations under the absolute control of all nations. "Let both sides seek to invoke the wonders of science instead of its terrors. Together let us explore the stars, conquer the deserts, eradicate disease, tap the ocean depths and encourage the arts and commerce. "Let both sides unite to heed in all corners of the earth the command of Isaiah -- to 'undo the heavy burdens . . . (and) let the oppressed go free. "And if a beach-head of cooperation may push back the jungle of suspicion, let both sides join in creating a new endeavor, not a new balance of power, but a new world of law, where the strong are just and the weak secure and the peace preserved. "All this will not be finished in the first hundred days. Nor will it be finished in the first one thousand days, nor in the life of this Administration, nor even perhaps in the lifetime of our planet. But let us begin. "In your hands, my fellow citizens, more than mine, will rest the final success or failure of our course. Since this country was founded, each generation of Americans has been summoned to give testimony to its national loyalty. The graves of young Americans who answered the call to service surround the globe. "Now the trumpet summons us again -- not as a call to bear arms, though arms we need -- not as a call to battle, though embattled we are -- but a call to bear the burden of a long twilight struggle, year in and year out, 'rejoicing in hope, patient in tribulation' -- a struggle against the common enemies of man: tyranny, poverty, disease, and war itself. "Can we forge against the enemies a grand and global alliance, North and South, East and West, that can assure a more fruitful life for all mankind? Will you join in that historic effort? "In the long history of the world, only a few generations have been granted the role of defending freedom in its hour of maximum danger. I do not shrink from this responsibility -- I welcome it. I do not believe that any of us would exchange places with any other people or any other generation. The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it -- and the glow from that fire can truly light the world. "And so, my fellow Americans: ask not what your country can do for you -- ask what you can do for your country. "My fellow citizens of the world: ask not what America will do for you, but what together we can do for the freedom of man. "Finally, whether you are citizens of America or citizens of the world, ask of us here the same high standards of strength and sacrifice which we ask of you. With a good conscience our only sure reward, with

history the final judge of our deeds, let us go forth to lead the land we love, asking His blessing and His help, but knowing that here on earth, God's work must truly be our own." In the enemy camp people listened, people read, people were moved and sometimes shaken, but they preferred to voice their amazement that President Kennedy had invited mostly writers, artists and scientists to the inauguration -- Hemingway, Faulkner, Steinbeck, Pearl Buck, William Inge, Arthur Miller, Thornton Wilder, Tennessee Williams, John Hersey, Robert Frost, Saint John Perse, Alexander Calder, Stuart Davis, Edward Hopper, Ludwigmies Van der Rohe, Eero Saarinen, Paul Hindemith, Igor Stravinsky, Leonard Bernstein, Fritz Reiner, Eugene Ormandy, and one lone journalist, Walter Lippman. "There's nobody left at Harvard" became a popular wisecrack when the composition of the Presidential team was announced. But some only half-laughed. In the months that followed, America, anaesthetized by eight years under Eisenhower, awakened to discover that she had a President with both a brain and a heart. Kennedy sought in the history of the world the perspectives of the art of politics and the role that he might play in it. He introduced his favorite heroes -- Greek, Roman, English, French, German, and even American -- to the American people. He declared, "I have read a great deal about the Presidency. The President must be at the center of the action. He alone must make the decisions." "We must, I want, we will . . ." "I know no one who can do this job better than I." "To remain free, the free world must display more intelligence than the unfree world." Like Thomas H. Benton, he could suddenly recite from the Georgics of Virgil, the Thousand and One Nights, Herodotus or Sancho Panza, the New Testament, the German Reformers or Adam Smith, Fenelon or Hudibras, the financial reports of Necca or the acts of the Council of the Thirty, the debates that preceded the adoption of the Constitution, or some half-forgotten speech by a deceased member of Congress. In Chicago he quoted from the Greek poet Alcaeus. When the students of a girls' school translated his Inaugural Address into Latin because the style reminded them of Cicero, he answered them in Latin (with the help of one of his assistants). The letter began as follows: *Johannes Filiusgeraldi Kennediensis, Respublicae Presidens, puellis Scholae Daltoni salutem plurinam dicit.* He quoted the Founding Fathers, Woodrow Wilson and Justice Holmes, but he also cited Shakespeare, Goethe and Sophocles, and it was said that at candlelight dinners at the White House he would read from Keats and Marlowe, whom no one in Kansas City had ever heard of. The abstract verbal intercourse at his press conferences was often over the heads of his public. He juggled easily with the salaries of the laundry workers, the average Social Security payment, the proportion of high school graduates unable to go to college, the number of university graduates in India, or the average per capita income in Libya or the Congo. He also declared that "there is no point in sending astronauts into space if our minds remain earthbound." He reminded the country that in the period following the Declaration of Independence and again during the Civil War, the most capable men in America, the most outstanding citizens, had chosen a career in politics. From the Civil War until the Depression, and again after the death of Roosevelt, they preferred to go into business. Kennedy wanted to make politics once again the foremost career in America. He put up signs in the State Department reading, "Junk the Jargon. Improve your writing." Which meant: write English. Kennedy himself set the example, but many Americans thought his speeches strange. They heard it said that the President's style was inspired by Gladstone, but who was Gladstone? To them, English was another language, and this intellectual Kennedy thought too much and too fast. He cut the fine sentiments and noble aspirations into a series of cabalistic fulgurations that flared up and died out with the speed of light. People began to feel that this man who never stopped thinking thought too much. In the frontier days of the West, a man who stopped to think was a dead man. Not only did Kennedy think, but his dialectic was straightforward and direct: *First, it is more and more obvious.* Secondly, it is more and more obvious. Third . . . Dwight McDonald, who never met Kennedy, wrote: "Americans often imagine that facts are solid, concrete and distinct objects like marbles, but they are far from this. Rather, they are subtle essences full of mystery and metaphysics, which change form, color and sense according to the context in which they are presented. They must always be treated with skepticism, and the judgment must be based not on the number of facts that can be mobilized in support of an opinion, but on a skillful discrimination between them and the objectivity with which they are treated to arrive at the truth, which is something altogether

different from the facts, although there is some connection between them." When someone asked Kennedy, "What kind of a President will you be? Liberal or conservative?", he replied, "I hope to be responsible." It was an extremely intelligent answer, but one hardly suited to a bipartisan nation. When De Gaulle wrote to him on the subject of Berlin, "*Sur quel terrain nous rencontrerons-nous?*" Kennedy exclaimed, "Isn't that superb!" He well knew that in De Gaulle's mind there was no suitable terrain, but his first reaction concerned only the General's style. The history of the Kennedy administration will be difficult to write because nearly all the President's discussions with his advisors or his visitors took place man-to-man, mind-to-mind. He was an intellectual. He was not friendly to the extent that people felt close to him. His personality was witty and penetrating, and his language was as direct as the finger he so often pointed during his press conferences. Romain Gary said that never, in seven years in the United States, had he encountered a cerebral mechanism that functioned so perfectly. "He does not answer your argument, but immediately asks another question. Little by little, I felt as if I were no longer there; he reduced me to an intellectual function. I felt both honored by this excessive attention paid to me by the President of the United States and a little dazed to be subjected to this sort of analysis. I would have liked at least to know what he thought about me. There was something curiously voracious about his need for information . . . After three hours of conversation, I had no idea which argument I had gotten across, which idea had impressed or convinced him. He listened to everything with equal attention, but when I had finished he did not tell me his conclusion and went on to something else. He did not for one minute forget that he was President of the United States, and although he encouraged me to speak as his equal, the equality stopped there." Kennedy told Romain Gary, "Your children live on streets like the Rue Anatole France, Boulevard Victor Hugo, Avenue Valery. When they are still very young they begin to sense the importance of history and culture. Our streets all have numbers. We have enough great names to replace them: Hemingway Square, Melville Boulevard . . . I would like to see a twelve-year-old boy come home and tell his mother, when she scolded him for being late, 'I was playing baseball on William Faulkner Avenue.'" Such an extraordinary man, interested in everything! He would sometimes rise at daybreak to gaze pensively out of a White House window at the streetcleaners on Pennsylvania Avenue. Washington! A sleepy little town under Truman, headquarters of a provincial garrison in Eisenhower's time, it became under Kennedy the true capital of the nation. America likes her President to come from a small town. "Our Town" is the seat of moral rectitude, and its inhabitants are known to lead exemplary family lives. Past Presidents of the United States had always felt obliged to live simply and virtuously. The Roosevelts were well off, but Eleanor reigned with austerity. The Trumans had only the President's salary to live on, and their receptions offered nothing but cookies, lemonade, and good cheer. The Eisenhowers lived modestly in the company of a few tired old friends. The White House was not the hub of Washington society, which gathered weekly at a few lusterless diplomatic receptions and dull private parties, the most fashionable of which were given by a couple of old ladies who had become the moral arbiters of the town, and once a year at the Dancing Class. That was Washington. Then suddenly everything changed. Suddenly, Carolyn Hagner Shaw (Callie to her friends), whose Green Book with its roster of VIPs could make or break a reputation, found herself dethroned. Dethroned also was Perle Mesta, former United States Ambassador to Luxembourg, a hostess who liked to dabble in politics. The generals' and senators' wives on Kalorama Road became suddenly conscious of their age. When they heard what was going on at the White House, they were reminded of Margaret Mitchell's Atlanta, that wide-open city that made no effort to hide its sins. They read in the papers that Shakespeare and ballets were performed at the White House, where the finest dishes and the most exquisite wines were served while an orchestra played at dinner. American society confuses elegance with extravagance. For the jealous matrons of Washington, the elegance that reigned at the White House naturally meant a waste of money. They gossiped that the Kennedys easily spent \$ 2,000 on the food for one of their parties, neglecting to add (or perhaps they did not know) that the President donated his entire salary to charity.⁽⁸⁾ The Washington upper-crust was dying for an invitation to the White House, but it either wasn't invited, or wasn't automatically invited. The White House receptions -- the only ones that really counted -- were open only to the

personal guests of the Kennedys. Even the "cliff dwellers" and Mesdames George Garrett, Sidney Kent Legare, John Newbold and Benjamin Thoron ("we're not snobs in the usual sense") were ignored. The big, fashionable embassies -- the British, the French, the Chilean, the Mexican, the Peruvian -- followed suit. By giving preference on their invitation lists to those already honored by the Kennedys, they practiced a sort of social segregation patterned largely on that of the White House. It was a little like a royal court. Only the oil magnates, celebrating noisily at the Carroll Arms Hotel, did not feel left out. Washington was a new city. Certain Senators changed their ties, and under the scrutiny of the cold rationalists of the New Frontier, visitors to the White House learned not to spit. The spittoons, for that matter, had been removed. The lobbyists moved their parties to Miami or Las Vegas. If, when they stopped by the Jockey Club, they noticed someone who looked like Salvador Dali or Pablo Casals, it really was that "degenerate" Dali or that "Communist" Casals. The clothes of the Kennedy clique came from Dior, Balenciaga or Chanel, and in their dresses from Saks Fifth Avenue or Garfinkels, the best-dressed women in the city suddenly felt very provincial. "King Jack" and his court and the dolce vita at the White House were on the tip of every tongue, and many people felt that Sodom and Gomorrah had been destroyed for less. America became suddenly conscious of the fact that there were 72 servants in the White House, although the Eisenhowers had had as many. Had the Kennedys, these fabulously rich Kennedys, with their limousines, their jewels, their long gowns and their impassive air of the well-to-do, forgotten that the President and the First Lady are supposed to set an example of piety, sobriety and moral respectability? This book is not intended as a censure of Jacqueline Kennedy, but everything associated with the image of a President contributes to his strengths and his weaknesses. His wife is destined to play a part in history. John Kennedy was a man with a strong personality. He had no need of a strong wife. A President's wife assumes new responsibilities and the obligation to renounce certain of her former prerogatives. The American people, with their common sense and their strong moral principles, want a First Family that is simple and respectable. Since the President is essentially a political figure, it falls to the First Lady to symbolize the American family. Jacqueline Kennedy was bored by the White House. To her, the traditional social obligations of the First Lady were only a nuisance. She disliked the atmosphere of Washington politics -- the party rallies, the womens' clubs, and the company of the Congressional wives. Her disdain for the "hurly-burly and the vulgarity of politics" won her some powerful enemies. Washington -- and even New York -- were too small for her. Nor was she made for "the citadel, the impregnable refuge of the family."⁽⁹⁾ The Republican press referred to her as a "desert princess," a "dark-haired beauty," a "Parisian nymph."⁽¹⁰⁾ Spite and jealousy had their part in the gossip and scandals that circulated, and continue to circulate, about President Kennedy's wife, but there is generally an element of truth in the ugliest of rumors. "The people are sometimes mistaken in their cheers, but never in their jeers."⁽¹¹⁾ Jacqueline Kennedy had chosen "to live in the cream of the cream and to swim in it,"⁽¹²⁾ and that is a dubious position for the wife of a President. Doubt leads to suspicion. In little time, Jackie's slips over-shadowed her virtues. Her popularity faded as her egoism and her indiscretions became public knowledge.⁽¹³⁾ Americans condemned Jackie for "putting on airs." European aristocrats, who disdain "cafe society," scoffed at her "mauvais genre." Both were mistaken. Jacqueline Kennedy had, perhaps, an "unfortunate passion for the nobility,"⁽¹⁴⁾ but above all she wanted to LIVE -- as much and as well as possible. Such is the desire of most modern young women, but the American public expects something more from its First Lady. The voters had dreamed of a young queen with democratic ideals. Instead, they got a star. Her biggest mistake was probably in considering John Kennedy first as a husband, secondly as a Kennedy, and never as President of the United States. She was wrong.⁽¹⁵⁾ The American Constitution and the tradition of the Presidency assign no special role to the President's wife. She must rely on her good sense, her discretion, and her heart. Remarkable First Ladies like Abigail and Louisa Catherine Adams attracted little notice. Dolly Madison was a ravishing beauty, and Frances Folsom was only 21 when she married President Cleveland, but all remained in the shadow of their husbands and on the inside pages of the newspapers. The reputation of President Lincoln was hurt by the superficial frivolities of his wife, but when Mary Todd Lincoln died insane, public opinion remained

indifferent. The civilization of modern communications, with its idols and its popular myths, has turned the spotlight on the President's wife. A wife who can make or break the career of a private citizen has her part in the destiny of a President. The energy, the tact, and the intelligence of Lady Bird have done much for Lyndon Johnson. Governor Rockefeller's divorce and remarriage have hurt his political career. "Jackie" tarnished the image of the Kennedys. They accepted her only because she was the wife of one of them. She had stolen John's heart, and she had married him. That was the limit of their affinity. With her French and (although she denies it) Jewish blood, her high society upbringing and her finishing school education, she was about as far removed from the tradition of American womanhood as Pat Nixon or Ethel Kennedy are close. Spite and envy had their part in the attacks on the President and his wife. "Calumny is a necessary ingredient of every authentic glory,"⁽⁴⁶⁾ and no one, not even the President of the United States, is immune. It was said that Franklin Delano Roosevelt had syphilis, and that Eisenhower was a German Jew. Women had always been the weak spot of the Kennedys. "It runs in the family," people said. President Kennedy liked to relax, and he needed to. A Secret Service agent whose code name was "Dentist" was in charge of the President's pleasures. Puritanism is so widespread in this world, and hypocrisy so strong, that some readers will be shocked by these passages. But why should we feign to ignore such matters, when they have already passed into history? Why should a nation tolerate a politically corrupt but not a physiologically normal President? The pastimes of great men are of very little importance. Too intelligent, in too much of a hurry, too hard-working, too enthusiastic, too generous, John Kennedy also had too much vitality and too much heart. The national interest requires that the state be a cold monster. The weakness and the hypocrisy of its citizens demand the same attitude of a Chief of State. Kennedy was treated with cortisone, but he hid this from the public, and he was wrong. Eisenhower had suffered a heart attack and a serious operation, and the details were known to every American. Ordinary men take comfort in the illnesses of the great. Kennedy took several baths a day and slept on a horsehair mattress with a bedboard, but he would have walked if he were half dead, People distrust those who are not like themselves. It is difficult to abolish prejudice in those bereft of ideas. The more hatred is superficial, the more it runs deep.

NOTES 1. *Daily Telegraph*. 2. *New York Times*. 3. See Chapter Eleven, "Oilmen." 4. Seth Taft, William Howard's grandson, was defeated in November 1967 in the Cleveland municipal elections. 5. John graduated in 1940, Robert in 1948, and Edward (with help) in 1954. 6. The most elegant street in Boston. 7. "On what ground shall we meet?" 8. Since his election to the House of Representatives in 1947, Kennedy had always donated his salary and the royalties from his books to charity. As the President's salary is \$100,000 and his personal income amounted to \$400,000, his critics pointed out that, after taxes, his generosity cost him only \$9,524. 9. John Steinbeck. 10. *Time* magazine, September 25, 1963. 11. Richard Cromwell. 12. Porfirio Rubirosa, an international playboy and personal friend of Jackie's. 13. In September, 1962, George Gallup published the results of a poll on Jacqueline Kennedy's public image. Heard by the Gallup poll reporters were the following criticisms:

1. Travels too much away from family
2. In the limelight too much
3. Her hair-do
4. Her taste in clothes
5. Undignified
6. Her voice, the way she talks
7. Spends too much money, wastes money
8. Pictures in the paper in a bathing suit
9. Doesn't wear right attire to church
10. Too much social life, parties. Also heard were: show-off, snobbish, too fun-loving, unaware of common people, etc.
14. On several occasions she expressed her dislike for Princess Grace of Monaco, who is, on the contrary, a noteworthy example of nobility, dignity and simplicity. The night of President Kennedy's funeral, his widow curtsied to Prince Philip of Edinburgh, who had come to present his condolences on behalf of Queen Elizabeth. The curtsy was quite out of place, but Jackie probably thought it would look chic. Prince Philip was so embarrassed that, back in

London, he remarked that for a minute he thought he was at the Royal Variety Performance.¹⁵ Jacqueline Kennedy's style of living shocked not so much because of her "immorality" or her "European elegance" as because of her disregard for the traditions and regulations of the American government and the political policies of her husband the President. She hired Stephane Boudin, Director of Jansen's in Paris, to redecorate the White House. The new curtains, rugs, upholstery, the wood paneling and even the woodwork and some of the furniture were ordered from France, from the workshops of Saint Sabin and the Gobelins in particular, but Jacqueline Kennedy arranged to have the bills sent from Jansen's New York branch. The White House is prohibited by law from purchasing furnishings abroad when the equivalent can be purchased in the United States. When she declared to the press in 1962, on her return from a trip to India and Pakistan (a trip that was filmed in color by the US Information Agency at a cost of \$78,104) that she had "left \$600 in a bazaar where she hadn't intended to spend more than \$50," did she forget that the American balance of payments was \$2,203 in deficit, and that President Kennedy had just signed a bill limiting the free entry privileges of Americans returning from abroad to \$100? When she accepted the gifts of jewelry presented her by President Ayub Khan of Pakistan and King Hassan of Morocco, did she realize that Pakistan received \$323 million in American aid (in 1962), and Morocco \$56 million (in 1963)? To our knowledge, these diamonds and emeralds were not among the objects she left behind, as tradition dictates, when she left the White House. ¹⁶ Edmund Burke.

Farewell America

4Crowd*All statecraft is founded on the indifference of most of those concerned. Otherwise, no statecraft is possible.* DISRAELI Presidents are not destined to be loved. Virtue does not excite admiration. There is no better way for a President to attract a growing number of enemies than to express himself too explicitly on the multitude of subjects with which he is concerned. It is the little things that divide a nation. For Kennedy, "power without justice is meaningless." But politics is not concerned with morality or fine sentiments, and it was for his cold logic and his sincerity that Kennedy was contested, and even detested, throughout his lifetime. Resentment surrounded him on all sides. Not only the hate of the Far Right, the big businessmen, the oilmen or the military; not only the fanaticism of the extremists of the John Birch Society or the Ku Klux Klan. Organizations and corporations with little in common, be they financial, ideological, or simply mediocre or faint-hearted, joined in a common front against the invader. His adversaries included doctors and lawyers, churchmen and speculators, the American Legion, government officials, professional diplomats, and trade unionists.⁽¹⁾ To maintain the balance, the Far Right even joined forces with the utopian left to oppose him. The civil rights President, this intelligent and compassionate President, even counted Negroes, poor people, and intellectuals among his enemies. Many anguished intellectuals felt that he had taken advantage of his position to seduce their brothers into betraying their vocation. For them, the professors from Harvard were putty in the hands of the professional politicians. They saw the President's interest in philosophy and the arts as a ruse designed to neutralize their opposition by absorbing it. They thought it a shame to exchange first-class intellectuals like those in the vanguard of the New Frontier for second-class politicians, and for them a politician could only be second-class. They also claimed that Kennedy, like Carl Sandburg, was too progressive for the United States. Others, far above in their ivory towers, considered that the respect of the intellectual had nothing to do with the tragic problems of the times, the practical aspects of which very often eluded them. As for the liberal intellectuals, they criticized Kennedy for not launching an ideological crusade. They found the President too timid. They would have liked to see more lost causes, more big deficits, more lofty designs. They wanted him to eliminate the conservatives. The fact that Kennedy became almost as popular as Eisenhower reinforced their suspicions. They were unable to accept the idea of a popular President. For them, his popularity was enough to disqualify him as a intellectual or a liberal. The utopian left went even further. It thought that the President should adopt a policy of strict neutrality in the Cold War. It felt that a really liberal President should follow in the footsteps of Switzerland, Sweden, or even India. It was totally opposed to nuclear dissuasion, be it preventive or coercive, and its creed was "better Red than

dead." The lowliest of the intellectuals accused Kennedy of "subversion, sabotage, corruption, blackmail and treason." Revilo P. Oliver⁽²⁾ was later to write in *The Conspiracy*: "As long as there are Americans, he will be remembered with disgust. If the United States is saved by the desperate efforts of her patriots, a grand and glorious future can be ours. But we shall never forget how close we came to total destruction in the year 1963." Had Kennedy set out to "destroy" the United States when, on April 27, 1961, he expounded his ideas on government service? "No responsibility of government is more fundamental than the responsibility of maintaining the highest standards of ethical behavior by those who conduct the public business. There can be no dissent from the principle that all officials must act with unwavering integrity, absolute impartiality and complete devotion to the public interest . . . "Of course, public officials are not a group apart. They inevitably reflect the moral tone of the society in which they live. And if that moral tone is injured -- by fixed athletic contests or television quiz shows -- by widespread business conspiracies to fix prices -- by collusion of businessmen and unions with organized crime -- by cheating on expense accounts, by the ignoring of traffic laws, or by petty tax evasion -- then the conduct of our government must be affected. Inevitably, the moral standards of a society influence the conduct of all who live within it -- the governed and those who govern. The ultimate answer to ethical problems in government is honest people in a good ethical environment. No web of statute or regulation, however intricately conceived, can hope to deal with the myriad possible challenges to a man's integrity or his devotion to the public interest. Nevertheless formal regulation is required -- regulation which can lay down clear guidelines of policy, punish venality and double-dealing, and set a general ethical tone for the conduct of public business." At the end of his speech, the President declared that he was issuing an order: a) prohibiting federal employees from accepting gifts; b) prohibiting federal employees from using information not available -- to the public for private gain; c) prohibiting federal employees from using their authority to induce others to provide them with things of value; d) prohibiting federal employees from accepting outside employment when such employment was considered "incompatible" with their government service. He added that he intended to issue more detailed regulations concerning the conduct of Presidential appointees. Finally, he announced that a member of the Cabinet would be designated to coordinate all questions concerning morality in government. Obviously, this exordium was greeted with little enthusiasm by certain federal employees. Still, they had the moral satisfaction of rereading what Kennedy had already said about them on January 30, 1961: "I have pledged myself and my colleagues in the Cabinet to a continuous encouragement of initiative, responsibility and energy in serving the public interest. Let every public servant know, whether his post is high or low, that a man's rank and reputation in this Administration will be determined by the size of the job he does, and not by the size of his staff, his office or his budget. Let it be clear that this Administration recognizes the value of dissent and daring -- that we greet healthy controversy as the hallmark of healthy change. Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and with honor in future years: 'I served the United States government in that hour of our nation's need.'" The "initiative," the "sense of responsibility" and the "energy" of the State Department became one of the President's immediate preoccupations when he took office. "Foggy Bottom" was an enigma to Kennedy. "The State Department is a bowl of jelly full of people who are constantly smiling," he told Hugh Sidey of *Time*. He felt that no one really ran it, and his directives and remonstrances to Dean Rusk had little effect. The only solution was a thorough-going reorganization, and had the White House had the opportunity, it would have undertaken the job. Instead, the President's assistants confined themselves to acid comments like the following: "This is only the latest and worst in a long number of drafts sent here for Presidential signature. Most of the time it does not matter, I suppose, if the prose is tired, the thinking banal and the syntax bureaucratic, and occasionally when it does matter, State's drafts are very good. But sometimes, as in this case, they are not." Kennedy and his advisers wanted a complete renovation of American foreign policy -- not only of its style and its methods, but also of its orientation. The old hands at State considered this activist crusade as totally naive. The "striped-pants set" at Foggy Bottom had little confidence in this Platonic empire in modish dress. They regarded the New

Frontier as closer to illusion than to hope. They believed that the wisdom of a policy is less important than its continuity, and that the mark of an amateur diplomat is his inability, or his refusal, to see that any change in policy, even for the better, implies a recognition of past error and is consequently detrimental to the national prestige. The professional diplomat thrives on routine and avoids making waves. He replaces a forceful expression with a milder phrase. He dissimulates the realities of this "seething planet of revolutionary violence, ferocity and hate" with euphemisms like "this great struggle for freedom," the "free world," and "national sovereignty."⁽³⁾ Dean Rusk is certainly a *good* man, but as Secretary of State he lacked purpose. He bitterly resented the impertinent and welcome interference of the White House in the affairs of the Department of State. Like most of his subordinates, he felt that the capacity of words, phrases and style to dominate the political or economic realities of the modern world should never be underestimated -- that a press conference is no substitute for foreign policy. President Kennedy wanted to be his own Secretary of State. He had always been interested in foreign affairs, and if he didn't always know where he would end up, at least he always knew where he was heading. At the White House, he was surrounded by a team of advisers known as the "Little White House," the pillars of which were McGeorge Bundy and Robert Kennedy.⁽⁴⁾ A British liberal magazine, the *New Statesman*, wrote in 1963: "America has not one Secretary of State but half a dozen," and added, "American diplomacy as a result has the improvised flavor of a touch football game on the White House lawn." The author might as well have been talking about United States foreign policy in the pre-and post-Kennedy eras. American diplomacy has never been equal to the power of the United States and its international objectives. In 1962, the State Department was beset by anxiety and apprehension. There was a noticeable thinning in the ranks of the old guard. The rules provided for the annual retirement of 3% of the upper grades. A Presidential directive increased this figure to 5% . Instead of 60 career diplomats, 100 were retired that year. When Kennedy took office, 13 out of the 21 highest positions in the State Department were occupied by career officers. In 1962, only 6 were career men; the other 15 were administrative appointees. He named 80 new ambassadors, 35 of whom were political appointees.⁽⁵⁾ Nevertheless, the people at State recalled that Kennedy had declared during his campaign, "The key arm of our foreign policy is our ambassadorial and Foreign Service staff. In my travels to every continent, I have often been impressed with the caliber of the men and women in the Foreign Service." Kennedy placed men in key ambassadorial positions whom the State Department considered, and continued to consider, as amateurs. He appointed a General as Ambassador to France, university presidents to Chile and the Philippines, lawyers to Denmark, NATO, and the Ivory Coast, a publisher as Ambassador to Guinea, writers to Japan and Brazil, and professors to Egypt and India. In the State Department hierarchy itself, young men found themselves suddenly promoted, and more experienced diplomats were recalled to Washington. At the Geneva conference on Laos, Averell Harriman took the daring step of appointing William H. Sullivan, Grade 3, over the heads of men in Grades 1 and 2 simply because he considered him more capable.⁽⁶⁾ Kennedy ordered all United States Ambassadors to supervise and coordinate the activities of all American agencies in their respective countries (with the exception of the military). This measure was hardly welcomed by the Central Intelligence Agency. With a budget half again as large as that of the State Department, better-paid and better-qualified personnel, political bureaus, military planning groups, naval and air units, landing forces, and the privilege of not having to account for its activities to Congress, the CIA considered the Presidential decision as an attack on its basic prerogatives. In the days of the Dulles brothers, Allen (Chief of the CIA) had always reported directly to his brother Foster (Secretary of State). But by 1961 John Foster Dulles was no more than a distant memory, and after the Bay of Pigs disaster, Allen Dulles fell into disfavor and was replaced by John McCone. Wishing to inject new blood into the senior ranks of the administration, Kennedy conceived the idea of drafting corporation vice-presidents for a year of government service. But the vice-presidents found it hard to adjust to government ways, and they reacted too often with "That's not the way we do it at Proctor and Gamble." The Kennedy style was no more suited to big business than it was to old-guard diplomacy. John Kenneth Galbraith, Kennedy's Ambassador to India, declared, "A dollar or a rupee invested in the intellectual

improvement of human beings will regularly bring a greater increase in national income than a dollar or a rupee devoted to railways, dams, machine tools or other tangible goods." The President gave most high officials and department heads the impression that they were behind the times. He was not preoccupied with the official hierarchy, nor with unanimous decisions. At the highest level, Kennedy had decided to abandon the tradition that all decisions of the Cabinet and the National Security Council be approved by the majority. He abolished the weekly meetings of the Cabinet, the Cabinet Secretaries, the administrative body of the National Security Council, the Coordinating Committee for Operations, and dozens of inter-departmental committees. He called it "doing away with bureaucracy," and he justified his actions by saying that he saw no reason why the Postmaster General should be concerned with problems in Laos. A few officials resigned, but most decided to stick it out. Administrations pass, but the civil service remains. They were only going through a difficult period. Many members of the American Legion agreed. They had opposed Kennedy ever since he had declared, in 1947, that "the leaders of the American Legion haven't done anything good since 1918."⁽⁷⁾ Kennedy the ex-journalist gave the journalists complexes, and they criticized the way he "managed" the news.⁽⁸⁾ Mark S. Watson of the *Baltimore Sun* complained that "every journalist is a weapon in government hands," and Arthur Krock, the veteran *New York Times* columnist, wrote in *Fortune*: "On the strength of almost 50 years of reporting, executive editing, and editorial commentary on the news, most of it in Washington, I would make two general judgments on the management of the news by the present President and -- on its understanding of his will and attitude -- by his Administration as a whole: 1. A news management policy not only exists but, in the form of direct and deliberate action, has been enforced more cynically and boldly than by any previous Administration in a period when the US was not in a war or without visible means of regression from the verge of war. 2. In the form of indirect but equally deliberate action, the policy has been much more effective than direct action in coloring the several facts of public information, because it has been employed with subtlety and imagination for which there is no historical parallel known to me . . . Management of the news by indirection, though pursued for the same purpose as active management, requires a far wider definition. One principal form it takes in the present Administration is social flattery of Washington reporters and commentators -- many more than ever got this 'treatment' in the past -- by the President and his high-level subordinates." The press had flattered the handsome candidate and the photogenic First Family. The new President's policies were received with less enthusiasm. Journalistic deception is part of politics, but it irritated the President. His staff was also known to blunder, and he made a few mistakes himself, as for example when he canceled the White House subscription to the *New York Herald Tribune*. Kennedy often displayed more virtue than wisdom in his eighteen months in office. His bungling with regard to the press was typical of the aristocratic and plutocratic conception of the writer and journalist that is one of the dominant traits (although they deny it) of the Kennedy family. The emissaries of the Lord were hardly more favorable. The churches attacked the diabolical private lives of the President and the First Lady. But that was not all. The Protestant churches had been unhappy at the nomination of a Catholic candidate. The Reverend W. A. Criswell, pastor of the First Baptist Church of Dallas (with an annual budget of \$195,000) declared in 1960: "Kennedy's election would be the death of a free church in a free state." Later, he was to add: "The abolition of segregation is as ridiculous as it is foolhardy," and "The judgment of the Lord will strike down those who court scandal." When he took his oath of office, Kennedy was attacked for not laying his hand on the Bible. He had (although the Constitution does not require it), but the television cameras missed it, and had he not, no one would have been surprised. The Reverend Norman Vincent Peale spoke for many Protestants when he said, "Kennedy is unfit to hold Presidential office. Our American civilization is at stake. I do not say that we will not survive the election of Kennedy, but we will no longer be the same." When one of its members was elected to the Presidency, the American Catholic Church was hardly more enthusiastic. Catholics were critical of President Kennedy's "leftist" advisers. Why, the President even bragged that he had attended public schools! The late Cardinal Spellman, spiritual leader of American Catholicism, a comfortable and active Republican and a vehement anti-Communist, lost the influence that he had enjoyed at the White House in the days of John Foster

Dulles. He made no secret of the fact that he found it displeasing, not to say scandalous, that the first Catholic elected to the Presidency was also the most secular President the United States had ever known. The Catholic review *America* wrote in its editorial of January 13, 1962: "In view of his peculiar position, Mr. Kennedy is not expected to make excessively friendly overtures to anyone connected with his Church. Indeed, he has hewed carefully to a line which enables him to live up to these negative expectations. He rarely finds himself in positions in which he might have to be photographed with Cardinals or other Church dignitaries. "It is significant, for instance, that there were no photographers present for the relatively little-publicized visit of the Cardinal Secretary of State to the White House early in December. "Every published photograph of that brief meeting would have cost Mr. Kennedy 10,000 votes in the Bible Belt in 1964, and Mr. Kennedy, who is an experienced politician, can scarcely be asked to overlook such hard facts of public life in America. "These calculations are not very courageous but, after all, John Kennedy is not the first US President who has had to plot his course by means of opinion polls from the Protestant heartland of this nation. "Photographs of the President with Protestant spokesmen like Evangelist Bill Graham, on the other hand, are pure 14-karat gold, to be laid away at 5 percent interest till the day of reckoning in 1964." The leaders of American Catholicism also attacked Kennedy for refusing to appoint an Ambassador to the Vatican, for rejecting the idea of a "holy war" against the Soviet Union, and for favoring birth control. They even criticized him for not holding Mass at the White House.⁽⁹⁾ When, in 1961, Kennedy submitted a Bill to Congress authorizing federal aid to primary and secondary schools but withholding it from parochial and other church-controlled schools as stipulated by the Constitution, protests poured in from Jews and Protestants as well as Catholics. The reaction of the combined churches was so vehement that the bill was rejected. The following year, the ecclesiastics, returned to the charge when Kennedy proposed, as part of his tax reform bill, to modify the system of tax deductions for contributions to charity (which had reached the truly "divine" annual figure of \$7.5 billion annually). In the camp of hate there were also the wealthy. Not only those, in the majority, who feared for their privileges, but also those who were irritated by the refinements of the Kennedy style of living. The American aristocracy had learned that the Kennedys never discussed money at the table, that they considered it out of place and of no interest. Instead, they talked about politics, and, when there were women or guests present, about art. Did these people really imagine that there was no connection between politics, or art, and money? Or had they left the money-making to their father, so that they could continue to live for their ideas alone, in ignorance of the "secret of the governor"?⁽¹⁰⁾ What did these Kennedys think they were doing, asking their brother-in-law ⁽¹¹⁾ to set up a system providing legal assistance for the poor? The poor, too, were often reticent. Thirty million white Americans,⁽¹²⁾ half of them in the South, earn less than \$3,000 a year. Under-qualified and under-paid, many of these have-nots are also incompetent and lazy, and while they are conscious of being exploited by their southern employers, they also realize that they could not continue to live without them. "*Republicans are good for business . . .*" There were also the twelve thousand Americans who, without their white skins, would have nothing. These poor whites could always look down on the Negroes, those nobodies whom Kennedy wanted to turn into somebodies. No region in the United States could identify completely with John Fitzgerald Kennedy. The average American, and not only in the Middle West, is a man of habit -- one might even say of prejudice. He likes his food plain and his religion straightforward, and he prefers American-made products. He disapproves of short-term love affairs and people who are overly-critical. He regards foreigners as good-for-nothing if not downright inferior, and the American system as the greatest in the world. The average American probably didn't go as far as those banners in Mississippi that called on the voters to "Knock Out the Kennedys." The *Kennedys*: not only the President, but his wife, his brothers, his children, and even his ancestors. But he had little in common with the First Family, and he judged the President in terms of the threat to his way of life. The medical profession provides an interesting example of this phenomenon, for its hate surpassed all others. Its target was a man who believed that doctors should still remember Esculapus and devote themselves to healing all the ill. But the doctors were more anxious about the changes that Kennedy wanted to make in the Social Security laws, initiatives that

would be considered timid in comparison with the systems already existing in most European nations.⁽¹³⁾ Doctor Fishbein, the official spokesman of the American Medical Association, had declared in 1939: "Indeed all forms of security, compulsory security, even against old age and unemployment, represent a beginning invasion by the state into the personal life of the individual, represent a taking away of individual responsibility, a weakening of national caliber, a definite step toward either communism or totalitarianism." As soon as he entered the White House, Kennedy turned his attention to the health problems of children, the aged, and the poor. They were the subject of the speech that he never got to deliver at Austin. He wanted not only to establish government medical insurance for the aged and the unemployed, but to outlaw tax deductions for unjustified or exaggerated medical expenses. He wanted the federal government to care for invalids, feeble-minded and retarded children, and to cover the cost of exceptionally high surgery bills in low-income families. He noted also that 40% of all college students came from the 12% of American families with incomes of more than \$10,000 a year. He wanted, if not to reform the medical schools, at least to help the "talented young people without money who are unable to bear the cost of medical school."⁽¹⁴⁾ He proposed to create 40 new medical and dental schools. He was already thinking of the country's needs in 1970.⁽¹⁵⁾ But the AMA dubbed Kennedy's Social Security proposals the "Cruel Mystification." To which Kennedy replied, in private (but it was repeated and even appeared in print) that this "mystification" was only "cruel to some of their ukases, their exclusivities, and their rackets." Their visceral hate for him is exemplified by the Oklahoma doctor cited in Manchester's book who, on learning of Kennedy's assassination, cried, "Good, I hope they got Jackie," and the other doctor who yelled to a colleague, "The joy ride's over. This is one deal that Papa Joe can't fix." John Kennedy continued to cherish the dream of that America for which he was responsible. On April 9, 1963, he spoke at length to his fellow-Americans of "Random Village," a hypothetical village of 100 citizens, ten of whom are Negroes and six of whom live alone. Half the families in Random Village own their own homes. The local newspaper is Republican, but the majority of its reporters are Democrats. When they leave school, the sons of the citizens of Random Village will have twice as much chance of being unemployed as their fathers. The wives of these citizens know that there are six times as many visitors to the country's national parks than there were when they were young (half the village likes to swim in the summer), but every year they see more of their favorite beaches and wilderness spots swallowed up by commercial establishments. Most of the adults never finished high school, but they all want their children to have an education, and would even like to see them go to college so that they can earn higher salaries and have less chance of being unemployed. Nevertheless, only 16 of their 24 children will finish high school, and only 9 will go to college. For the 7 others, college is too expensive (\$1,500 a year in a state university, and \$2,000 in a private institution), or there is simply no room for them.⁽¹⁶⁾ The large numbers of postwar babies are approaching college age. There will be twice as many college students in 1970 as there were in 1960. The inhabitants of Random Village are mythical, but they are also mortal. One of them will die during the year, but two new babies will be born. Each citizen will see a doctor five times and a dentist once or twice. Eleven will be hospitalized. But many will wonder why there are not enough doctors, dentists, and hospitals. For, as Kennedy noted, "there are no doctors or dentists in Random Village." Fifteen years ago, there were 10 doctors in the region for 10,000 inhabitants. Today, there are only 9. In ten more years, this number will have dropped to 8. Ten inhabitants of the village will require treatment for mental illness or behavior disorders. Three of them are mentally retarded (if the village were Swedish, only one would be mentally retarded). Many could be cured who will not have the chance to be. Nine of the villagers are over 65, and one of them is over 80. Ninety percent of them will be hospitalized at least once before they die, and for twice as long as when they were young. Nevertheless, their incomes are now only half as great, and only five of the nine have any kind of private health insurance. And Kennedy continued his parable by emphasizing that the adoption of his new federal aid programs would in no way affect the independence or the vitality of the people of Random Village. He emphasized the need to continue the housing program for the village, where one house out of five is in poor condition or dilapidated. Welfare payments must also be continued,

he said, for one family in eight in the village has a weekly income of less than \$35. A program of vocational retraining was needed because one-third of the unemployed in the village had been out of work for more than 15 weeks this year and would be unable to find work for which they were suited. The government must pursue its efforts in the field of civil rights, for the Negro families in the village were twice as likely to be poorly housed as the whites, and earned only half as much. Their children had only two-thirds as much chance as their white neighbors to finish school, and were twice as likely to be unemployed." "Neither injustice nor crime nor disease nor slums can be confined to one group in the village," Kennedy insisted. But in 1962 the majority of the citizens were preoccupied less with the pleasures and difficulties of life in the village than with the stock market trend. The Black Monday crash was felt throughout the country. Few stockholders were ruined, but many were hit. The value of the national portfolio diminished by 137 billion dollars on June 21, 1962. The two million stockholders of the American Telephone and Telegraph Company lost eight billion dollars. The shareholders of Du Pont and General Electric, US Steel and General Motors lost more than three billion dollars per company. Those of Sears Roebuck, Minnesota Mining and Manufacturing and the Ford Motor Company lost more than two billion, while the securities of the Aluminum Company of America, American Home Products, Bethlehem Steel, Eastman Kodak, General Telephone and Electronics, Reynolds Metal, R. J. Reynolds Tobacco, Texaco, Union Carbide and Westinghouse dropped more than a billion dollars. As a result of slow inflation and the depreciation of Treasury Bonds and other fixed-revenue securities, the United States has become a nation of stockholders. Many Americans had invested in the stock market to cover the cost of a house, a college education for their children, or a trip to Europe. The average stockholder was not the only one to be hurt. The employees of firms with profit-sharing schemes and the retired people who had invested 21 billion dollars in the stock exchange also saw their investments dissolve.⁽¹⁷⁾ The statements of the mutual funds and the reports of the security analysts circulated these figures among the worried stockholders. But eighteen months later, the computers refrained from reporting with equal clamor that the Dow Jones average was once again positive. It is true that the President had just been buried. At that time, the Administration was preoccupied with the farm problem,⁽¹⁸⁾ and it is probable that most of the shareholders have a clearer recollection of their great fright of 1962 than of the subsequent recovery of the market. "We'll vote for Goldwater in 1964, and if Kennedy is re-elected we'll buy an island in the Indian Ocean," many vowed. Kennedy was a frail little boy who liked to read in bed. He doted on the tales of the Knights of the Round Table and the exploits of the Duke of Marlborough. He chose to follow in their footsteps, and set out on his own Crusade. At each new dawn, he sounded the trumpet and summoned the nation to arms. "The country was awakened and restless. But the wicked had risen along with the good, the idle with the industrious, the heartless with the merciful, the poor with the rich, the enemies with the friends, the profiteers of the dark night with the men of the clear morning."⁽¹⁹⁾ It sometimes seemed as though only children accepted him without reservation. The daughter of Supreme Court Justice Byron White said to her father on the evening of November 22, "Daddy, when are we going to be happy again?" The people, to excuse their egoism, believe that they are right because they are the people, forgetting that they are only a moment of the people. Winston Churchill spoke of the "weakness of the good," but was it weakness to participate fully in the problems of the times, and to assume the responsibility for the people of the moment, but also for the generations to come? One day, despite all the barriers, despite all the gunmen, will kindness and justice enter Random Village? The crowd counted a certain number of important people. Roy Cohn, for instance. For those to whom this name is unfamiliar, Roy Cohn is the son of a judge, a graduate of Columbia Law School, who was an assistant to Attorney General James McGranery before joining the staff of Senator Joseph McCarthy. Cohn was long considered one of the most brilliant young men in the United States. "He got more notoriety, more fame, more material success, and more enemies than most men manage to do in all of a lifetime." Others remarked that he had always been fascinated by puzzles, and that he was somewhat of a puzzle himself. An anti-communist investigator, later a financial consultant, he was accused of furnishing false witnesses and using informers. From the moment they met, Roy Cohn and Robert Kennedy knew that there

was much that separated them.⁽²⁰⁾ Robert Kennedy was a Kennedy. Cohn was a Jew and nearly penniless. He set out to make money, fought to get ahead, moved carefully and plotted his revenge. His rash initiatives, McCarthy's miscalculations and his growing vendetta with Bob Kennedy were very nearly the end of him. Cohn's personal motto is, "It's profitable." It's not a very original idea, but the man has energy and talent, and he is a remarkable gambler. He would have liked to have been the head of a large corporation. As his political career was temporarily in jeopardy, he turned his attention to other things. A specialist in business promotions, he speculated in some highly diverse operations that stretched from New York to Central America and even to Hong Kong, and carried off some remarkable feats. He wanted to transform the Lionel Corporation, an old-fashioned manufacturer of toy trains, into an electronics giant. He bought it up for \$ 900,000 and appointed a General⁽²¹⁾ to head it, with the idea that he would prove an ideal negotiator with the Pentagon. But Roy Cohn, while an excellent speculator, is no businessman, and he soon tired of the game. He also had a powerful enemy in Washington -- Attorney General Robert Kennedy -- who was watching his every move, just waiting for him to make a mistake. Cohn lost \$500,000 in Lionel, and his life began to cave in around him. In 1961, certain companies for which he served as a consultant lost \$2.5 million dollars, and \$4 million the following year. The Attorney General's crusade against organized crime concerned him indirectly. A lawyer or legal consultant does not always choose his clients, and he has no control over their actions. An ascetic playboy and unlucky gambler, Cohn was often seen at Las Vegas, where people like Moe Dalitz, who had been one of the targets of the Kefauver Committee, and oilman Sam Garfield were the most innocuous of his acquaintances. It's a long way from the world of crime to the world of oil, but Cohn was consulted on several occasions by the executives of large oil corporations, and in particular by Haroldson Lafayette Hunt (whom he had known when he worked for McCarthy) and by some of Mr. Hunt's acquaintances, who had awkward problems involving complex legal questions. Roy Cohn was never consulted in vain on a question of financial speculation. His talent lay in analyzing the problems involved, in drawing the ideas together and in proposing solutions. Others were left to carry them out. Speaking of himself, he said, "I am a younger man dealing with older men." But time was running out for Roy Cohn. In September, 1963, his speculative activities brought him before the Grand Jury of the State of New York.⁽²²⁾ Today, five years later, it is doubtful whether Mr. Cohn remembers all of the matters that he dealt with in 1963. As *Life* magazine pointed out, "He deals with so many people that he may get a bit confused about whom he has seen and whom he has not." Nevertheless, Roy Cohn swung a big deal that year.

NOTES

1. Although he was pro-labor and a personal friend of trade union leaders like George Meany, the trade unions turned against Kennedy when he tried to put an end to some of their abuses. There was, for example, his conflict with the railroad-workers unions. The Administration wanted to eliminate the firemen on diesel engines and cut down on the number of crews because of automation. The regulations dating back to the time of steam engines were no longer justified now that diesel engines were in use. The train from Chicago to Denver, which covered 1,034 miles in 16.5 hours, changed crews eight times, every 130 miles, and each crew received 1.25 days of pay for each two hours of work.
2. Professor of Classical Languages at the University of Illinois.
3. Arthur Schlesinger.
4. Also known as the "Tuesday group." Other members were George C. McGhee, Paul H. Nitze, and Walt W. Rostow.
5. During Eisenhower's term in office, only twenty United States Ambassadorships were held by non-career diplomats.
6. Unlike the Civil Service, Foreign Service grades begin at 8 and run to 17.
7. In 1964, the American Legion held its annual convention at Dallas. It paraded past the spot at Dealey Plaza where Kennedy had been killed, and no one even stopped.
8. Statistics record that in October, 1961, there were 8,150 people involved in the information activities of the federal government (as opposed to 3,632 in 1952), and that 3,515 of these specialists were working in Washington, obscured behind a variety of official titles.
9. The only mass ever celebrated at the White House was held on November 23, 1963, the day after the President's death.
10. "The poor man thinks he is a friend of the poor, and the rich man knows he is not."
11. Sargent Shriver, dubbed by *Time* the "anti-poverty Czar."
12. By 1963, this number had dropped to 25 million.
13. In 1962, doctors in Saskatchewan, Canada, went on strike for the same reason.
14. It costs an average of \$1,750 a year to send a child to college. Families with

an income of less than \$6,000 a year have difficulty in meeting these expenses. The average scholarship aid for a medical student is \$500, as against \$1,600 for a biology major. Medical schools are reluctant to admit women. 15. His proposal for medical care for the aged (Medicare), which would have added an additional 0.25% to the Social Security deductions, was adopted in 1967.16. 1963 statistics.17. It has been calculated that a person who invested \$ 10,000 in the stock market in January, 1961, at the beginning of the Kennedy era, had only \$7,900 left after the 18.8% drop in the Dow Jones average in June, 1962. 18. Farm prices in 1963 had dropped to 86 from the 1960 index of 100, but the portion of the family budget devoted to food had dropped from 26.9% in 1947 to 20% in 1960, and to 18.8% in 1963. 19. Hans Habe. 20. Robert Kennedy also served on Senator McCarthy's staff when Roy Cohn was his chief legal adviser. He wrote later that the Senator's biggest mistake had been his confidence in Roy Cohn and his acolyte G. David Schine.21. Brigadier General John B. Medaris, former Commander of Redstone Arsenal.22. Fortunately for him, there is some justice in the world. The matter was straightened out in 1964 after a series of negotiations and interventions.

Farewell America

5*Negroes* *To me, the President's legislative proposals (on civil rights) are clearly destructive of the American system and the constitutional rights of American citizens. I shall oppose them with every means and resource at my command.* SENATOR RICHARD B. RUSSELL The racial problem, America's canker, burst under Kennedy. In 1960 Dr. Martin Luther King had called on his fellow Negroes to vote for the Senator from Massachusetts, and 78% had responded to his appeal. A 1962 poll revealed that the Negroes chose Dr. King as their favorite hero, followed closely by John Fitzgerald Kennedy. Kennedy inspired respect and enthusiasm among many of them. But most saw him, if not as their redeemer, at least as the best card in their very weak hand. A few days after President Kennedy's inauguration, on February 1, 1961, James Farmer, President of CORE,⁽¹⁾ inaugurated the Freedom Riders' movement. Hundreds of militant integrationists, trained in passive resistance and prepared to confront the brutality of the local police, were sent to test segregation facilities in the South. In the month of May alone, there were 24 marches and demonstrations. Kennedy, who at the time was engrossed in international problems, chose not to attack the Negro problem head on during his first two years in office, but to act through the intermediary of the federal agencies, and in particular through his brother, the Attorney General. In November, 1961, the Supreme Court ruled against segregation in hotels and restaurants. There was some local resistance, but the real problem lay elsewhere, in the fields of employment, education and housing. In 1961, unemployment was twice as high among Negroes as among whites. It was particularly difficult to enforce equal employment in industry. The problem was far more complex than it appeared. It involved vocational training and re-training, and depended on population migration and the attitude of the trade unions. The Kennedy Administration stepped up the recruitment of Negro employees by the federal government.⁽²⁾ Federal agencies such as the Veterans and Housing Administrations were required to show why they employed such a low percentage of Negroes. The Committee on Equal Employment Opportunity was empowered to cancel government contracts where it was established that the contracting firms practiced racial discrimination in their employment. This measure affected 38,000 companies. The Committee's authority extended even to the building firms employed on federally-financed construction projects. It was not long before the federal government was accused of employment discrimination in favor of Negroes. When a federal official hired a white person, he was asked to show why he had not chosen a Negro instead. Federal agencies were required to show why they employed white people in certain positions for which there were qualified Negroes available. Three Negroes were promoted to supervisory positions at the Dallas Post Office in June, 1963. The first of the Negroes ranked 54th on the official promotion list. The United Federation of Postal Clerks and the National Association of Letter Carriers lodged a formal protest. "Why take the exam at all?" asked Owen Murphy, head of the Letter Carriers' local. "They'll just pass you by." Post Office officials insisted that the three Negroes were highly qualified, and that it was wrong to assume that the 53 whites ahead of them were any more so. The

Assistant Postmaster General, Richard J. Murphy, suggested that their previous low rank might have been the result of racial discrimination. Critics claimed that there were two categories of typists employed by the Labor Department: white girls, who were required to type at least 40 words a minute, and Negroes, for whom 20 was considered sufficient. Similar discrepancies with regard to professional qualification appeared to exist in the Social Security and the Veterans Administrations. Nevertheless, officials of the Kennedy Administration denied the existence of a quota for Negro employment. On July 9, 1963, in New York, a member of the Human Rights Commission demanded that sanctions be taken against Anne M. Kelly, a New York City Board of Trade official who had expressed her preference for a white secretary. This kind of pressure brought results. Although Negroes represented only 10.5% of the population during the fiscal year ending June 30, 1962, they accounted for 17% of the 62,633 civil service jobs during the same period.⁽³⁾ Between June 1961 and June 1963, the percentage of Negroes employed in the middle grades of the civil service increased by 35.5%, and in the upper grades by 88.2%. Attorney General Robert Kennedy appointed 40 Negro United States attorneys. Reactions were vehement. Senator John Stennis of Mississippi declared in the Senate, "If federal employees are to be appointed solely because they are members of the Negro race, not only will the civil service laws be violated, but it will discourage and prevent qualified white people from taking the trouble to apply." Negro publisher S. B. Fuller stated that Negroes should seek positions only as fast as they were qualified to hold them, and Representative Huddleston of Alabama declared, "Favoritism is the rule and complete disregard of the merit system is the attitude now prevailing." The President of the US Civil Service Commission, John W. Macy, Jr., rejected these attacks, saying: "What we are trying to do is to give all citizens an equal opportunity to compete for federal positions. What we are saying is that the Negro has had a long time to wait, and he is welcome in the federal service if he meets the proper qualifications and standards." And he added, "The Government can't very well sell private employers on the idea of hiring more Negroes if the Government itself doesn't set a good example." The federal government had no legal authority to oblige employers to hire Negroes. The administration, therefore, attempted to act by other means, for example through the vocational training centers that were partially subsidized by the federal government. The AFL-CIO counted 1.5 million Negroes among its 13.5 million members, but many trade unions refused to admit Negroes, and the union rules constituted a major obstacle to the government's efforts. Many of the unions were concerned about the preferential treatment given to Negroes. They considered that any favors accorded the Negroes could only be to the detriment of the whites.⁽⁴⁾ Simultaneously, Washington intervened directly in the integration of schools and colleges. On the very day of Kennedy's inauguration, January 20, 1961, James Meredith, a Negro, requested admission to the University of Mississippi. In September 1962, Mississippi went to battle behind its Governor, Ross Barnett, against the admission of Meredith. Many people were wounded, and two were killed. An anonymous member of the Harvard Law School faculty declared in the report of the Civil Rights Commission (1962) that in Mississippi, "Citizens of the United States have been shot, set upon by vicious dogs, and otherwise terrorized because they sought to vote . . . Students have been fired upon, ministers have been assaulted . . . children, at the brink of starvation, have been deprived of assistance by the callous and discriminatory acts of Mississippi officials administering Federal funds." Meredith entered the University of Mississippi under the protection of 16,000 federal troops. The people of the South, but also many other Americans, felt that this was not integration, but the pressure of a minority. In Mississippi and throughout the South as far as the Mexican border, people were suddenly conscious that their way of life was ending. William Faulkner had written, "If I have to choose between the United States government and Mississippi, then I'll choose Mississippi, even if it means going out into the street and shooting Negroes . . ." With Kennedy's support, the tide of the Negro Revolution swept through Nashville, Raleigh and Greensboro, Cambridge, Albany, Selma . . . Waves of Negroes marched, prayed, staged sit-ins and voting registration drives, knowing that they had the backing of the federal government. During the school year 1962-63, only Alabama, Mississippi and South Carolina, of all the southern states, continued to maintain totally segregated schools.⁽⁵⁾ Private schools and colleges presented another and altogether different problem. ⁽⁶⁾ But the Negro problem

had passed beyond the local or regional level. Not only had it become a nationwide concern, but it had shifted geographically. The North, in the broadest sense of the term -- all of the states except the eleven of the South -- now contained the majority of the Negro population,⁽⁷⁾ and the Negro migration towards the big cities of the North increased from year to year. ⁽⁸⁾ In New York City alone, the Negro population (more than a million) was greater than that of the seven largest cities in the South. The city with the highest percentage of Negroes in 1950 had been Jackson, Mississippi. In 1960, it was Washington, DC. ⁽⁹⁾ In the decade between 1950 and 1960, 1.5 million Negroes migrated to the North. The Negro always dreams of another town than his birthplace. Today, the experts estimate that before the end of this century, with the exception perhaps of New York City, most of the 50 largest cities in the United States will be more than 50% Negro. ⁽¹⁰⁾ This is one of the most important racial migrations in the history of mankind, and it is certain that if civil war ever breaks out again in the United States, this time it will be in the North. As fast as the Negroes moved into the cities, the whites fled to the suburbs. In the South, integration was resisted in nearly every domain: schools, stores, theaters, hotels, restaurants. In the North, Negroes had always, in theory at least, been admitted to these facilities on the same basis as whites, but the important increase in the Negro population created a pressing problem in the schools. Educational facilities in the North were theoretically integrated, but the white children left the schools as fast as the Negro children entered. ⁽¹¹⁾ Negro leaders demanded that pupils be transported by bus to other neighborhoods to maintain a racial balance in the schools, and the Kennedy administration at first supported their demands. The Negroes wanted proportional representation everywhere. But the bussing of pupils was practical only over short distances, and it drew strong protests from the white suburbs. Civil rights leaders protested that this amounted to *de facto* segregation. ⁽¹²⁾ Deserted by their white inhabitants, certain city neighborhoods became 100% Negro. Negroes who wanted to get away from these ghettos tried to buy homes in white neighborhoods, but often the white owners or real-estate agents refused to sell to them, or they were unable to obtain the necessary mortgage. The restrictive covenants by which the homeowners in one neighborhood pledged not to sell to Negroes were declared illegal in certain states. The federal government fought discrimination on every front. Its principal weapon was the 70 to 80 billion dollars in federal aid funds. On June 11, 1963, Kennedy addressed the nation on the subject of civil rights. The following week, he sent his civil rights bill to Congress. This civil rights legislation was not simply, as many foreigners assumed, a new Declaration of Human Rights. To many Americans, it appeared more as a threat to their traditional system of free enterprise and to the balance of society itself. In July 1963, *US News and World Report* headed one of its articles, "The Civil Rights Plan and Your Business." The southerners were not the only ones to protest. ⁽¹³⁾ Reactions were swift throughout the country, even in regions where the Negro population was virtually nonexistent. Not only the President, but Governors, Senators, and Representatives became targets for criticism. Several members of Congress were caught in the cross-fire from their white constituents, the various ethnic minorities -- Poles, Italians, Jews -- and the trade unions. America asked itself, "Where is this going to stop?" Some hoped that the Kennedy Bill would be completely rewritten by Congress, and many felt that civil rights would be for Kennedy in 1964 what his Catholicism had been in 1960. Political analysts calculated that he would automatically lose not only all of the South, but also Illinois, New Jersey, Missouri, and Michigan. ⁽¹⁴⁾ It was sometimes felt that "civil rights" constituted an infringement of the rights of white people, particularly of those who, unlike the Kennedys, did not have the money to send their children to private schools, ⁽¹⁵⁾ to stay at the Carlyle, ⁽¹⁶⁾ to live in a wealthy neighborhood, or to own a second home. ⁽¹⁷⁾ For the average citizen, open housing laws constituted a violation of his personal liberty. He demanded the freedom to choose his own tenants and neighbors. Under the new laws, a federal court could issue an injunction forcing the owner of a hotel or motel to admit Negroes to his establishment, and he was liable to arrest if he refused. The country clubs which made their facilities available to the guests of a neighboring hotel would be obliged to admit *all* guests, regardless of color. Hotel beauty parlors, swimming pools, dress shops, bars, dentists and doctors no longer had the right to refuse Negro clients. Anyone who felt he was the victim of discrimination in any place whatsoever could henceforth lodge a complaint with the federal courts. If found guilty,

the offender would be required to pay court costs, and might even be sent to prison. The implications of this legislation were many. If a bank refused to grant a mortgage to a Negro who wished to buy a house in a white neighborhood, for example because it feared that the value of the house would drop if the neighborhood became Negro, it could be prosecuted for racial discrimination, and the Federal Deposit Insurance Corporation could withdraw its insurance guarantee. The federal government could cut off all federal aid, for the construction of a state highway, for example, if anyone of the contractors on the project was found guilty of racial discrimination. If, in any firm employing more than 15 persons, an employee complained that he was fired because of his race, the case could be taken up by the Committee on Equal Employment Opportunity which, if it found the company guilty, could force it to re-hire the employee. In certain cases, the legislation could even be used to enforce "fair" promotion practices within a company. Federal aid to housing construction carried the same restrictions.⁽¹⁸⁾ This apparently fair legislation, with the reservation that it hurt the middle and lower-class whites most of all, in fact left the way open for all sort of abuses. Many Americans felt that it went too far -- even Jews, who themselves were often the victims of discrimination in country clubs, hotels and private schools. It called into question the sacrosanct principle of the respect of the individual and free enterprise by the federal government. Kennedy's choice was clear, although he must have known that legislation alone could not solve the Negro problem. To restore the Negroes' identity, it was necessary to reform the very structures of American society. Economics was an important part of the problem, but it was not the only part, nor was it the most essential. Those who opposed the Kennedy Bill produced statistics to show that, from the international standpoint, the economic position of the American Negro was actually very satisfactory, and that the Negroes were progressing with a speed unequaled in other parts of the world.⁽¹⁹⁾ There is reason to question whether civil rights did not conceal, or at least delay, the recognition of the real problem, the problem on which the success of such legislation depended. But the Negro problem is not, primarily, a problem of economics. As long as they remained in the South, the Negroes, penned up though they were, constituted an ethnic family which lived its own life and had its own culture. It was a subordinate society, but it was homogeneous. This Negro society even practiced internal segregation. At Atlanta there was a Negro church where very dark-skinned Negroes were not welcome, and similar forms of discrimination were not uncommon elsewhere. In the North, there was no large ethnic family -- only a series of Negro ghettos or Negro residential neighborhoods. The Negro in the North in 1963 was far more disheartened than his brother in the South, for, if he was not confronted with legal segregation, he nevertheless encountered discrimination everywhere he turned. Little by little, his soul was destroyed. The American Negro became a psychological cripple. What could civil rights mean to the unemployed misfits wandering aimlessly through the streets of Harlem or Watts, or to the neglected adolescents who had strayed into the world of drugs and prostitution?⁽²⁰⁾ Many Negroes sensed that John Kennedy, like his brother Robert, was neither for them nor against them -- that their actions were based solely on a respect for the Constitution and a belief in justice. They were reminded of that phrase of Mark Twain's, "Negroes are not only Negroes, they are also men." What they sought was not simply a recognition of their right to exist. Nor did they want civil rights to appear as a gift. Already, they regretted that the emancipation of the slaves had not come about as a result of their own insurrection. They tried to convince themselves that the first slaves had reached America with the pilgrims on the Mayflower, and that the father of emancipation was not Abraham Lincoln, but Frederick Douglass, a Negro from Maryland. But wherever they turned, they came up against the Wall. The Wall, for a Negro, is the need to be loved. Negroes want love, particularly from those who scorn them -- and not a condescending love because they are black. But even love is denied them. James Baldwin is right when he says, "Power, that's all the Negro asks today from a white man." Negroes don't want a white Lincoln, but a black Lincoln. Unintentionally, Kennedy reminded them that they are, for the moment, incapable of producing a black Kennedy. Stokely Carmichael was later to say, "I don't trust whites who are interested in Negroes." Kennedy's legislation was aimed at the whites, but it could not give the Negroes power, nor did it. They would have to win that themselves. That is the way revolutions start. Was Kennedy right to open the gates

of a revolution that could, in the long run, destroy America? Is it possible to maintain a minority in oppression? Could it have been done any differently? That is not the question. At least, it is not our purpose to answer it. The Kennedys did not invent, or even inflame, the Negro problem. But they were the first to fully recognize it, and to appeal to the wisdom not only of the whites, but also of the Negroes. During the riots in Detroit, the National Guard had the impression that it was "at war with another country," and Governor Hughes of New Jersey was probably closer to the truth than many suspected when he declared, "These people claim that they hate the whites, but actually, it is America that they hate." A century of misery, of disappointments, of humiliations, of brutality and hate have turned black America into a foreign body in the flesh of the nation. The Negroes' hate is so strong that they have ceased to hate themselves. Negro girls have learned to wear their hair kinky, and Negroes have taken a new interest in their culture. Even the African dialects are coming back. After dreaming of integration in the great American melting pot and realizing that they are only a gray scum on its surface, locked in its borderless ghettos, the Negroes inevitably chose independence. And when they set out to win it in earnest, even Rap Brown, who summoned them to "Kill!" will have been superseded. Martin Luther King declared that "Kennedy is doing his best, but the best is not enough." For the majority of Americans, the best was too much. Kennedy envisaged his civil rights reform as part of a vast moral, social, intellectual and economic transformation of the United States. He knew that "All this will not be finished in the first hundred days. Nor will it be finished in the first thousand days, nor in the life of Administration, nor even perhaps in our lifetime on this planet." But he added that that was no reason not to begin. On October 9, 1962, over the Voice of America, Robert Kennedy had proclaimed the belief and the hope that he shared with his brother: "What the world has seen in Mississippi is a democratic nation putting its house in order. It is the proof of our intention to live not under the rule of men, but under the rule of law." Kennedy's reforms were, and could only be, half-measures. They turned people against him without bringing him support.⁽²¹⁾ The Negro revolution was, and is probably, inevitable. It would have occurred even without civil rights, and without Kennedy. It is written in the statistics of the migration, in the rumbles of other, more distant, revolutions, in the complexes that come from oppression, and especially in the indelible skin color of 20 million Americans. The law cannot turn black into white. The Negroes are still American Negroes, and not Negro Americans. The civil rights reform was probably no more than a medicine that served to delay the operation, and no one can tell whether surgery will save the patient, whether the "white problem" can be solved. At the time, however, Kennedy's legislation disturbed America and increased her anxieties. In a statement issued after a conference of eighteen southern Senators on June 12, 1963, Senator Richard B. Russell, key spokesman for the South, declared: *"The President's speech (on June 11th) appealed eloquently to the emotions but completely disregarded reason, human experience and true equality under the Constitution. The fact that every citizen has the same right to own and operate a swimming pool or dining hall constitutes equality. The use of federal power to force the owner of a dining hall or swimming pool to unwillingly accept those of a different race as guests creates a new and special right for Negroes in derogation of the property rights of all of our people to own and control the fruits of their labor and ingenuity.*" The outstanding distinction between a government of free men and a socialistic or communistic state is the fact that free men can own and control property, whereas statism denies property rights. 'From each according to his ability and to each according to his need' may have greater emotional appeal than 'work hard to acquire property and the law will protect you in its enjoyment.' However, Marxism has not worked and can never work because it does not take human nature into account. To rebut the emotional appeal, we have the hard, undeniable fact that in our free-enterprise system we have plenty, whereas the Marxists -- though they have never been able to apply literally their avowed creed -- all suffer from scarcity and privation. "Our American system has always rejected the idea that one group of citizens may deprive another of legal rights in property by process of agitation, demonstration, intimidation, law defiance and civil disobedience. "I do not believe that the American people will be easily frightened into discarding our system for adventures into socialism that have been discarded wherever tried. "The highest office of the land should symbolize respect for law, whether it be legally enacted

ordinances of the meanest hamlet in the land or the written word of our national charter -- the Constitution. "I was, therefore, shocked to hear the President justify, if not encourage, the present wave of mass demonstrations, accompanied by the practices of sitting or lying in public streets and blocking traffic: forming human walls before the doors of legal businesses and assaulting with deadly weapons officers of the law whose only offense was undertaking to maintain order and protect private property. "The South has its shortcomings as well as other areas. But a calculated campaign waged by the metropolitan press, television and radio has magnified the unfortunate occurrences in the South while crimes of violence in other areas have been minimized. This has generated bitterness and hatred against the white people of the Southern states almost amounting to a national disease. It is also encouraging a condition bordering on anarchy in many communities. These terrible conditions are sure to further deteriorate with increasing disorder unless the President of the United States desists from using threats of mass violence to rush his social-equality legislation through the Congress. "No American citizen has the right to select the laws he will obey and those he will disobey. The President of the United States has a higher call to leadership than to use threats of mass violence and disregard of reasonable local laws as a means of securing action in the courts and Congress, however desirable he may regard it to be . . . "I believe in equality before the law for every American. In equal measure, I reject the idea that federal power may be invoked to compel the mingling of the races in social activities to achieve the nebulous aim of social equality. Every Negro citizen possesses every legal right that is possessed by any white citizen, but there is nothing in either the Constitution or Judeo-Christian principles or common sense and reason which would compel one citizen to share his rights with one of another race at the same place and at the same time. Such compulsion would amount to a complete denial of the inalienable rights of the individual to choose or select his associates. "I hope that the American people will not be swept further down the road to socialism by the present unprecedented wave of propaganda. To me, the President's legislative proposals are clearly destructive of the American system and the constitutional rights of American citizens. I shall oppose them with every means and resource at my command. I do not believe a majority of the Congress will be frightened by thinly veiled threats of violence." NOTES1. The Congress of Racial Equality, founded in 1942, has a membership of 80,000. After supporting a policy of non-violence throughout the Fifties, it rallied to the Black Power movement in 1966.2. The desegregation of federal employment began under Roosevelt. Between 1932 and 1937, he appointed Negroes to his "Black Cabinet," doubled the number of Negroes employed by the federal government, and, on June 25, 1941, outlawed racial discrimination in defense industries, Segregation disappeared from the Army in 1950, during the Korean War. In 1954, the Supreme Court outlawed segregation in the schools, and in 1956 in public transportation facilities. In 1957, the Civil Rights Act, which outlawed voting discrimination, was passed by Congress. But while the problem of segregated transportation was solved, the problem of school segregation remained: there were serious riots in Tuscaloosa in 1956, and in Little Rock in 1957. Trouble broke out in Nashville in 1960 over restaurant desegregation, and Negro voting rights were often obstructed by local authorities. 3. This percentage was as high as 25% in the Veterans Administration, and 20% in the Post Office Department.4. In 1963, while white unemployment continued to rise (from 5.6% to 5.7%), Negro unemployment dropped from 11% to 10.9%.5. The percentage of integration in the 8 other southern states was very slight: Arkansas: 0.25% Louisiana: 0.04% Virginia: 0.56% Florida: 0.53% North Carolina: 0.27% Texas: 2.16% Georgia: 0.01% Tennessee: 1.13% 6. In 1962-1963, there were 270,000 Negroes among the 4.2 million students in colleges and preparatory schools. Some examples: *Private colleges*: Columbia: 20 Negroes out of 700 undergraduates. Princeton: 15 out of 3,045.

Yale: 75 to 90 out of 8,350. *State Universities*: University of Illinois: 1,200 to 1,500 Negroes out of 23,490.

University of Pennsylvania: 800 to 1,000 out of 10,350.

Michigan State University: 300 to 500 out of 24,000. *Private Preparatory Schools*: Georgetown (Maryland): 1 out of 276.

Groton (Massachusetts): 3 out of 200.

Lawrenceville (New Jersey): 0 out of 630.

Horace Mann (New York) : 16 out of 600. 7. In 1950, 60% of the Negro population (9,053,000) lived in the eleven states of the South, the remaining 40% (4,989,000) in the North. In 1963, only 10,100,000 Negroes (49%) remained in the South. 51% of the Negro population (10,400,000) lived in the North. 8. This migration was encouraged by the southern segregationists, who financed the departure by bus of tens of thousands of Negroes towards the North. The New Orleans Citizens Council inaugurated these "shipments" on April 21, 1962. 9. For other northern cities, the population figures are as follows:

1950/1960 Washington 35% 54.8% Newark 17.1% 34.4% Baltimore 23.7% 35% Detroit 16.2% 29.2% St. Louis 18% 28.8% Chicago 13.6% 26.7% Philadelphia 18.1% 23.7% 10. Between 1950 and 1960 994,000 whites left New York City and 172,000 Negroes entered 678,000 Chicago 153,000 344,000 Philadelphia 63,000 542,000 Detroit 82,000 211,000 Washington 134,000 During the same period: Mississippi lost 323,000 Negroes and California gained 354,000 Alabama 224,000 New York 282,000 South Carolina 218,000 Illinois 189,000 North Carolina 207,000 Ohio 133,000 Georgia 204,000 Michigan 127,000 Louisiana 92,000 New Jersey 112,000 Virginia 70,000 Florida 101,000 Tennessee 57,000 Pennsylvania 77,000 Hawaii 52,000 Dist. of Col. 54,000 W.

Virginia 40,000 Indiana 45,000 Texas 27,000 Connecticut 39,000 Oklahoma 26,000 Maryland 36,000 Kentucky 15,000 Wisconsin 29,000 Arizona 10,000 Missouri 28,000 (Statistics from the U.S. Publishing Corp., 1962). 11. Englewood, New Jersey, a suburb of New York City, is a typical example. Its schools had always been integrated. But when the Negro population increased to 27% (in a town of 26,000 inhabitants), one elementary school became 98% Negro, another 65% , while the others remained 90% white. 12. In Washington, three-quarters of the public schools are not really integrated: 27 are completely Negro, and 88 others are 90 to 99% Negro. Seventeen are 90 to 99% white, and three are all white. 13. An Atlanta, Georgia newspaper editor had written in 1962: "Now it's relatively fashionable to be for integration!" 14. Nevertheless, the Civil Rights Act was voted in 1964, the Voting Rights Act in 1965, and in 1966 a law was passed making the obstruction of civil rights a federal crime punishable by life imprisonment. 15. Choate, Kennedy's prep school, had one Negro student out of 550 in 1963. 16. A luxurious Manhattan hotel where the Kennedys often stayed. 17. The Kennedys had a winter home at Palm Beach, a segregated winter resort. 18. Of the 5,905 building and construction firms questioned about the repercussions of this legislation, 41.2% declared that they would lose 50 to 75% of their business, 1.3% that their business would increase, 34.9% that it would not bring about any change, and 22.6% that they had no opinion. (Statistics from *US News and World Report*.) 19. In 1930, 3 out of 4 Negroes were employed on cotton plantations or as unskilled laborers. In 1963, this number had dropped to 1 in 3, and 20% held skilled jobs. The average income of a white American had increased by 475% since 1940, from \$1,112 to \$5,287. The Negro average for the same period had risen by 555%, from \$460 to \$3,015, and the discrepancy between white and Negro incomes was growing smaller every day. The average per capita income of an American Negro was 40% higher than that of a Soviet citizen, and three times as great as that of the average Japanese. This average (\$1,100 per year) fell halfway between the average per capita income in Australia (\$1,200) and West Germany (\$1,040), and was equal to the average per capita income in Great Britain. The per capita average of some of the other dark-skinned peoples of the world was (in comparison with the \$1,100 of the American Negro):

Mexico: \$300

Ghana: \$200

Haiti: \$100

Congo: \$70

India: \$60 20. Three out of 4 needy Americans are Negroes. In 1963, the percentage of the population earning less than \$300 a year (considered the threshold of poverty in the US) was 15.9% among whites and 43.1% among Negroes.²¹ On June 10, only a day after the President's civil rights address, the Alabama National Guard was called out to halt racial disturbances, and on June 19 in Savannah, 3,000 Negroes rioted against the whites. Panic spread throughout the South at the perspective of a Negro invasion of white schools and white residential districts. In the southern states, hate for President Kennedy was at its apogee. At the same time, Negro militants and extremist leaders, who had already attacked Robert Kennedy on May 28 for being "too soft," multiplied their threatening declarations. In August, 1963, James Meredith took his final examinations. On August 28 the Civil Rights march took place in the capitol to the strains of "We Shall Overcome." The Washington march marked a change in the strategy of the civil rights leaders. John Lewis, chairman of the Student Non-Violent Coordinating Committee, prepared a speech that contained such statements as: "We will not wait for the President, the Justice Department nor the Congress, but we will take matters into our own hands and create a source of power outside of any national structure . . . We will march through the South, through the heart of Dixie, the way Sherman did." (Mr. Lewis deleted these passages after the Catholic Archbishop of Washington objected.) On November 9, 1963, Richard Nixon declared that President Kennedy's "extravagant campaign promises" were largely responsible for the racial crisis facing the United States.

Farewell America

6Gangs *I believe (that this nation) is the only one where every man, at the call of the laws, would fly to the standard of the law, and would meet invasions of public order as his own personal concern.* THOMAS JEFFERSON "It's like Chicago in the Al Capone days," declared John Irwin, first assistant District Attorney of Middlesex County, Massachusetts, in 1967, noting that in the past six years there had been 45 gangland murders in the Boston area alone. Writing in the *Saturday Evening Post*,⁽¹⁾ Bill Davidson added, "On an even higher level, the New England Mafia has contacts among a group of millionaire pillars of the community," and Charles Rogovin, head of the Organized Crime Section of the Massachusetts Attorney General's office, remarked, "Since I came here from President Johnson's Crime Commission, I feel as if I've been watching old gangster movies. The other families of the Mafia have become much more subtle in their killing. Their victims mostly just disappear -- and there's no heat, no hue and cry. But here they brazenly shoot them down at high noon on a busy street." Despite these remarks, Massachusetts is not first among the criminal states, and neither Boston nor Worcester nor Springfield figure among the key cities in the industry of crime, the foremost industry in the United States. The vigorous action taken by the Justice Department and the FBI against the New England Mafia in the past two years was inspired more by political than by technical considerations. The Empire of Crime remains intact. The annual budget of the private government of organized crime was estimated in 1960 at \$60 billion, more than the budget of the Department of Defense (\$47.5 billion).⁽²⁾ Organized crime could never have survived and developed on a large scale without the "protection of the law-enforcement agencies."⁽³⁾ Face-to-face with organized crime, or rather side-by-side, stands a police force that often ignores its existence, and sometimes even supports it. On June 15, 1961, Attorney General Robert Kennedy declared, "The problem of organized crime will not really be solved as long as the attitude of the American people remains what it is -- acceptance of crime and corruption," and as long as Americans are only interested in "getting a bigger TV set, a bigger car, and earning an extra buck." Robert Kennedy's career began in 1951 as a lawyer in the criminal division of the Justice Department. In 1953, he became one of the five assistants of Roy Cohn, chief legal counsel for Senator McCarthy, chairman of the Investigations Subcommittee of the Senate Committee on Government Operations. He took over Cohn's job when Senator McClellan⁽⁴⁾ replaced McCarthy in 1954. In 1957, with a staff of 65, he became chief counsel of the Senate Rackets Committee, also headed by Senator McClellan. There, he encountered men like Antonio Corallo, who had been hired by a factory manager simply to keep his eye on the workers; dubious business consultants like

George Fitzgerald and Eddie Cheyfitz;⁽⁵⁾ industries like Kohler, Inc., a Sheboygan, Wisconsin manufacturer of plumbing fixtures, which in 1897 had cut its employees' salaries by 50 % and given each a bathtub, and pursued much the same policies in 1958. He exposed corruption in the labor unions -- primarily in the Bakers and Confectioners Union, but also in the Mechanics, the carpenters, the Hotel Employees, the New York Postal Workers, the Textile Workers, and even the Garbage Collectors unions. He became an expert on labor racketeering. In November 1957, he received the first annual award as "Outstanding Investigator of the Year" from the Society of Professional Investigators. When he became Attorney General, Robert Kennedy already had a good idea of the importance of organized crime in the United States. The kingpins of crime, some of them survivors of the Chicago era, others more recent arrivals, had left the gangs for the big cities. The gambling industry alone supported 50,000 potentates, employed the services of 400,000 petty bookmakers, and ruined one million families every year. Gambling had become so big that it was capable of disturbing the national economy. There was also prostitution, the narcotics traffic and commercial pornography, not to speak of hold-ups and murders. This industry of vice, which had already contaminated the trade unions, was also active among the youth of the country. In the decade, between 1950 and 1960, crimes doubled and juvenile delinquency tripled, although the population increased by only 18%.⁽⁶⁾ The war against crime cost the United States \$22 billion a year, or \$120 per citizen. "Crime pays if it is well-organized. American gangsters have become specialists," noted C. Wright Mills. An expert on the question, Donald R. Cressey,⁽⁷⁾ wrote: "The situation is more dangerous than the situation in the 1920's and the 1930's when the monopolies controlled by organized criminals were primarily monopolies on only the distribution of illicit goods and services. The real danger is that the trend will continue to the point where syndicate rulers gain such a degree of control that they drive supporters of free enterprise and democracy out of business' and then force us to pay tribute in the form of traditional freedoms. Syndicate rulers are among the most active monopolizers in the American economy." And Cressey continued, "We agree with Senator Kennedy who . . . became convinced that if we do not on a national scale attack organized criminals with weapons and techniques as effective as their own, they will destroy us." He wrote this in 1967, when organized crime, more prosperous than ever, was still in control of the empire that Robert Kennedy had tried to defeat five years before. In 1951, the Kefauver Commission had concluded that organized crime, which it referred to as the Mafia, was run by Costello-Adonis-Lansky (the New York Syndicate) and Accardo-Guzik-Fischetti (the Chicago Syndicate). But between 1951 and 1961, the Kefauver Commission found it difficult to obtain reliable information about the nature of the Mafia and the extent of its activities. In 1957, it disclosed that 58 crime lords had met at the Appalachian Conference in upper New York State, but in 1960 the federal government and the Justice Department had little information about what had transpired at the meeting, and many of the participants were unknown to them.⁽⁸⁾ When Robert Kennedy was appointed Attorney General, the Crime and Rackets Section of the Justice Department employed only 17 people. They worked individually, without illusions, and received no comprehensive information on international and organized crime. By 1963, their number had swelled to 60, and they were able to draw on information which was available to the press and the public, but which had never been officially brought to their attention. Robert Kennedy opened federal investigative bureaus in six large cities outside of Washington. These bureaus were charged with gathering information on 1,100 notorious racketeers. In 1961 and 1962, Congress approved seven anti-crime laws authorized by the Attorney General, the most important anti-criminal legislation voted since 1954. The first result was the dismantling of the nationwide telegraphic betting system. In November 1962, a gambling and prostitution establishment in Detroit which had been doing a \$20 million-a-year business was raided and closed down. In 1963, the illegal gambling organizations were obliged to cease their activities in many different parts of the country. In the first six months of 1963, 171 racketeers were indicted, as against 24 in 1960.⁽⁹⁾ In October 1963, Robert Kennedy persuaded Joseph Valachi, a member of the crime syndicate who had requested government protection in 1962 and who had been imprisoned since that date for second-degree murder, to testify. The Attorney General revealed that the crime syndicate, known to its members as

Cosa Nostra, was directed by a board of between 9 and 12 active members whose names were known to him, and to whom the representatives in the various cities were responsible. On October 19, 1963, he declared to the *New York Times* that these racketeers were only able to operate by buying the protection of those in whom the communities placed their confidence. He denounced hired killers and the wall of silence surrounding them. Joseph Valachi was the first member of Cosa Nostra to reveal the activities of this "cruel and calculating" organization. Since 1960, there had been 37 gangland murders in the city of Chicago alone, and 70 bombings in the region of Youngstown, Ohio. Kennedy named the principal ringleaders of the organization and declared that he was determined to put them out of action or in prison. He praised the Los Angeles and New York police departments for their cooperation, but he also cited the example of Newport, Kentucky, the type of American community where crime and corruption prevailed with the consent of the Mayor, several members of the city council, and the local police force.⁽¹⁰⁾ He added that there were many Newports throughout the country, that organized crime had become particularly subtle, that it made the most of modern communications techniques, and that it had tremendous resources at its disposal to circumvent the law. It used extortion not only as a source of revenue, but also to take over control of businesses. It had infiltrated the clothing industry, bowling alleys and liquor stores, juke box companies, vending machines and the construction business. These rackets were often run by telephone, and from outside the state. The Attorney General declared that he would ask Congress to vote new laws authorizing the use of wire-tapping devices and guaranteeing the immunity of witnesses. "Fighting organized crime is like working a jigsaw puzzle," he said. He emphasized that organized crime affected the entire community, that it was the concern of every citizen. "There is an old saying," he concluded, "that every society gets the kind of criminal it deserves. It is equally true that every community gets the kind of law enforcement it insists on." The McClellan Committee decided that the term "American Confederation" represented the best definition of Cosa Nostra, which might be considered as a sort of private government, and not only as an economic cartel. The Confederation of Crime has its own Code of Ethics. Each member is expected to:

- Be loyal to members of the organization.
- Be rational. Be a member of the team.
- Be a man of honor. Respect womanhood and your elders.
- Be a stand-up guy. Keep your eyes and ears open and your mouth shut.
- Have class. Be independent. Know your way around the world. The Confederation is founded on the following principles: 1) Organized crime is a business venture that seeks every opportunity to corrupt or have influence on anyone in government who can or may in the future be able to do favors for organized crime. 2) Insulation serves to separate the leaders of the confederation from the illegal activities which they direct. 3) Members are subject to discipline of a quasi-military nature. 4) The public relations of the organization are of the utmost importance. 5) The structure of the organization must be such that it does not appear to be and cannot be attacked as an organization. 6) Job specialization is essential. The organization counts among its members the corrupters, the corruptees, the enforcers, the executioners, the money-movers, and the button men, representing the lowest echelon of the confederation. The corrupters are as essential to the organization as the negotiators to a trade union. The money movers are assisted by other specialists, who invest the funds of the organization in legal enterprises. The button men carry out the orders passed down through the hierarchy. The organization also has its own "accountants," and "lawyers." The work of the confederation is greatly facilitated by the structure of the police. There are 420,000 police officers in the United States attached to 40,000 police stations, 50 of which are federal, 200 adjuncts of the state police, and 39,750 under the control of the local police. The Task Force report entitled "The Police," published in 1967 by the Justice Department, acknowledges that in several cities in the United States a large proportion of police officers are engaged in various forms of criminal or immoral activities, and that a few dishonest policemen may spread corruption throughout the force. Such was the case in Denver, where it was discovered in 1961 that a small group of corrupt policemen had implicated dozens of other officers throughout the city in their criminal activities. The majority of those involved were not, in fact, active accomplices, but their oath and regulations

required them to report any suspicious actions, and prohibited them from taking part in any illegal activity.⁽¹¹⁾ The report acknowledges that corrupt police chiefs may set a dangerous example for younger officers. "Corruption then becomes an element of promotion, and the existence of this corruption at the highest level of authority may influence all of the members of the police." In Chapter 7, "The Integrity of the Police," the report recalls that the Mayor and Sheriff of Phoenix City, Alabama, were forced to resign in 1955, but that political corruption allied with organized crime and vice had continued to spread to several other cities in the state. The Justice Department discovered in 1961 that the head of the gambling syndicate in Syracuse, New York, had been living in that city for 25 years and had never been bothered by the local police. The state police are no more trustworthy than the local police. Governor Claude Kirk of Florida preferred to hire a private detective agency to investigate crime and corruption in his state. The local police in certain states, California for example, are to all appearances fairly honest, but in other states, for instance Texas, they are thoroughly corrupt. Many police departments refuse to acknowledge the existence of organized crime and concern themselves only with local and isolated criminal offenses. This attitude has the effect of guaranteeing the immunity of the crime syndicates. Other police departments even cooperate with the confederation by exchanging information with its local representatives. There are substantial differences in the quality of police personnel in the United States. A white-collar worker earns an average of \$7,124 a year. The average salary of a policeman is only \$5,321.⁽¹²⁾ In Seattle, a policeman earns \$375 a month less than a cable splicer. In Nashville, an electrician makes \$3.22 an hour, a policeman only \$2.55. The disparity is even greater in the upper echelons. The salaries offered college graduates by the police are rarely competitive with those offered by private industry. The salary of a municipal police chief varies between \$7,054 and \$17,600 a year (in cities with a population of more than 500,000). Only eight out of the 38 cities with a population of between 300,000 and a million pay their police captains more than \$11,000 a year. In only nine of these cities does a sergeant earn more than \$9,600. In certain other cities with more than a million inhabitants, Dallas for example, the salaries paid police officers are even lower than these average figures. Nor is there much room for promotion within the official hierarchy. The maximum salary of a San Francisco patrolman is only \$600 a year more than the minimum he received when he entered the force. The excessive decentralization of the police, the dilution of its responsibilities and the diversity of its efforts also created numerous problems with regard to criminal arrests.⁽¹³⁾ The leaders of the Confederation of Crime are "represented, in one form or another, in legislative, judicial and executive bodies all over the country."⁽¹⁴⁾ The late Chief William H. Parker of the Los Angeles police added, "Despite the most aggressive and enlightened leadership, law enforcement cannot rise above the level set by the electorate." There are three varieties of official corruption: *nonfeasance* (failure to perform a required duty at all); *malfeasance* (the commission of some act which is positively unlawful); and *misfeasance* (the improper performance of some act). Where does the FBI come into this paradise of crime? J. Edgar Hoover⁽¹⁵⁾ controls the only police organization existing on the national level. In the 38 years that he has occupied this position, he has known seven Presidents and out-lived 13 Attorney Generals.⁽¹⁶⁾ As of August 31, 1962, the Federal Bureau of Investigation employed 14,217 people, including more than 6,000 federal agents. Congress has always granted Hoover's budgetary requests. J. Edgar Hoover has become something of a national monument. No one dares to contradict "the Director," nor to suspect him. The FBI has two principal functions: it investigates violations of federal law, and it presents its conclusions to the Attorney General and the federal attorneys. It is concerned with investigation, not law-enforcement. All of the so-called "federal" crimes fall within its jurisdiction, but the list of these, although it covers some 165 subjects, is limited. The FBI has no jurisdiction over tax violations, narcotics, customs, the mails, or the protection of the President. On the other hand, it is concerned with kidnapping, bank hold-ups, stolen cars that have been driven across state lines, and other interstate infractions of the law. Theoretically, organized crime does not fall within its jurisdiction, since it thrives on gambling, frauds, rackets, and other crimes that constitute violations of state rather than federal law, but the FBI's highly-developed intelligence sources keep it informed about the Confederation of Crime and its activities.⁽¹⁷⁾ Attorney General

Robert Kennedy ordered the FBI to investigate the inter-state activities of the confederation, but this assignment irritated Mr. Hoover, who was nevertheless instructed by President Kennedy to defer to the Attorney General's wishes and to report directly to him.⁽¹⁸⁾ When, in 1962, Robert Kennedy ordered the FBI to investigate the steel corporations, Hoover consented only reluctantly, and there is some indication that the order was carried out with "misfeasance."⁽¹⁹⁾ The Attorney General would have liked to create a National Crime Commission to bring together and coordinate all the available information on the confederation, its activities, and the movements of its members, but J. Edgar Hoover wants no competition, and he has his own ideas about how a federal law -- enforcement agency should be run. The FBI has 55 main offices and 500 branch offices throughout the country, but it prefers not to work with the state and local police unless they are considered "honorable" (which singularly limits the possibilities for cooperation). Moreover, "honorable" in this case has a very special meaning. Mr. Hoover, a puritan Presbyterian and a bachelor who is active in the Boy Scout movement (he is an honorary member of its National Council) has repeatedly declared, "I am opposed to a national police force. I have a total respect for the sovereignty of the states and the local authorities, to whom we furnish a considerable amount of information which helps them to solve local crimes." Hoover believes the FBI should devote itself first and foremost to its original function, that of protecting the nation against subversion and treason, both on the inside and from the outside. In 1937, Franklin D. Roosevelt charged the FBI with the surveillance of the Nazi agents and sympathizers in the United States. When the war broke out in 1941, it coordinated the internal security measures against spies and saboteurs and found its true vocation. When the Second World War gave way to the Cold War, the FBI turned its attention to the Communists. Hoover was charged with the task of "unmasking and dismantling Soviet espionage activities." On October 19, 1960, Hoover declared, "We are at war with the Communists."⁽²⁰⁾ Certain generals had been forced to resign for similar statements, but even Kennedy hesitated to replace "the Director." Eleven days after Kennedy's assassination, on December 3, 1963, Hoover reaffirmed his creed. A month earlier he had declared, "President Kennedy's closest advisers are either Communists or Communist sympathizers." Hoover repeatedly emphasized the essential role played by the FBI in the struggle against Communism and in the protection of the "American way of life." Since the advent of Castro, the Caribbean area had taken on a special importance for the FBI, which showed a sudden interest in the Cuban exile groups. Hoover considered that "it is more important to prevent or circumvent espionage, sabotage, and other subversive activities than to prosecute the individuals who engage in this type of activity . . ." Such a rationale can have far-reaching consequences. A self-appointed judge of what is good for the United States, Hoover refused to send FBI agents to Little Rock in 1957. Despite the injunctions of Robert Kennedy, he refused to engage his agents completely in the enforcement of civil rights legislation. It was a known fact that local FBI agents in several southern states cooperated with the segregationist local police force. When, on September 15, 1963, a bomb exploded in a Negro Baptist church in Birmingham, Alabama, killing four Negro children, the FBI learned who was guilty, but failed to pass on this information officially, thereby becoming the passive accomplice of the local police. Robert Kennedy had been aware of Hoover's power since entering the Justice Department in 1953, but he needed him, and he was obliged to postpone his retirement, although Hoover was 65. In August 1962, he even defended the FBI chief against the attacks of Wilbur H. Ferry, vice-president of the Fund for the Republic, declaring, "Let's leave that to the experts. Mr. Hoover is my expert."⁽²¹⁾ It has been written that Bob Kennedy was "too politically sophisticated to clash openly with the honors-encrusted FBI Director." Serious criticism of Hoover or the FBI is still regarded in the United States as something close to treason, and it is tantamount to political suicide. Hoover's sources of information, and the files at his disposal, are in fact more important than those available to comparable organisms in totalitarian states, where the heads of the intelligence services have the power to dismiss the Chief of Police.⁽²²⁾ The FBI has files on 200 million people, only 20% of whom have ever been arrested. It keeps up-to-date dossiers on all the leading political and business figures. A great many Americans have reason to fear the FBI, which has confidential information about the lives and activities of the most diverse and the most insignificant citizens. To the icy courtesy of the Attorney General, Mr. Hoover replied

in October 1962, before his favorite audience, the American Legion, that "the Communists have infiltrated every sector of our society."⁽²³⁾ Why this obsession with the Communist bugbear? Ever since its creation by Theodore Roosevelt, the FBI has been at war with what it calls "the forces of evil." By this is meant not so much the overall category of doers of evil, and in particular high-class criminals, but liberals. Hoover himself once said, "This term liberalism should not be taken lightly . . ." The obsession with Communism has the effect of maintaining the American people in a state of tension. The FBI knows perfectly well -- at least we assume that its directors are sound of mind -- that it has little to fear from a Communist Party of only 10,000 members, all of whom are known to the FBI and under constant surveillance, and which has been infiltrated by more than 1,000 FBI informers. The FBI is represented on the Central Committee of the American Communist Party, and at one point it even appointed its security chief. It has been estimated that the FBI, through the dues paid by its agents, is the most important single contributor to the Communist Party in the United States. Hoover's attitude is based more on morality than on politics. When *US News and World Report* asked him, "Some people say that the Communist Party cannot possibly represent a danger for the United States," he replied, "Emphatically, 'No.' Members of the Communist Party, USA are active participants in the international criminal conspiracy which is totally alien to our way of life and completely dedicated to enslaving the world." He was thus expressing the point of view not of the government he was supposed to represent, but of the anti-Kennedy faction. Hoover's extremism, his puritanism and his technical competence had the effect of placing, in a passive way at least, the efficient machinery of the FBI at its disposal. Hoover is a perfectionist as far as the efficiency and the quality of his employees are concerned. The FBI recruits highly-qualified men and women whose integrity is above reproach. Carefully screened before they are hired, they are well-paid⁽²⁴⁾ and thoroughly trained. Each is a specialist, and his responsibilities are narrowly defined and rigorously supervised. The autonomy of an FBI man is strictly limited, even in technical areas. When the principal objective is security or secrecy, each subordinate must control all of the details in his area or activity, and each supervisor must control all of his subordinates. The FBI encourages its employees to inform on one another not only for professional misconduct, but also for deviations from the exemplary moral standards to which every member of the bureau is expected to adhere. ⁽²⁵⁾ FBI employees are bound by a multitude of rules and regulations, some of which even concern their mode of dress. If he wants to stay on the good side of the Director, the well-dressed G-man must wear a dark suit, a shirt with French cuffs, and a handkerchief in his pocket. ⁽²⁶⁾ The FBI hierarchy is strictly observed. FBI agents are totally subordinated to their superiors, and through them to the Director. Carlos Marcello, one of the leaders of the Confederation of Crime, was arrested in New Orleans on September 22, 1966 and charged with striking a federal agent, Patrick J. Collins, Jr. Marcello declared that he could hardly have known that Collins was an FBI agent, since he was in shirtsleeves.⁽²⁷⁾ Such a violation of bureau regulations could only have been committed with the knowledge of the hierarchy. Even J. Edgar Hoover is capable of making an exception to the rules if there is sufficient justification. There have been other slip-ups. A crime is a federal offense for the FBI only when the Director deems it such. The FBI only intervenes in the affairs of the local police when they do not share the Director's views about "Communists" and "degenerates." Does the honorable Mr. Hoover, we wonder, ever adorn his French cuffs with the cuff links that his Attorney General in the Kennedy years, another man with an eye for detail, gave him one year for Christmas -- simple gold cuff links inscribed with the Seal of Justice? NOTES 1. November 18, 1967. 2. Gambling alone accounts for \$20 billion. 3. *Report of the Commission of Inquiry of Massachusetts*, 1957. 4. Democrat from Arkansas. 5. George Fitzgerald represented James Hoffa. Eddie Cheyfitz was Dave Beck's attorney. Several firms of business consultants furnish information not only on legal questions, but also on labor problems, and can even provide informers if the need arises. Nationally-known companies such as Macy's, General Electric, and Republic Aircraft employ such techniques. 6. It has been estimated that 800,000 Americans have been murdered since the turn of the century. Two million firearms are sold to private citizens in the United States each year. 7. Chairman of the Criminology Section of the American Sociological Association -- Task Force on Crime -- Administration of Justice

(Washington, 1967). 8. Among the participants at this conference, held at the home of Joseph Barbara, 19 were in the clothing business, 7 owned trucking firms, 9 slot machines, and 17 restaurants. Eleven were importers of olive oil and cheese, 4 were funeral directors, and the others were involved in car sales, coal companies, and show business. One was an orchestra leader. In 1967 this Board of Directors of organized crime (founded in 1931 by Al Capone and Lucky Luciano) included 4 New Yorkers, Vito Genevose (in Leavenworth federal prison), Carlo Gambino, Joe Colombo, and Joe Bonnano; Sam Giancana of Chicago; Joe Zerilli of Detroit; Steve Maggadino of Buffalo; and Angelo Bruno of Philadelphia. 9. Kennedy declared in January, 1963, that he had evidence against: Mickey Cohen on the West Coast, Frankie Carbo of New York, Alfred Sica of Los Angeles, Buster Wortman of St. Louis, Kid Cann, who had controlled Minneapolis for 30 years, and Trigger Mike Coppola of Miami. Mickey Cohen, typical of this type of gangster, had declared an income of \$1,200 in 1956 and \$1,500 in 1957, but he owned an armored car worth \$25,000, silk pajamas that cost \$275,300 suits, and 1,500 pairs of socks! 10. As a result of these revelations, the voters recalled the County Sheriff, and the chief detective of the local police force was fired. 11. Section 310.71 of the police regulations states: "Members and employees shall not accept either directly or indirectly any gift, gratuity, loan, fee, or any other thing of value arising from or offered because of police employment or any activity connected with said employment. Members and employees shall not accept any gift, gratuity, loan, fee, or other thing of value the acceptance of which might tend to influence directly or indirectly the actions of said member or employee or any other member or employee in any matter of police business; or which might tend to cast any adverse reflection on the department or any member or employee thereof. No member or employee of the department shall receive any gift or gratuity from other members or employees junior in rank without the express permission of the Chief of Police." 12. Unless otherwise indicated, all of these statistics date from 1966. In general, the financial situation of the police was even less favorable in 1963. 13. The national average for criminal arrests is 22 % for thefts and 59 % for crimes, but these figures should be regarded with suspicion, and they exclude most of the crimes imputable to the Confederation of Crime. 14. Donald R. Cressey. 15. Director of the FBI since 1924. 16. Hoover speaks slightly of the "various Attorney Generals under whom I have served." 17. In 1967 Bill Davidson wrote, "So many FBI plants have infiltrated the Mafia organization that you can hardly tell the Mafiosi from the informers. 18. Something that had probably not happened to Mr. Hoover since 1928. 19. He is said to have ordered federal agents to wake up journalists in the middle of the night to ask them questions that could just as well have waited until morning, a procedure that was severely criticized by the public. 20. In 1968, the word "Communist" has lost a great deal of its impact. The traditional American Communist Party has become a "revisionist bourgeois clique," and the authentic Marxists have switched their allegiance to the Communist Party USA (Marxist-Leninist), a splinter group of Stalinist-Maoists who divide their energies between Watts and Harlem. 21. He had previously declared that Hoover's assistance was "unmatchable." 22. In the Soviet Union, Beria was eliminated in this fashion. In France, Roger Wybot, the director of the Office of Territorial Security, who had kept his job through 12 successive governments in the Fourth Republic because he had files on numerous political figures, was dismissed when General de Gaulle came to power. Mr. Wybot had no file on the General. 23. James Meredith, the "black communist" (as the FBI has called him) had been admitted to the University of Mississippi in September, 1962, and the Kennedy administration seemed in no hurry to respond to "the Cuban menace." 24. FBI agents earn from \$8,421 to \$16,905 a year, exclusive of overtime pay and bonuses. The Director's salary is \$30,000 a year. 25. Thomas Henry Carter, an FBI clerk and a bachelor, was fired in August, 1965 after he was denounced by his FBI colleagues for having spent the night with a woman. 26. Hoover's moral principles are as good as law in the FBI. An FBI agent does not go out at night without his wife. He does not read Playboy. He does not have *pimples*. He does not drink. He does not wear his hair too short (it is considered a sign of immaturity). He wipes his hands (and *not* on his pocket handkerchief) before entering the Director's office (the Director does not like sweaty hands). He does not smoke in front of the Director (the Director does not like the smell of tobacco). He is expected to read the Director's book, *Masters of*

Deceit, and Don Whitehead's *The FBI Story*, and to pass them along to his friends. 27. Marcello is one of the richest men in Louisiana. His fortune has been estimated at \$40 million, and he owes it to political graft and police corruption. He controls casinos in Jennings, Lafayette, Bossier City, West Baton Rouge, and Morgan City, Louisiana, the government of Jefferson Parish (county), which he has made his headquarters, the Jefferson Music company, which operates juke boxes and coin machines, and a system of bookmakers. He owns gambling places and houses of prostitution in Bossier City, across from Shreveport, a company called Sightseeing Tours in New Orleans, a night club in Dallas, and other concerns. In 1963 he was in contact with certain politicians and oilmen in Texas and Louisiana.

Farewell America FORTRESSES *If your Majesty asks, 'What must be done for the benefit of my kingdom?' the high officials will say, 'What must be done for the benefit of our families?' and the minor functionaries and the common people will say, 'What can be done for our benefit?' The former and the latter will attempt to snatch these advantages from one another, and the kingdom itself will be endangered. In a kingdom of ten thousand chariots, the sovereign's assassin will be the head of a family with one thousand chariots. In a kingdom of one thousand chariots, the prince's assassin will be the head of a family with one hundred chariots. To own one thousand chariots out of ten thousand, or one hundred out of one thousand, may not seem like such a bad lot, but if gain is put before justice, men will not be satisfied until they have everything.* MENG-TSEU
7Politicians *But the Senate, despite its decline in power and public esteem during the second half of the Nineteenth century, did not consist entirely of hogs and damned skulking wolves.* JOHN KENNEDY

PROFILES IN COURAGE "Whether I am on the winning or losing side is not the point with me. It is being on the side where my sympathies lie that matters." This disinterested creed was acceptable coming from a Senator, but a President is supposed to leave his heart behind. "Deceit, dishonesty and duplicity are the dominant characteristics of most national leaders."⁽¹⁾ There were few exceptions among the American political leaders of the Sixties. These professionals had nothing but contempt for the author of *Profiles in Courage*, this amateur who preached indulgence. They underestimated the future of this uncommon admirer of the rational and courteous Whigs of the beginning of the Nineteenth Century. They were somewhat astonished at the organization of this candidate who set up his headquarters in a nine-room suite in the Esso Building in Washington, kept a card file of the 30,000 most influential Democrats in the country, and flew around in a \$270,000 Convair cheered by red-headed hostess Janet des Rosiers. Kennedy covered a million miles, the equivalent of 40 times around the globe, introducing the voters to his sophisticated Messianism, his heroic speeches, and his movie-star smile. "We love you on TV. You're better than Elvis Presley . . ." the students of Louisville told him. Like Woodrow Wilson, he kept repeating, "The hearts of men await our acts." He even declared that the President should be in the thick of the fight. The professionals just laughed. They knew that there are neither friends nor enemies in politics, only colleagues and competitors -- that virtues are nil and tactics are everything. They were sure he would lose, but he won by a hair,⁽²⁾ and they were surprised. They were even more surprised to learn that the ignorant and obstinate Protestants of West Virginia and the backwoods farmers of Minnesota, fervent supporters of Hubert H. Humphrey, had voted for him. Once they had recovered, the professionals took a second look at his platform. They noted that Kennedy had taken stands or made promises 150 times on matters of national defense, 54 times on foreign policy, 21 on agricultural problems, 35 on administration and justice, 41 on employment, 14 on business, and 16 on economic policy. They realized that he had managed to rally the Negroes while winning votes on the theme of white supremacy,⁽³⁾ and that although he claimed to be a liberal he had, on October 4, 1960, accused Eisenhower and Nixon of weakness and failure to act on the Cuban problem. At Evansville, he had even promised to overthrow Castro. He had affirmed his opposition to Communism and promised to strengthen national defense and initiate an anti-missile missile program. At Columbus, Ohio in 1959, Kennedy had described himself as not only a liberal, but a "strong liberal," but conservative Republicans scoffed at the liberal notions of this millionaire, and

liberal Democrats regarded him with suspicion. Realizing that they had been beaten on their own ground, the professionals were even madder when they discovered Kennedy to be a fundamental adversary of their customary practices. The majority of the politicians were opposed to the President's anti-mediocrity drive. They recoiled at his impatience to rid the country of the Nibelungenlied of the Far West and the salesman. Politics as a career is looked down upon in the United States. Franklin D. Roosevelt called himself a farmer. Even as a Representative, and later as a Senator, Kennedy stood head and shoulders above the mass of greedy and embittered politicians who spend their lives laboriously scaling the ladder of success. "The White House is not for sale," Senator Wayne Morse of Oregon had once remarked. Kennedy was not one of them. He had never belonged to their cliques. He didn't act like a Senator, nor did he regard the Senate as the acme of human evolution. Most Senators followed the advice of Telemachus: "Service, talent, merit? Bah! Follow the group . . ." From that point of view, Kennedy was on a different level than Everett Dirksen, Hubert Humphrey, and Representative Hale Boggs of Louisiana. The day before his inauguration, they were still wondering how on earth he had gotten elected, what with the Senate for Johnson, the House for Symington, the intellectuals for Stevenson, the liberals of the ADA for Humphrey and Stevenson, the civil rights leaders for Humphrey, the labor leaders for Humphrey and Symington, and the Southerners for Johnson. When you came right down to it, Kennedy had only the people on his side. On January 29, 1961, Kennedy addressed his first State of the Union Message to Congress: "It is a pleasure to return from whence I came. You are among my oldest friends in Washington -- and this House is my oldest home. It was here, more than 14 years ago, that I first took the oath of federal office. It was here, for 14 years, that I gained both knowledge and inspiration from members of both parties in both Houses -- from your wise and generous leaders -- and from the pronouncements -- which I can vividly recall, sitting where you now sit -- including the programs of two great Presidents, the undimmed eloquence of Churchill, the soaring idealism of Nehru, the steadfast words of General de Gaulle. To speak from this same historic rostrum is a sobering experience. To be back among so many friends is a happy one. "I am confident that the friendship will continue. Our Constitution wisely assigns both joint and separate roles to each branch of the government; and a President and a Congress who hold each other in mutual respect will neither permit nor attempt any trespass. For my part, I shall withhold from neither the Congress nor the people any fact or report, past, present, or future, which is necessary for an informed judgment of our conduct and hazards. I shall neither shift the burden of executive decisions to the Congress, nor avoid responsibility for the outcome of those decisions." He painted a gloomy picture of the state of the nation, denounced its weaknesses, and promised to face its problems squarely, adding: "Before my term has ended, we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain." And he concluded, "It is one of the ironies of our time that the techniques of a harsh and repressive system should be able to instill discipline and ardor in its servants -- while the blessings of liberty have too often stood for privilege, materialism, and a life of ease. "But I have a different view of liberty. Life in 1961 will not be easy . . ." An imperceptible shiver went down the spine of Congress. A President cannot be judged on the strength of just one speech, but this President had already acted. The Democrats were disappointed when Kennedy chose McNamara over Stuart Symington for Secretary of Defense, and Dean Rusk rather than Adlai Stevenson as Secretary of State. They noted that Democratic National Committee Chairman Henry Jackson had been overlooked, and that the opposition groups the President needed to reconcile had no Cabinet representation. The Secretary of Agriculture did not come from the Farm Belt and wasn't known for his support of the farmers, and the Secretary of Labor was not one of the names backed by the unions. The job of Postmaster General went not to a politician or to the head of the party, but to an experienced administrator. Nevertheless, Kennedy named Douglas Dillon Secretary of the Treasury rather than J. Kenneth Galbraith in an attempt to reassure the Republicans.⁽⁴⁾ Kennedy's initial legislative proposals were moderate. He needed support on Capitol Hill, and he handled Congress like a wild animal that has to be treated with caution. He knew that there is nothing men like less than the truth, and that politics is a continual struggle, but he was as yet unaware of the burden of the Presidency. It had taken Harry Truman

eighteen months to develop his own personal style. Kennedy was later to comment that "The first months are very hard . . ." ⁽⁵⁾ He had difficulty in adapting his way of thinking to that of the politicians. Speaking before the cameras of CBS television in homage to poet Robert Frost, he remarked: "There is a story that, some years ago, an interested mother wrote to the principal of a school: Don't teach my boy poetry. He is going to run for Congress. "I have never taken the view that the world of politics and the world of poetry are so far apart. I think politicians and poets share at least one thing, and that is that their greatness depends upon the courage with which they face the challenger of life." When Lyndon Johnson was Senate Majority Leader, he had described the Senate in quite another way: "*The Senate is a wild animal that has to be tamed. You can stimulate it by pricking it lightly, but if you sting it too hard it may yield, or it may go after you. You have to approach it in just the right way, and you have to know what kind of a mood it's in.*" Lyndon Johnson had also said: "*They told me when I came to Congress that the best way to get along with your fellow Congressmen is to follow along.*" A Congressman has only two things to worry about: his fellow Congressmen, who can ruin his career, and his constituents, who can end it. A Senator who fails to support the interests of his state is taking a big risk. Kennedy knew that the Founding Fathers had conceived of the Senate as "a body which would not be subject to constituent pressures" and of Senators as "ambassadors from individual sovereign governments to the Federal Government, not representatives of the voting public." ⁽⁶⁾ But things hadn't turned out that way. The ambassadors "were very often subject to corruption. Tradition and the law govern the conduct of the members of the executive branch, but the legislators are accountable to no one. Apparently it is impossible to legalize the relationship between money and politics in public life. ⁽⁷⁾ Three members of the Kennedy administration were millionaires, but they could account for their fortunes, something which the majority of the 40 millionaire Congressmen (18 Representatives and 22 Senators, or one out of 3) would have found it more difficult to do. ⁽⁸⁾ His vicuna coat cost Sherman Adams, Eisenhower's right-hand man, his White House job, but the shady dealings of Oklahoma Senator Robert Kerr, the uncrowned king of the Senate, were common knowledge. ⁽⁹⁾ Walter Lippman once said that: "With exceptions so rare they are regarded as miracles of nature, successful democratic politicians are insecure and intimidated men. They advance politically only as they placate, appease, bribe, seduce, bamboozle, or otherwise manage to manipulate the demanding, threatening elements in their constituencies. The decisive consideration is not whether the proposition is good but whether it is popular -- not whether it will work well and prove itself, but whether the active-talking constituents like it immediately." ⁽¹⁰⁾ Once Kennedy was installed in the White House and his style of living became apparent, the politicians realized that he had little in common with them. As a rural Congressman remarked in 1962, "All that Mozart string music and ballet dancing down there and all that fox-hunting and London clothes . . . He's too elegant for me." Representative Edward Hebert of Louisiana referred to the New Frontiersmen as "a bunch of striplings who are geniuses in the intellectual community but have never fired a shot in anger." Many politicians were so accustomed to addressing ignorant audiences that their vocabulary never advanced beyond a grammar-school level. ⁽¹¹⁾ The American as opposed to the English language is keyed to the lowest common denominator . Kennedy's English was incomprehensible to them: "Would you have counted him a friend of ancient Greece who quietly discussed the theory of patriotism on that hot summer day through those hopeless and immortal hours Leonidas and the 300 stood at Thermopylae for liberty? Would you count anyone a friend of freedom who stands aside today? ⁽¹²⁾ "Thucydides reported that the Peloponnesians and their allies were almighty in battle but handicapped by their policy-making body -- in which, they related, each presses its own ends . . ." ⁽¹³⁾ Who on earth was Thucydides? Where was the Peloponnesos? And what was Thermopylae? But there was more to it than that. In matters of religion Kennedy maintained a strict neutrality, but he had a Catholic conception of the Presidency. While Protestant theory bases political authority on the mandate of the people and a respect for the individual, Catholics regard authority as stemming directly from God. "I have tried to give my government a tone and a style that will serve as a inspiration for perfection," said Kennedy. "Perfection" is a foreign word on Capitol Hill, and Congressmen don't like to be preached at. The American Constitution places legislative power

ahead of the executive. The President may request, suggest or advise the Congress, but that is the limit of his formal powers. Congress alone controls federal spending. The President is like a cat on a hot tin roof. His program is entirely dependent on the will of Congress. "A President who wants to make the most of his office must learn to weigh his stake of personal influence -- power in the sense of real effectiveness -- in the scales of every decision he makes. He must always think about his personal risks, in power terms not merely to protect himself -- that's the least of it -- but in order to get clues, insight about the risks to policy. His own position is so tenuous, so insecure, that if he thinks about it he is likely to learn something about unknowns and uncertainties in policy alternatives."⁽¹⁴⁾ Only twice in American history has the Senate unanimously backed the President: in 1930 after the Wall Street crash, and after the attack on Pearl Harbor. The Constitution stipulates that the Congress makes policy and the President executes it, but history and the rapid development of the United States have shifted the initiative to the White House. Nevertheless, the legislative system is such that Congress has the power to block not only revolutionary changes, but also needed reforms. Its structure is unsuited to the requirements of modern government. With its negative powers, it is an anachronism. It is true that by 1960 the Constitution was no longer followed to the letter. Congress retained the right to make policy, but the problems of a modern nation are so complex and so extensive that its members preferred to confine themselves to representing the interests of their constituents and blocking the initiatives of the administration. America is not adequately represented on Capitol Hill. The nervously conservative majority of the House of Representatives is continually in opposition to the more relaxed and open majority in the Senate. The members of the House, whose electoral districts are smaller, are absorbed by local problems. Because of their two-year term, they are constantly preoccupied with getting re-elected, to the detriment of their legislative duties. Most Congressmen shy away from the real problems facing the nation, those that can only be solved by federal intervention.⁽¹⁵⁾ Under Eisenhower, the power of the federal government diminished, to the benefit of the states. Washington and Dallas are worlds apart. "Many people in this country speak of Washington as if it were somewhere overseas," says Senate Democratic leader Mike Mansfield. The states are willing to accept favors from Washington. State highway construction, for example, is financed 93% by the federal government, and federal education subsidies are equally high. But they refuse to accept the obvious -- that the United States are becoming more and more united. Even the regional accents are blending into one, but the cotton planters of the South still don't share the interests of the wheat farmers of the Middle West. Simultaneously with the development of the Presidential powers since the end of the Second World War, Congress has extended its control over the administration. The federal agencies are at the mercy of the committees on Capitol Hill. What great power today can afford the luxury of an omnipotent legislature? In reality, neither the President nor the Congress have clearly-defined powers. Their spheres of action overlap. But Kennedy's legislative proposals were more carefully planned and minutely detailed than those of any other President, even Roosevelt during the New Deal. Then, the future of the nation was at stake. The legislators knew it, but they grumbled about the "Roosevelt dictatorship" nevertheless, and 25 years later they still had not forgotten. Few Senators, even Democratic Senators, shared Kennedy's outlook. They voted in favor of his bills because a Senator is expected to support the President when his party is in power, or in some cases because they feared reprisals. Lyndon Johnson's accession to the Vice-Presidency in 1961 had weakened the majority group in Congress. The Democratic Party is the only true national party, but in the Congress it is split by conflicting local and regional interests. In 1961, the Southern Democrats allied with the conservative Republicans against the remainder of the Democrats, who were supported by a few liberal Republicans. But on important votes the latter returned to the fold. Such party discipline was rarely in evidence among the Democrats. The pressure of the lobbyists further confused the issues. In 1961, they were responsible for the House rejection of the Federal Education Bill that had already passed the Senate, and in 1962 in the Senate they succeeded in blocking the trade bill already approved by the House. With the 64 Southern Democrats generally voting against him, Kennedy was forced to rely on the votes of the dissident Republican Representatives. The fate of the New Frontier rested in the hands of a few aging Southern Senators,

most of whom had been born before the turn of the century and represented rural interests in an urban nation, or hung on the ephemeral support of the nonconformist Republicans. The traditions and peculiarities of the Congressional system further complicated the situation.⁽¹⁶⁾ The vote on the budget was once delayed for four months because Representative Cannon (Missouri), aged 83, and Senator Hayden (Arizona), aged 84, were not on speaking terms. Other Senators like Richard Russell (Mississippi) or Harry F. Byrd (Virginia), who once declared that "the Social Security Administration is bankrupt," were centuries away from President Kennedy in their thinking. The antediluvian rules governing the Congress gave them all the help they needed. Kennedy himself acknowledged that: "The Constitution and the development of the Congress all give advantage to delay. It is very easy to defeat a bill in the Congress. It is much more difficult to pass one. To go through a committee, say the Ways and Means Committee of the House subcommittee and get a majority vote, the full committee and get a majority vote, go to the Rules Committee and get a rule, go to the floor of the House and get a majority, start over again in the Senate, subcommittee and full committee, and in the Senate there is unlimited debate, so you can never bring a matter to a vote if there is enough determination on the part of the opponents, even if they are a minority, to go through the Senate with the bill. And then unanimously get a conference between the House and Senate to adjust the bill, or if one member objects, to have it go back through the Rules Committee, back through the Congress, and have this done on a controversial piece of legislation where powerful groups are opposing it, that is an extremely difficult task. So that the struggle of a President who has a program to move it through the Congress, particularly when the seniority system may place particular individuals in key positions who may be wholly unsympathetic to your program, and may be, even though they are members of your own party, in political opposition to the President -- this is a struggle which every President who has tried to get a program through has had to deal with. After all, Franklin Roosevelt was elected by the largest majority in history in 1936, and he got his worst defeat a few months afterwards in the Supreme Court bill." And he added: "No President's program is ever put in. The only time a President's program is put in quickly and easily is when the program is insignificant. But if it is significant and affects important interests and is controversial, therefore, then there is a fight, and the President is never wholly successful."⁽¹⁷⁾ Kennedy's legislative proposals encroached upon traditional doctrines and attacked vested interests. It was not often that he emerged victorious from the battle. In less than 3 years, he sent 1,054 bills to Congress. During his first 100 days in office, he made 277 separate proposals concerning anti-recession measures, health, housing, education, foreign aid, Latin America, the highway program, taxes and agriculture. There were too many ideas and they came too fast. His proposals were presented too coldly and analytically, and they implied too critical a view of American society. Congress began to feel uncomfortable. Many legislators felt personally threatened. This was *their* society. Would there be anything left after the storm? Then suddenly they remembered that this President had won the election by only 120,000 votes, that 27 of the 50 states had voted against him, and that without the votes of his home state of Massachusetts he would never have entered the White House. They realized too that the majority of the Protestants, the businessmen, the liberal professions, the farmers, and the small town people were against him. True, Kennedy breakfasted every Tuesday morning with the Congressional leaders and met regularly with party representatives. True, too, he had great respect for Capitol Hill, and when he accompanied a Congressman to his state he went all out to support him. The problem lay elsewhere. Kennedy was on good personal terms with the members of Congress, but he failed to discuss matters with them often enough, and he didn't believe in committees. In their eyes, he spoke too frankly and refused to dodge the issues,⁽¹⁸⁾ and they didn't like the idea that he intended to govern the United States himself. "The executive branch of the government even wants to control the farmers," exclaimed Senator Dirksen. In 1961, Congress approved the budgets for national defense and the space program and voted in favor of the Peace Corps and the Alliance for Progress, but it rejected Kennedy's most important proposals, those aimed at helping the poor, the elderly, the unemployed, the students, the Negroes, and the farmers, and it voted down the measures that posed a threat to the medical profession, the businessmen, the stockholders, and the states.⁽¹⁹⁾ The bills voted by

Congress dealt with problems which, while in some cases urgent, were of secondary importance, and which had only minor political and economic repercussions. ⁽²⁰⁾ The coalitions re-formed on every issue, against an Urban Affairs Department one day, against the extension of Social Security the next. The 87th Congress will be remembered less for what it did than for what it did not do. But if the Congress was dissatisfied with Kennedy's domestic program, it was even more concerned about his foreign policy. His second State of the Union Message, in January, 1962, did nothing to reassure them: "Our overriding obligation in the months ahead is to fulfill the world's hopes by fulfilling our own faith . . ." "A strong America cannot neglect the aspirations of its citizens -- the welfare of the needy -- the health care of the elderly, the education of the young. For we are not developing the Nation's wealth for its own sake. Wealth is the means -- and people are the ends. All our material riches will avail us little if we do not use them to expand the opportunities of our people. Last year, we improved the diet of needy people -- provided more hot lunches and fresh milk to school children -- built more college dormitories -- and, for the elderly, expanded private housing, nursing homes, health services, and social security. But we have just begun. "To help those least fortunate of all, I am recommending a new public welfare program, stressing services instead of support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency. "To protect our consumers from the careless and the unscrupulous, I shall recommend improvements in the Food and Drug laws -- strengthening inspection and standards, halting unsafe and worthless products, preventing misleading labels, and cracking down on the illicit sale of habit-forming drugs . . ." "These various elements in our foreign policy lead, as I have said, to a single goal -- the goal of a peaceful world of free and independent states. This is our guide for the present and our vision for the future -- a free community of nations, independent but interdependent, uniting north and south, east and west, in one great family of man, outgrowing and transcending the hates and fears that rend our age. "We will not reach that goal today, tomorrow. We may not reach it in our own lifetime. But the quest is the greatest adventure in our century. "We sometimes chafe at the burden of our obligations, the complexity of our decisions, the agony of our choices. But there is no comfort or security for us in evasion, no solution in abdication, no relief in irresponsibility. "A year ago, in assuming the tasks of the Presidency, I said that few generations, in all history, had been granted the role of being the great defender of freedom in its hour of maximum danger. This is our good fortune; and I welcome it now as I did a year ago. For it is the fate of this generation -- of you in the Congress and of me as President -- to live with a struggle we did not start, in a world we did not make. But the pressures of life are not always distributed by choice. And while no nation has ever faced such a challenge, no nation has ever been so ready to seize the burden and the glory of freedom."⁽²¹⁾ A man is revealed more by what he writes than by what he says, and even more by what he does than by what he writes. The Senators took inventory of the year 1961: - on March 9, the Communists prepared to seize power in Laos;

- on April 12, the Soviets sent a man into space;

- on April 19, Castro repulsed the timid American invasion at the Bay of Pigs;

- on May 1, Hanoi predicted that it would control South Vietnam before the end of the year;

- on May 30, Trujillo was assassinated in the Dominican Republic;

- on June 4, Khrushchev told Kennedy in Vienna that the West would be driven from Berlin;

- on June 21, Khrushchev announced his intention of signing a separate peace treaty with East Germany;

- on July 4, Khrushchev and Brezhnev sent a message of congratulations on the occasion of the 185th anniversary of American independence;

- on July 8, Khrushchev announced that the Soviet Union was obliged to postpone the reduction of her armed forces;

- on July 26, President Juan Queros of Brazil re-established diplomatic relations with the Soviet Union;

- on August 13, work began on the Berlin Wall;

- on September 1, the Soviet Union resumed nuclear testing;

- on September 25, in a speech to the United Nations on the subject of Berlin, Kennedy quoted a

Russian author; ⁽²²⁾

- on October 27, the United Nations General Assembly requested the Soviet Union not to explode a 50-megaton bomb, and on October 28 the Soviets exploded it anyway;

- on November 25, President Kennedy granted an interview to Aleksei Adzhubei, Khrushchev's son-in-law. Adlai Stevenson, Kennedy's Ambassador to the United Nations, had declared: "The problem is not power, but moral righteousness. Foreign Chiefs of State regard United States foreign policy with astonishment, hilarity, or disdain." He was speaking, of course, of the foreign policy of the previous administration. Seventeen years after the end of World War II, the Congress noted that the only real allies the United States had left were the Germans, the Japanese, and the Spanish. While Representative Otto Passman of Louisiana was denouncing what he called the "internationalists," Kennedy was saying: "In urging the adoption of the United States Constitution, Alexander Hamilton advised his fellow New Yorkers to 'think continentally.' Today, Americans must learn to think intercontinentally." "Acting on our own, by ourselves, we cannot establish justice throughout the world; we cannot insure its domestic tranquillity, or provide for its common defense, or promote its general welfare, or secure the blessings of liberty to ourselves and our posterity. But joined with other free nations, we can do all this and more. We can assist the developing nations to throw off the yoke of poverty. We can balance our worldwide trade and payments at the highest possible level of growth. We can mount a deterrent powerful enough to deter any aggression. And ultimately we can help to achieve a world of law and free choice, banishing the world of war and coercion."⁽²³⁾ In April 1962, a Gallup poll revealed that a majority of the American people approved of what Kennedy was doing. He was as popular as Eisenhower. He grew more and more sure of himself. Congressmen and their wives were invited to the White House. They were forced to admit that he was much more accessible on the telephone than Ike, and that, unlike Franklin D. Roosevelt, who refused to receive his Congressional enemies, Truman, who cold-shouldered the Senators who had ignored him as Vice-President, and Eisenhower, who had kept his distance, Kennedy was on good terms with everyone. But his Congressional adversaries regarded his smiles as nothing more than clever tactics, and their committees continued to block his proposals.⁽²⁴⁾ They knew that they were up against an activist, a President who thought in broad strokes, not in terms of petty administrative details, an ultra-liberal who was on good terms with the unions and the Negroes, but whose strong point was not administration. He made maximum use of public relations and his direct access to the people to win popular support for his programs. Certain Democrats noted that his actions were more judicious than his words. They concluded that he was a persuasive, but not a dominant, President. The Republicans were less indulgent. They were wary of his intelligence, his generosity, and his ambition. The Republicans in the House were more vehement in their criticism. "*He's a clever politician,*" they said. "*He's only popular with the press. There's not a quarter of the people in my district who approve of his program.*" The President was labeled an opportunist and egocentrist. "*He talks like Churchill and acts like Chamberlain,*" they cried. "*For him, a Southern Democrat is the devil himself.*" The Congressional elections of 1962 were a disappointment to the Republicans, who gained few seats, probably because of Kennedy's vigorous stand during the Cuban missile crisis.⁽²⁵⁾ But the Democratic majority was only a chimera. Kennedy's legislative program still hung on the votes of three or four Democrats, and most of his proposals were still pending before Congress. In January 1963, Kennedy went on the offensive.⁽²⁶⁾ In the first six months of 1963, Congress approved 29 of his bills, but not the most important of them. ⁽²⁷⁾ He re-introduced the tax cut proposal aimed at stimulating the economy, and his measures providing aid to students, old people, and the poor. The Congressmen were more concerned about their mail. Their constituents urged a renewed offensive against Cuba and a decrease in federal spending, and they opposed any agreement with the Soviet Union. Legislative egoism is always a reflection of that of the voters. In the first days of the new administration, the Republican as well as the Democratic Congressmen had tried to steer the flow of federal dollars towards their states, but now the floors of the Capitol groaned under the burden of increased federal spending.⁽²⁸⁾ On June 19, 1963, Kennedy introduced his civil rights bill, The temperature of Congress shot up ten degrees and the debate was lively, but civil rights was holding up the whole legislative program. Many

Democrats disagreed with Kennedy about the urgency of this law. Many more Americans agreed with the Southern Senator who declared, "Kennedy's in a trap and I think he's beginning to realize it more and more."⁽²⁹⁾ They doubted that the administration could control the civil rights leaders, and when the President declared that this control depended on the passage of the civil rights bill, they accused him of blackmail. A breath of revolt swept through Capitol Hill. The Republicans proclaimed that this was the most political administration they had ever known. They refused to vote his tax cuts without comparable cuts in federal spending, and they opposed his foreign aid program.⁽³⁰⁾ In the last days of his administration, Congress sank into lethargy. Not only the major projects of the administration, but also the bill increasing taxes to provide funds for unemployment relief and urgent measures such as those concerning the Export-Import Bank and the regulation of cotton and milk prices were being held up at the Capitol. On May 25, 1961, Kennedy had told Congress: "I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth . . . in a very real sense, it will not be one man going the moon . . . it will be an entire nation." But in 1963 the majority of the voters were prosperous and self-satisfied. They weren't interested in the future. A Representative just back from his constituency declared. "My people don't want a lot of legislation. They are fat, dumb, and happy. They don't know what is going on in Washington, and don't want to know. They think there are too many laws. Maybe we ought to go on a repealing spree and get rid of some we already have on the books."⁽³¹⁾ Machiavelli had written, "We see by the experience of our times that those princes have become great who have paid little heed to faith, and have been cunning enough to deceive the minds of men. In the end, they have surpassed those who relied on loyalty." And Richard Nixon, a man who understands American politics, remarked, "*Kennedy's weaknesses are to be found in his successes -- both in domestic and in foreign policy.*" America was fat, dumb and happy. NOTES1. Frederick II.2. The results of the 1960 Presidential election were: Kennedy:

34,221,355 votes (49.7%)

Nixon: 34, 109, 398 votes (49.6%) 3. In 1957 at Atlanta and at Jackson, Mississippi he had criticized Eisenhower's intervention at Little Rock.4. Galbraith, a liberal Democrat and Harvard professor of economics, was named Ambassador to India.5. To William H. Lawrence of ABC television in December 1962.6. Profiles in Courage. 7. The Citizens' Research Council of Princeton, NJ estimated total campaign expenditures (reported and unreported) at \$200 million in 1964. *Time* has suggested that the actual figure may be closer to \$400 million. Barry Goldwater's unsuccessful presidential campaign cost \$19.3 million, John Lindsay's campaign for Mayor of New York \$2,000,000, and Nelson Rockefeller's Governorship race \$5,000,000. It can cost \$100,000 to run for a seat in the House of Representatives. The result is to rule out office seekers with modest means. As *Time* points out, "A candidate must now be rich or have rich friends or run the risk of making himself beholden to big contributors by accepting their big contributions." A further consequence of the financial pressures on political candidates is to open the way to corruption. *Time* calls political contributions "the basic nourishment of democracy." California Democratic boss Jesse Unruh says, "Money is the mother's milk of politics." Yet the laws governing the sources and the use made of political contributions are considered a joke, a "swiss cheese" full of loopholes. The 1925 Corrupt Practices Act, the consequence of a reform that originated with Teddy Roosevelt, prohibits contributions from national banks, corporations, labor unions and Government contractors, and limits individual contributions to \$5,000 a year per candidate. It sets a limit on spending of \$5,000 for a House candidate, \$25,000 for a candidate for the Senate, and \$3,000,000 for any political committee -- yet in 1960 the Democratic National Committee reported a \$3,800,000 *deficit*. In 1964, 10 Senate and 77 House candidates reported no expenses whatsoever. Presidential and Vice-Presidential candidates and intrastate committees are entirely exempt from these provisions. One way used to get around the \$3,000,000 limit is to create a number of different interstate committees, each authorized to spend \$3,000,000 a year, and which secretly channel funds to the unreporting state committees. Public cynicism is such that only 10% of the voters make political contributions. Even the nation's greatest political figures flout the laws. Senate leaders feel that detailed information about campaign contributions is "none of the public's business," and many legislators

are afraid the truth would shock the voters. None are prepared to permit their challengers to benefit from new and stricter codes. In 1962, President Kennedy appointed a committee that recommended a modest string of small reforms: tax relief for small donors, repeal of limitations on individual donations and interstate committee expenditures, tighter reporting and a registry of election finance to help enforce the rules. Congress ignored it. 8. In this regard, *US News and World Report* comments: "Many of the fortunes were amassed by the Senators and Representatives themselves . . ." (February 25, 1963). 9. On October 7, 1963, Bobby Baker, secretary of the Senate Democratic Caucus and known as the 101st Senator, resigned from his post following accusations of irregular financial manipulations and influence-peddling. Baker, a former Senate page who had served as "a sort of valet to some of the most powerful men in America," had been recommended for his job by Lyndon Johnson. In a few years he had amassed a small fortune. It appears that when he found himself in financial difficulty in 1962, he appealed, at Johnson's suggestion, to Senator Kerr, who promptly opened a \$300,000 bank account in Baker's name in Oklahoma City. In January 1966, Baker was indicted for income tax evasion. He was brought to trial in January 1967, but went free on \$5,000 bail. Senator Kerr died on January 1, 1963. 10. As a Senator from Massachusetts, John Kennedy voted in favor of the St. Lawrence Seaway and freer trade. Both of these bills ran counter to the interests of the New England shipping and textile industries. 11. The same Congressmen could be seen slipping furtively away from a White House dinner in order to light a cigar. 12. Farewell remarks to the participants in the Summer Intern Program, August 28, 1962. 13. Frankfurt, June 5, 1963. 14. Professor Richard E. Neustadt. 15. Certain Congressmen didn't hesitate to take advantage of their position. Newspaper stories in 1962 revealed that federal funds were made available to US Congressmen traveling abroad. In Paris, for example, "He (the Congressman) decides how much -- the Embassy doesn't question it. After that, he is on his own conscience. For all the Embassy knows, the money could go for night clubs or gambling or perfume, as well as for hotels and meals. The Embassy also stands ready to give him whatever other help he asks -- a car, driver, reservation for dinner, night club or theater. 'Anything except women,' says an official of one Embassy in Europe. 'We draw the line there.'" (*US News and World Report*, September 24, 1962). In the years after World War II, these distractions were paid out of "counterpart funds" (local currency deposited by a foreign government in counterpart of US dollar aid), but in Europe these funds are nearly exhausted, and the money now comes from other sources, for example the Department of Defense. 16. The chairmanships of Congressional committees are awarded on the basis of seniority. 17. December 17, 1962. 18. One evening at the White House, a Latin American political figure drew President Kennedy aside and started talking about the desperate position of his country, threatened, he claimed, by "political agitators and Communists." The President thought for a moment and then replied, "That's a very nice dress your wife is wearing." Coming from anyone else, this remark would have been considered a clever ploy, but Kennedy left the United States perplexed. 19. Rejected by Congress were proposals for:

- hospital and medical care for the aged under Social Security;
- an Urban Affairs Department;
- stand-by power for the President to cut taxes;
- withholding of taxes on dividends and interest;
- aid to public schools and colleges;
- an overhaul of the unemployment pay system, with more federal controls;
- a curb on literacy tests used to block Negro voters;
- public power from the US Atomic plant;
- federal scholarships for college students;
- repeal of the 4% dividend credit and of exclusion for first \$50 in dividends in federal income tax returns;
- broader powers for the Federal Trade Commission over business practices;
- aid to medical schools;
- rigid controls over grain farmers;
- a permanent Civil Rights Commission;

- pay for teachers' education;
- schooling for illiterate adults;
- changes in expense-account rules;
- new tax rules on overseas earnings;
- aid for migrant farm works, etc.

20. Approved by Congress were measures to: - raise the minimum wage from \$1 to \$1.25 an hour;

- appoint more federal judges;
- tighten federal drug laws;
- finance about \$5 billion worth of public works, including \$900 for emergency projects in depressed areas;
- raise postage rates 1 cent;
- raise federal wages;
- authorize the Justice Department to subpoena company records in civil antitrust cases;
- enlarge national parks;
- start a \$435 million plan for retraining the unemployed;
- empower the President to call up 150,000 reservists and endorsing any needed action in Cuba;
- adopt new laws on crime and gambling;
- provide additional help for small businesses;
- approve a higher debt ceiling;

- cut the duty-free allowance for travelers returning from abroad. 21. January 11, 1962. 22. "One recalls the order of the Czar in Pushkin's 'Boris Gudenov': 'Take steps at this very hour frontiers be fenced in by barriers . . . that not a single soul pass o'er the border, that not a hare be able to run or a crow to fly.'" 23. July 4, 1962. 24. The proposal for a tax cut and the bill establishing a withholding tax on dividends and interest. The Southern Democrats blocked a bill outlawing the literacy tests used in voter registration. 25. The composition of Congress following the 1962 elections was as follows: Senate -- 67 Democrats and 33 Republicans; House of Representatives -- 256 Democrats and 178 Republicans. 26. See Chapter 12, "Condemnation." 27. In the first six months of 1963, Congress voted to raise the ceiling of the national debt and approved a plan for controlling agricultural production. 28. The 1962-1963 budget totaled \$92.6 billion, as against \$87.7 in 1961-1962, and \$81.5 in 1960-1961. 29. *US News and World Report*. August 12, 1963. 30. United States foreign aid had totaled \$5.1 billion in 1962-1963. Kennedy managed, nevertheless, to maintain the requested level for 1963-1964, a total of \$4.7 billion. (Foreign aid in the last year of the Eisenhower administration totaled \$4.2 billion.) 31. *US News and World Report*. August 12, 1963.

Farewell America FORTRESSES *If your Majesty asks, 'What must be done for the benefit of my kingdom?' the high officials will say, 'What must be done for the benefit of our families?' and the minor functionaries and the common people will say, 'What can be done for our benefit?' The former and the latter will attempt to snatch these advantages from one another, and the kingdom itself will be endangered. In a kingdom of ten thousand chariots, the sovereign's assassin will be the head of a family with one thousand chariots. In a kingdom of one thousand chariots, the prince's assassin will be the head of a family with one hundred chariots. To own one thousand chariots out of ten thousand, or one hundred out of one thousand, may not seem like such a bad lot, but if gain is put before justice, men will not be satisfied until they have everything.* MENG-TSEU

7 Politicians *But the Senate, despite its decline in power and public esteem during the second half of the Nineteenth century, did not consist entirely of hogs and damned skulking wolves.* JOHN KENNEDY

PROFILES IN COURAGE "Whether I am on the winning or losing side is not the point with me. It is being on the side where my sympathies lie that matters." This disinterested creed was acceptable coming from a Senator, but a President is supposed to leave his heart behind. "Deceit, dishonesty and duplicity are the dominant characteristics of most national leaders."⁽¹⁾ There were few exceptions among the American political leaders of the Sixties. These professionals had nothing but contempt for the author of *Profiles in Courage*, this amateur who preached indulgence. They

underestimated the future of this uncommon admirer of the rational and courteous Whigs of the beginning of the Nineteenth Century. They were somewhat astonished at the organization of this candidate who set up his headquarters in a nine-room suite in the Esso Building in Washington, kept a card file of the 30,000 most influential Democrats in the country, and flew around in a \$270,000 Convair cheered by red-headed hostess Janet des Rosiers. Kennedy covered a million miles, the equivalent of 40 times around the globe, introducing the voters to his sophisticated Messianism, his heroic speeches, and his movie-star smile. "We love you on TV. You're better than Elvis Presley . . ." the students of Louisville told him. Like Woodrow Wilson, he kept repeating, "The hearts of men await our acts." He even declared that the President should be in the thick of the fight. The professionals just laughed. They knew that there are neither friends nor enemies in politics, only colleagues and competitors -- that virtues are nil and tactics are everything. They were sure he would lose, but he won by a hair,⁽²⁾ and they were surprised. They were even more surprised to learn that the ignorant and obstinate Protestants of West Virginia and the backwoods farmers of Minnesota, fervent supporters of Hubert H. Humphrey, had voted for him. Once they had recovered, the professionals took a second look at his platform. They noted that Kennedy had taken stands or made promises 150 times on matters of national defense, 54 times on foreign policy, 21 on agricultural problems, 35 on administration and justice, 41 on employment, 14 on business, and 16 on economic policy. They realized that he had managed to rally the Negroes while winning votes on the theme of white supremacy,⁽³⁾ and that although he claimed to be a liberal he had, on October 4, 1960, accused Eisenhower and Nixon of weakness and failure to act on the Cuban problem. At Evansville, he had even promised to overthrow Castro. He had affirmed his opposition to Communism and promised to strengthen national defense and initiate an anti-missile missile program. At Columbus, Ohio in 1959, Kennedy had described himself as not only a liberal, but a "strong liberal," but conservative Republicans scoffed at the liberal notions of this millionaire, and liberal Democrats regarded him with suspicion. Realizing that they had been beaten on their own ground, the professionals were even madder when they discovered Kennedy to be a fundamental adversary of their customary practices. The majority of the politicians were opposed to the President's anti-mediocrity drive. They recoiled at his impatience to rid the country of the Nibelungenlied of the Far West and the salesman. Politics as a career is looked down upon in the United States. Franklin D. Roosevelt called himself a farmer. Even as a Representative, and later as a Senator, Kennedy stood head and shoulders above the mass of greedy and embittered politicians who spend their lives laboriously scaling the ladder of success. "The White House is not for sale," Senator Wayne Morse of Oregon had once remarked. Kennedy was not one of them. He had never belonged to their cliques. He didn't act like a Senator, nor did he regard the Senate as the acme of human evolution. Most Senators followed the advice of Telemachus: "Service, talent, merit? Bah! Follow the group . . ." From that point of view, Kennedy was on a different level than Everett Dirksen, Hubert Humphrey, and Representative Hale Boggs of Louisiana. The day before his inauguration, they were still wondering how on earth he had gotten elected, what with the Senate for Johnson, the House for Symington, the intellectuals for Stevenson, the liberals of the ADA for Humphrey and Stevenson, the civil rights leaders for Humphrey, the labor leaders for Humphrey and Symington, and the Southerners for Johnson. When you came right down to it, Kennedy had only the people on his side. On January 29, 1961, Kennedy addressed his first State of the Union Message to Congress: "It is a pleasure to return from whence I came. You are among my oldest friends in Washington -- and this House is my oldest home. It was here, more than 14 years ago, that I first took the oath of federal office. It was here, for 14 years, that I gained both knowledge and inspiration from members of both parties in both Houses -- from your wise and generous leaders -- and from the pronouncements -- which I can vividly recall, sitting where you now sit -- including the programs of two great Presidents, the undimmed eloquence of Churchill, the soaring idealism of Nehru, the steadfast words of General de Gaulle. To speak from this same historic rostrum is a sobering experience. To be back among so many friends is a happy one. "I am confident that the friendship will continue. Our Constitution wisely assigns both joint and separate roles to each branch of the government; and a President and a Congress who hold each other in mutual respect

will neither permit nor attempt any trespass. For my part, I shall withhold from neither the Congress nor the people any fact or report, past, present, or future, which is necessary for an informed judgment of our conduct and hazards. I shall neither shift the burden of executive decisions to the Congress, nor avoid responsibility for the outcome of those decisions." He painted a gloomy picture of the state of the nation, denounced its weaknesses, and promised to face its problems squarely, adding: "Before my term has ended, we shall have to test anew whether a nation organized and governed such as ours can endure. The outcome is by no means certain." And he concluded, "It is one of the ironies of our time that the techniques of a harsh and repressive system should be able to instill discipline and ardor in its servants -- while the blessings of liberty have too often stood for privilege, materialism, and a life of ease. "But I have a different view of liberty. Life in 1961 will not be easy . . ." An imperceptible shiver went down the spine of Congress. A President cannot be judged on the strength of just one speech, but this President had already acted. The Democrats were disappointed when Kennedy chose McNamara over Stuart Symington for Secretary of Defense, and Dean Rusk rather than Adlai Stevenson as Secretary of State. They noted that Democratic National Committee Chairman Henry Jackson had been overlooked, and that the opposition groups the President needed to reconcile had no Cabinet representation. The Secretary of Agriculture did not come from the Farm Belt and wasn't known for his support of the farmers, and the Secretary of Labor was not one of the names backed by the unions. The job of Postmaster General went not to a politician or to the head of the party, but to an experienced administrator. Nevertheless, Kennedy named Douglas Dillon Secretary of the Treasury rather than J. Kenneth Galbraith in an attempt to reassure the Republicans.⁽⁴⁾ Kennedy's initial legislative proposals were moderate. He needed support on Capitol Hill, and he handled Congress like a wild animal that has to be treated with caution. He knew that there is nothing men like less than the truth, and that politics is a continual struggle, but he was as yet unaware of the burden of the Presidency. It had taken Harry Truman eighteen months to develop his own personal style. Kennedy was later to comment that "The first months are very hard . . ."⁽⁵⁾ He had difficulty in adapting his way of thinking to that of the politicians. Speaking before the cameras of CBS television in homage to poet Robert Frost, he remarked: "There is a story that, some years ago, an interested mother wrote to the principal of a school: Don't teach my boy poetry. He is going to run for Congress. "I have never taken the view that the world of politics and the world of poetry are so far apart. I think politicians and poets share at least one thing, and that is that their greatness depends upon the courage with which they face the challenger of life." When Lyndon Johnson was Senate Majority Leader, he had described the Senate in quite another way: "*The Senate is a wild animal that has to be tamed. You can stimulate it by pricking it lightly, but if you sting it too hard it may yield, or it may go after you. You have to approach it in just the right way, and you have to know what kind of a mood it's in.*" Lyndon Johnson had also said: "*They told me when I came to Congress that the best way to get along with your fellow Congressmen is to follow along.*" A Congressman has only two things to worry about: his fellow Congressmen, who can ruin his career, and his constituents, who can end it. A Senator who fails to support the interests of his state is taking a big risk. Kennedy knew that the Founding Fathers had conceived of the Senate as "a body which would not be subject to constituent pressures" and of Senators as "ambassadors from individual sovereign governments to the Federal Government, not representatives of the voting public."⁽⁶⁾ But things hadn't turned out that way. The ambassadors "were very often subject to corruption. Tradition and the law govern the conduct of the members of the executive branch, but the legislators are accountable to no one. Apparently it is impossible to legalize the relationship between money and politics in public life."⁽⁷⁾ Three members of the Kennedy administration were millionaires, but they could account for their fortunes, something which the majority of the 40 millionaire Congressmen (18 Representatives and 22 Senators, or one out of 3) would have found it more difficult to do.⁽⁸⁾ His vicuna coat cost Sherman Adams, Eisenhower's right-hand man, his White House job, but the shady dealings of Oklahoma Senator Robert Kerr, the uncrowned king of the Senate, were common knowledge.⁽⁹⁾ Walter Lippman once said that: "With exceptions so rare they are regarded as miracles of nature, successful democratic politicians are insecure and intimidated men. They advance politically only as they

placate, appease, bribe, seduce, bamboozle, or otherwise manage to manipulate the demanding, threatening elements in their constituencies. The decisive consideration is not whether the proposition is good but whether it is popular -- not whether it will work well and prove itself, but whether the active-talking constituents like it immediately." ⁽¹⁰⁾ Once Kennedy was installed in the White House and his style of living became apparent, the politicians realized that he had little in common with them. As a rural Congressman remarked in 1962, "All that Mozart string music and ballet dancing down there and all that fox-hunting and London clothes . . . He's too elegant for me." Representative Edward Hebert of Louisiana referred to the New Frontiersmen as "a bunch of striplings who are geniuses in the intellectual community but have never fired a shot in anger." Many politicians were so accustomed to addressing ignorant audiences that their vocabulary never advanced beyond a grammar-school level.⁽¹¹⁾ The American as opposed to the English language is keyed to the lowest common denominator. Kennedy's English was incomprehensible to them: "Would you have counted him a friend of ancient Greece who quietly discussed the theory of patriotism on that hot summer day through those hopeless and immortal hours Leonidas and the 300 stood at Thermopylae for liberty? Would you count anyone a friend of freedom who stands aside today?"⁽¹²⁾ "Thucydides reported that the Peloponnesians and their allies were almighty in battle but handicapped by their policy-making body -- in which, they related, each presses its own ends . . ."⁽¹³⁾ Who on earth was Thucydides? Where was the Peloponnesos? And what was Thermopylae? But there was more to it than that. In matters of religion Kennedy maintained a strict neutrality, but he had a Catholic conception of the Presidency. While Protestant theory bases political authority on the mandate of the people and a respect for the individual, Catholics regard authority as stemming directly from God. "I have tried to give my government a tone and a style that will serve as a inspiration for perfection," said Kennedy. "Perfection" is a foreign word on Capitol Hill, and Congressmen don't like to be preached at. The American Constitution places legislative power ahead of the executive. The President may request, suggest or advise the Congress, but that is the limit of his formal powers. Congress alone controls federal spending. The President is like a cat on a hot tin roof. His program is entirely dependent on the will of Congress. "A President who wants to make the most of his office must learn to weigh his stake of personal influence -- power in the sense of real effectiveness -- in the scales of every decision he makes. He must always think about his personal risks, in power terms not merely to protect himself -- that's the least of it -- but in order to get clues, insight about the risks to policy. His own position is so tenuous, so insecure, that if he thinks about it he is likely to learn something about unknowns and uncertainties in policy alternatives."⁽¹⁴⁾ Only twice in American history has the Senate unanimously backed the President: in 1930 after the Wall Street crash, and after the attack on Pearl Harbor. The Constitution stipulates that the Congress makes policy and the President executes it, but history and the rapid development of the United States have shifted the initiative to the White House. Nevertheless, the legislative system is such that Congress has the power to block not only revolutionary changes, but also needed reforms. Its structure is unsuited to the requirements of modern government. With its negative powers, it is an anachronism. It is true that by 1960 the Constitution was no longer followed to the letter. Congress retained the right to make policy, but the problems of a modern nation are so complex and so extensive that its members preferred to confine themselves to representing the interests of their constituents and blocking the initiatives of the administration. America is not adequately represented on Capitol Hill. The nervously conservative majority of the House of Representatives is continually in opposition to the more relaxed and open majority in the Senate. The members of the House, whose electoral districts are smaller, are absorbed by local problems. Because of their two-year term, they are constantly preoccupied with getting re-elected, to the detriment of their legislative duties. Most Congressmen shy away from the real problems facing the nation, those that can only be solved by federal intervention.⁽¹⁵⁾ Under Eisenhower, the power of the federal government diminished, to the benefit of the states. Washington and Dallas are worlds apart. "Many people in this country speak of Washington as if it were somewhere overseas," says Senate Democratic leader Mike Mansfield. The states are willing to accept favors from Washington. State highway construction, for example, is financed 93% by the federal government,

and federal education subsidies are equally high. But they refuse to accept the obvious -- that the United States are becoming more and more united. Even the regional accents are blending into one, but the cotton planters of the South still don't share the interests of the wheat farmers of the Middle West. Simultaneously with the development of the Presidential powers since the end of the Second World War, Congress has extended its control over the administration. The federal agencies are at the mercy of the committees on Capitol Hill. What great power today can afford the luxury of an omnipotent legislature? In reality, neither the President nor the Congress have clearly-defined powers. Their spheres of action overlap. But Kennedy's legislative proposals were more carefully planned and minutely detailed than those of any other President, even Roosevelt during the New Deal. Then, the future of the nation was at stake. The legislators knew it, but they grumbled about the "Roosevelt dictatorship" nevertheless, and 25 years later they still had not forgotten. Few Senators, even Democratic Senators, shared Kennedy's outlook. They voted in favor of his bills because a Senator is expected to support the President when his party is in power, or in some cases because they feared reprisals. Lyndon Johnson's accession to the Vice-Presidency in 1961 had weakened the majority group in Congress. The Democratic Party is the only true national party, but in the Congress it is split by conflicting local and regional interests. In 1961, the Southern Democrats allied with the conservative Republicans against the remainder of the Democrats, who were supported by a few liberal Republicans. But on important votes the latter returned to the fold. Such party discipline was rarely in evidence among the Democrats. The pressure of the lobbyists further confused the issues. In 1961, they were responsible for the House rejection of the Federal Education Bill that had already passed the Senate, and in 1962 in the Senate they succeeded in blocking the trade bill already approved by the House. With the 64 Southern Democrats generally voting against him, Kennedy was forced to rely on the votes of the dissident Republican Representatives. The fate of the New Frontier rested in the hands of a few aging Southern Senators, most of whom had been born before the turn of the century and represented rural interests in an urban nation, or hung on the ephemeral support of the nonconformist Republicans. The traditions and peculiarities of the Congressional system further complicated the situation.⁽¹⁶⁾ The vote on the budget was once delayed for four months because Representative Cannon (Missouri), aged 83, and Senator Hayden (Arizona), aged 84, were not on speaking terms. Other Senators like Richard Russell (Mississippi) or Harry F. Byrd (Virginia), who once declared that "the Social Security Administration is bankrupt," were centuries away from President Kennedy in their thinking. The antediluvian rules governing the Congress gave them all the help they needed. Kennedy himself acknowledged that: "The Constitution and the development of the Congress all give advantage to delay. It is very easy to defeat a bill in the Congress. It is much more difficult to pass one. To go through a committee, say the Ways and Means Committee of the House subcommittee and get a majority vote, the full committee and get a majority vote, go to the Rules Committee and get a rule, go to the floor of the House and get a majority, start over again in the Senate, subcommittee and full committee, and in the Senate there is unlimited debate, so you can never bring a matter to a vote if there is enough determination on the part of the opponents, even if they are a minority, to go through the Senate with the bill. And then unanimously get a conference between the House and Senate to adjust the bill, or if one member objects, to have it go back through the Rules Committee, back through the Congress, and have this done on a controversial piece of legislation where powerful groups are opposing it, that is an extremely difficult task. So that the struggle of a President who has a program to move it through the Congress, particularly when the seniority system may place particular individuals in key positions who may be wholly unsympathetic to your program, and may be, even though they are members of your own party, in political opposition to the President -- this is a struggle which every President who has tried to get a program through has had to deal with. After all, Franklin Roosevelt was elected by the largest majority in history in 1936, and he got his worst defeat a few months afterwards in the Supreme Court bill." And he added: "No President's program is ever put in. The only time a President's program is put in quickly and easily is when the program is insignificant. But if it is significant and affects important interests and is controversial, therefore, then there is a fight, and the President is never wholly successful."⁽¹⁷⁾

Kennedy's legislative proposals encroached upon traditional doctrines and attacked vested interests. It was not often that he emerged victorious from the battle. In less than 3 years, he sent 1,054 bills to Congress. During his first 100 days in office, he made 277 separate proposals concerning anti-recession measures, health, housing, education, foreign aid, Latin America, the highway program, taxes and agriculture. There were too many ideas and they came too fast. His proposals were presented too coldly and analytically, and they implied too critical a view of American society. Congress began to feel uncomfortable. Many legislators felt personally threatened. This was *their* society. Would there be anything left after the storm? Then suddenly they remembered that this President had won the election by only 120,000 votes, that 27 of the 50 states had voted against him, and that without the votes of his home state of Massachusetts he would never have entered the White House. They realized too that the majority of the Protestants, the businessmen, the liberal professions, the farmers, and the small town people were against him. True, Kennedy breakfasted every Tuesday morning with the Congressional leaders and met regularly with party representatives. True, too, he had great respect for Capitol Hill, and when he accompanied a Congressman to his state he went all out to support him. The problem lay elsewhere. Kennedy was on good personal terms with the members of Congress, but he failed to discuss matters with them often enough, and he didn't believe in committees. In their eyes, he spoke too frankly and refused to dodge the issues,⁽¹⁸⁾ and they didn't like the idea that he intended to govern the United States himself. "The executive branch of the government even wants to control the farmers," exclaimed Senator Dirksen. In 1961, Congress approved the budgets for national defense and the space program and voted in favor of the Peace Corps and the Alliance for Progress, but it rejected Kennedy's most important proposals, those aimed at helping the poor, the elderly, the unemployed, the students, the Negroes, and the farmers, and it voted down the measures that posed a threat to the medical profession, the businessmen, the stock-holders, and the states.⁽¹⁹⁾ The bills voted by Congress dealt with problems which, while in some cases urgent, were of secondary importance, and which had only minor political and economic repercussions.⁽²⁰⁾ The coalitions re-formed on every issue, against an Urban Affairs Department one day, against the extension of Social Security the next. The 87th Congress will be remembered less for what it did than for what it did not do. But if the Congress was dissatisfied with Kennedy's domestic program, it was even more concerned about his foreign policy. His second State of the Union Message, in January, 1962, did nothing to reassure them: "Our overriding obligation in the months ahead is to fulfill the world's hopes by fulfilling our own faith . . . "A strong America cannot neglect the aspirations of its citizens -- the welfare of the needy -- the health care of the elderly, the education of the young. For we are not developing the Nation's wealth for its own sake. Wealth is the means -- and people are the ends. All our material riches will avail us little if we do not use them to expand the opportunities of our people. Last year, we improved the diet of needy people -- provided more hot lunches and fresh milk to school children -- built more college dormitories -- and, for the elderly, expanded private housing, nursing homes, health services, and social security. But we have just begun. "To help those least fortunate of all, I am recommending a new public welfare program, stressing services instead of support, rehabilitation instead of relief, and training for useful work instead of prolonged dependency. "To protect our consumers from the careless and the unscrupulous, I shall recommend improvements in the Food and Drug laws -- strengthening inspection and standards, halting unsafe and worthless products, preventing misleading labels, and cracking down on the illicit sale of habit-forming drugs . . . "These various elements in our foreign policy lead, as I have said, to a single goal -- the goal of a peaceful world of free and independent states. This is our guide for the present and our vision for the future -- a free community of nations, independent but interdependent, uniting north and south, east and west, in one great family of man, outgrowing and transcending the hates and fears that rend our age. "We will not reach that goal today, tomorrow. We may not reach it in our own lifetime. But the quest is the greatest adventure in our century. "We sometimes chafe at the burden of our obligations, the complexity of our decisions, the agony of our choices. But there is no comfort or security for us in evasion, no solution in abdication, no relief in irresponsibility. "A year ago, in assuming the tasks of the Presidency, I said that few generations, in all history, had been

granted the role of being the great defender of freedom in its hour of maximum danger. This is our good fortune; and I welcome it now as I did a year ago. For it is the fate of this generation -- of you in the Congress and of me as President -- to live with a struggle we did not start, in a world we did not make. But the pressures of life are not always distributed by choice. And while no nation has ever faced such a challenge, no nation has ever been so ready to seize the burden and the glory of freedom."⁽²¹⁾ A man is revealed more by what he writes than by what he says, and even more by what he does than by what he writes. The Senators took inventory of the year 1961: - on March 9, the Communists prepared to seize power in Laos;

- on April 12, the Soviets sent a man into space;

- on April 19, Castro repulsed the timid American invasion at the Bay of Pigs;

- on May 1, Hanoi predicted that it would control South Vietnam before the end of the year;

- on May 30, Trujillo was assassinated in the Dominican Republic;

- on June 4, Khrushchev told Kennedy in Vienna that the West would be driven from Berlin;

- on June 21, Khrushchev announced his intention of signing a separate peace treaty with East Germany;

- on July 4, Khrushchev and Brezhnev sent a message of congratulations on the occasion of the 185th anniversary of American independence;

- on July 8, Khrushchev announced that the Soviet Union was obliged to postpone the reduction of her armed forces;

- on July 26, President Juan Quadros of Brazil re-established diplomatic relations with the Soviet Union;

- on August 13, work began on the Berlin Wall;

- on September 1, the Soviet Union resumed nuclear testing;

- on September 25, in a speech to the United Nations on the subject of Berlin, Kennedy quoted a Russian author; ⁽²²⁾

- on October 27, the United Nations General Assembly requested the Soviet Union not to explode a 50-megaton bomb, and on October 28 the Soviets exploded it anyway;

- on November 25, President Kennedy granted an interview to Aleksei Adzhubei, Khrushchev's son-in-law. Adlai Stevenson, Kennedy's Ambassador to the United Nations, had declared: "The problem is not power, but moral righteousness. Foreign Chiefs of State regard United States foreign policy with astonishment, hilarity, or disdain." He was speaking, of course, of the foreign policy of the previous administration. Seventeen years after the end of World War II, the Congress noted that the only real allies the United States had left were the Germans, the Japanese, and the Spanish.

While Representative Otto Passman of Louisiana was denouncing what he called the

"internationalists," Kennedy was saying: "In urging the adoption of the United States Constitution,

Alexander Hamilton advised his fellow New Yorkers to 'think continentally.' Today, Americans

must learn to think intercontinentally." "Acting on our own, by ourselves, we cannot establish

justice throughout the world; we cannot insure its domestic tranquillity, or provide for its common

defense, or promote its general welfare, or secure the blessings of liberty to ourselves and our

posterity. But joined with other free nations, we can do all this and more. We can assist the

developing nations to throw off the yoke of poverty. We can balance our worldwide trade and

payments at the highest possible level of growth. We can mount a deterrent powerful enough to

deter any aggression. And ultimately we can help to achieve a world of law and free choice,

banishing the world of war and coercion."⁽²³⁾ In April 1962, a Gallup poll revealed that a majority of

the American people approved of what Kennedy was doing. He was as popular as Eisenhower. He

grew more and more sure of himself. Congressmen and their wives were invited to the White

House. They were forced to admit that he was much more accessible on the telephone than Ike, and

that, unlike Franklin D. Roosevelt, who refused to receive his Congressional enemies, Truman, who

cold-shouldered the Senators who had ignored him as Vice-President, and Eisenhower, who had

kept his distance, Kennedy was on good terms with everyone. But his Congressional adversaries

regarded his smiles as nothing more than clever tactics, and their committees continued to block his

proposals.⁽²⁴⁾ They knew that they were up against an activist, a President who thought in broad

strokes, not in terms of petty administrative details, an ultra-liberal who was on good terms with the unions and the Negroes, but whose strong point was not administration. He made maximum use of public relations and his direct access to the people to win popular support for his programs. Certain Democrats noted that his actions were more judicious than his words. They concluded that he was a persuasive, but not a dominant, President. The Republicans were less indulgent. They were wary of his intelligence, his generosity, and his ambition. The Republicans in the House were more vehement in their criticism. *"He's a clever politician,"* they said. *"He's only popular with the press. There's not a quarter of the people in my district who approve of his program."* The President was labeled an opportunist and egocentrist. *"He talks like Churchill and acts like Chamberlain,"* they cried. *"For him, a Southern Democrat is the devil himself."* The Congressional elections of 1962 were a disappointment to the Republicans, who gained few seats, probably because of Kennedy's vigorous stand during the Cuban missile crisis.⁽²⁵⁾ But the Democratic majority was only a chimera. Kennedy's legislative program still hung on the votes of three or four Democrats, and most of his proposals were still pending before Congress. In January 1963, Kennedy went on the offensive.⁽²⁶⁾ In the first six months of 1963, Congress approved 29 of his bills, but not the most important of them.⁽²⁷⁾ He re-introduced the tax cut proposal aimed at stimulating the economy, and his measures providing aid to students, old people, and the poor. The Congressmen were more concerned about their mail. Their constituents urged a renewed offensive against Cuba and a decrease in federal spending, and they opposed any agreement with the Soviet Union. Legislative egoism is always a reflection of that of the voters. In the first days of the new administration, the Republican as well as the Democratic Congressmen had tried to steer the flow of federal dollars towards their states, but now the floors of the Capitol groaned under the burden of increased federal spending.⁽²⁸⁾ On June 19, 1963, Kennedy introduced his civil rights bill, The temperature of Congress shot up ten degrees and the debate was lively, but civil rights was holding up the whole legislative program. Many Democrats disagreed with Kennedy about the urgency of this law. Many more Americans agreed with the Southern Senator who declared, "Kennedy's in a trap and I think he's beginning to realize it more and more."⁽²⁹⁾ They doubted that the administration could control the civil rights leaders, and when the President declared that this control depended on the passage of the civil rights bill, they accused him of blackmail. A breath of revolt swept through Capitol Hill. The Republicans proclaimed that this was the most political administration they had ever known. They refused to vote his tax cuts without comparable cuts in federal spending, and they opposed his foreign aid program.⁽³⁰⁾ In the last days of his administration, Congress sank into lethargy. Not only the major projects of the administration, but also the bill increasing taxes to provide funds for unemployment relief and urgent measures such as those concerning the Export-Import Bank and the regulation of cotton and milk prices were being held up at the Capitol. On May 25, 1961, Kennedy had told Congress: "I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth . . . in a very real sense, it will not be one man going the moon . . . it will be an entire nation." But in 1963 the majority of the voters were prosperous and self-satisfied. They weren't interested in the future. A Representative just back from his constituency declared. "My people don't want a lot of legislation. They are fat, dumb, and happy. They don't know what is going on in Washington, and don't want to know. They think there are too many laws. Maybe we ought to go on a repealing spree and get rid of some we already have on the books."⁽³¹⁾ Machiavelli had written, "We see by the experience of our times that those princes have become great who have paid little heed to faith, and have been cunning enough to deceive the minds of men. In the end, they have surpassed those who relied on loyalty." And Richard Nixon, a man who understands American politics, remarked, *"Kennedy's weaknesses are to be found in his successes -- both in domestic and in foreign policy."* America was fat, dumb and happy. NOTES1. Frederick II.2. The results of the 1960 Presidential election were: Kennedy: 34,221,355 votes (49.7%) Nixon: 34, 109, 398 votes (49.6%) 3. In 1957 at Atlanta and at Jackson, Mississippi he had criticized Eisenhower's intervention at Little Rock.4. Galbraith, a liberal Democrat and Harvard professor of economics, was named Ambassador to India.5. To William H. Lawrence of ABC

television in December 1962.⁶ Profiles in Courage. 7. The Citizens' Research Council of Princeton, NJ estimated total campaign expenditures (reported and unreported) at \$200 million in 1964. *Time* has suggested that the actual figure may be closer to \$400 million. Barry Goldwater's unsuccessful presidential campaign cost \$19.3 million, John Lindsay's campaign for Mayor of New York \$2,000,000, and Nelson Rockefeller's Governorship race \$5,000,000. It can cost \$100,000 to run for a seat in the House of Representatives. The result is to rule out office seekers with modest means. As *Time* points out, "A candidate must now be rich or have rich friends or run the risk of making himself beholden to big contributors by accepting their big contributions." A further consequence of the financial pressures on political candidates is to open the way to corruption. *Time* calls political contributions "the basic nourishment of democracy." California Democratic boss Jesse Unruh says, "Money is the mother's milk of politics." Yet the laws governing the sources and the use made of political contributions are considered a joke, a "swiss cheese" full of loopholes. The 1925 Corrupt Practices Act, the consequence of a reform that originated with Teddy Roosevelt, prohibits contributions from national banks, corporations, labor unions and Government contractors, and limits individual contributions to \$5,000 a year per candidate. It sets a limit on spending of \$5,000 for a House candidate, \$25,000 for a candidate for the Senate, and \$3,000,000 for any political committee -- yet in 1960 the Democratic National Committee reported a \$3,800,000 *deficit*. In 1964, 10 Senate and 77 House candidates reported no expenses whatsoever. Presidential and Vice-Presidential candidates and intrastate committees are entirely exempt from these provisions. One way used to get around the \$3,000,000 limit is to create a number of different interstate committees, each authorized to spend \$3,000,000 a year, and which secretly channel funds to the unreporting state committees. Public cynicism is such that only 10% of the voters make political contributions. Even the nation's greatest political figures flout the laws. Senate leaders feel that detailed information about campaign contributions is "none of the public's business," and many legislators are afraid the truth would shock the voters. None are prepared to permit their challengers to benefit from new and stricter codes. In 1962, President Kennedy appointed a committee that recommended a modest string of small reforms: tax relief for small donors, repeal of limitations on individual donations and interstate committee expenditures, tighter reporting and a registry of election finance to help enforce the rules. Congress ignored it. 8. In this regard, *US News and World Report* comments: "Many of the fortunes were amassed by the Senators and Representatives themselves . . ." (February 25, 1963). 9. On October 7, 1963, Bobby Baker, secretary of the Senate Democratic Caucus and known as the 101st Senator, resigned from his post following accusations of irregular financial manipulations and influence-peddling. Baker, a former Senate page who had served as "a sort of valet to some of the most powerful men in America," had been recommended for his job by Lyndon Johnson. In a few years he had amassed a small fortune. It appears that when he found himself in financial difficulty in 1962, he appealed, at Johnson's suggestion, to Senator Kerr, who promptly opened a \$300,000 bank account in Baker's name in Oklahoma City. In January 1966, Baker was indicted for income tax evasion. He was brought to trial in January 1967, but went free on \$5,000 bail. Senator Kerr died on January 1, 1963. 10. As a Senator from Massachusetts, John Kennedy voted in favor of the St. Lawrence Seaway and freer trade. Both of these bills ran counter to the interests of the New England shipping and textile industries. 11. The same Congressmen could be seen slipping furtively away from a White House dinner in order to light a cigar. 12. Farewell remarks to the participants in the Summer Intern Program, August 28, 1962. 13. Frankfurt, June 5, 1963. 14. Professor Richard E. Neustadt. 15. Certain Congressmen didn't hesitate to take advantage of their position. Newspaper stories in 1962 revealed that federal funds were made available to US Congressmen traveling abroad. In Paris, for example, "He (the Congressman) decides how much -- the Embassy doesn't question it. After that, he is on his own conscience. For all the Embassy knows, the money could go for night clubs or gambling or perfume, as well as for hotels and meals. The Embassy also stands ready to give him whatever other help he asks -- a car, driver, reservation for dinner, night club or theater. 'Anything except women,' says an official of one Embassy in Europe. 'We draw the line there.'" (*US News and World Report*, September 24, 1962). In the years after World War II, these distractions were paid out of "counterpart funds" (local

currency deposited by a foreign government in counterpart of US dollar aid), but in Europe these funds are nearly exhausted, and the money now comes from other sources, for example the Department of Defense. 16. The chairmanships of Congressional committees are awarded on the basis of seniority. 17. December 17, 1962. 18. One evening at the White House, a Latin American political figure drew President Kennedy aside and started talking about the desperate position of his country, threatened, he claimed, by "political agitators and Communists." The President thought for a moment and then replied, "That's a very nice dress your wife is wearing." Coming from anyone else, this remark would have been considered a clever ploy, but Kennedy left the United States perplexed. 19. Rejected by Congress were proposals for:

- hospital and medical care for the aged under Social Security;
- an Urban Affairs Department;
- stand-by power for the President to cut taxes;
- withholding of taxes on dividends and interest;
- aid to public schools and colleges;
- an overhaul of the unemployment pay system, with more federal controls;
- a curb on literacy tests used to block Negro voters;
- public power from the US Atomic plant;
- federal scholarships for college students;
- repeal of the 4% dividend credit and of exclusion for first \$50 in dividends in federal income tax returns;
- broader powers for the Federal Trade Commission over business practices;
- aid to medical schools;
- rigid controls over grain farmers;
- a permanent Civil Rights Commission;
- pay for teachers' education;
- schooling for illiterate adults;
- changes in expense-account rules;
- new tax rules on overseas earnings;
- aid for migrant farm works, etc.

20. Approved by Congress were measures to:

- raise the minimum wage from \$1 to \$1.25 an hour;
- appoint more federal judges;
- tighten federal drug laws;
- finance about \$5 billion worth of public works, including \$900 for emergency projects in depressed areas;
- raise postage rates 1 cent;
- raise federal wages;
- authorize the Justice Department to subpoena company records in civil antitrust cases;
- enlarge national parks;
- start a \$435 million plan for retraining the unemployed;
- empower the President to call up 150,000 reservists and endorsing any needed action in Cuba;
- adopt new laws on crime and gambling;
- provide additional help for small businesses;
- approve a higher debt ceiling;

cut the duty-free allowance for travelers returning from abroad. 21. January 11, 1962. 22. "One recalls the order of the Czar in Pushkin's 'Boris Gudenov': 'Take steps at this very hour frontiers be fenced in by barriers . . . that not a single soul pass o'er the border, that not a hare be able to run or a crow to fly.'" 23. July 4, 1962. 24. The proposal for a tax cut and the bill establishing a withholding tax on dividends and interest. The Southern Democrats blocked a bill outlawing the literacy tests used in voter registration. 25. The composition of Congress following the 1962 elections was as follows: Senate -- 67 Democrats and 33 Republicans; House of Representatives -- 256 Democrats and 178 Republicans. 26. See Chapter 12, "Condemnation." 27. In the first six months of 1963, Congress voted to raise the ceiling of the national debt and approved a plan for controlling

agricultural production.²⁸ The 1962-1963 budget totaled \$92.6 billion, as against \$87.7 in 1961-1962, and \$81.5 in 1960-1961. ²⁹ *US News and World Report*. August 12, 1963. ³⁰ United States foreign aid had totaled \$5.1 billion in 1962-1963. Kennedy managed, nevertheless, to maintain the requested level for 1963-1964, a total of \$4.7 billion. (Foreign aid in the last year of the Eisenhower administration totaled \$4.2 billion.) ³¹ *US News and World Report*. August 12, 1963.

Farewell America

9Businessmen. . . *the President's action points inevitably to a federal dictatorship over business.*

DAVID LAWRENCE

*US News and World Report*The American people will find it hard, as I do, to accept a situation in which a tiny handful of steel executives whose pursuit of private power and profit exceeds their sense of public responsibility can show such utter contempt for the interests of 185 million Americans. PRESIDENT KENNEDY, April 11, 1962 Engraved over the entrance to the Business School of Columbia University is a motto which exhorts the nation's businessmen to a "high sense of duty." Since the death of Roosevelt, whose very name they reviled,⁽¹⁾ the businessmen had been left to their own devices. Truman and Eisenhower had been modest petty bourgeois, and Nixon would certainly have followed in their footsteps. The businessmen were wary of President Kennedy, who as a young Senator from Massachusetts had opposed the Taft-Hartley law and neglected the industrialists of his state. Kennedy did not regard profit-making as the most esteemed of vocations. Brought up in a family of millionaires and a millionaire himself, he was not impressed by other millionaires, nor did he consider the successful businessman the most admirable of beings. He liked to quote from Dr. Johnson: "A merchant's desire is not of glory but of gain; not of public wealth, but of private emolument; he is therefore rarely to be consulted on questions of war or peace, or any designs of wide extent and distant consequence." He was well aware of their power, but he did not trust the Titans. When he became President he declared, "Taken individually, labor leaders are often mediocre and egotistical, but labor as a whole generally adopts intelligent positions on important problems. On the other hand, businessmen are often individually enlightened but collectively hopeless in the field of national policy." Eisenhower sought out the Titans, respected their advice, and treated them as they thought they deserved to be treated -- in other words, as representatives of the most influential body in the nation. Kennedy kept his distance. Prior to his election he had had little contact with industrial circles, and once he was in the White House he saw even less of them. Businessmen were generally excluded from the Kennedys' private parties. Not only did he "snub" them (in the words of Ralph Cordiner, President of General Electric), he also attacked them. Kennedy did not consult the business world before making his appointments. The men he placed at the head of the federal regulatory agencies were entirely new.⁽²⁾ Since the end of the war, the businessmen had become accustomed to considering these bodies as adjuncts of their own professional associations. They were more indignant than surprised. They attempted to intervene, but in vain. The President had a mind of his own. In January 1961, the nation seemed stable and prosperous. The economy was suffering from a slight recession, but the level of unemployment was considered acceptable.⁽³⁾ But in his first State of the Union Message on January 30, Kennedy spoke of the changes needed in terms that seemed to echo the words of Franklin D. Roosevelt as he inaugurated the New Deal, at a time when the economy of the United States had struck bottom and the Titans were nearly asphyxiated. "The present state of our national economy is disturbing," he began. He called for "urgent increases in federal expenditures in the fields of housing, urban renewal, school construction, medical research, and juvenile delinquency." He proposed a new plan for the economic, social and cultural development of foreign countries. The President's policy towards Latin America alarmed the businessmen even more than it worried the Pentagon and the diplomatists. The business world foresaw the economic consequences of the President's foreign policies. In *Strategy of Peace*, he had written: "Just as we must recall our own revolutionary past in order to understand the spirit and the significance of the anti-colonialist uprisings in Asia and Africa, we should now reread the life of Simon Bolivar, the great 'Liberator' of South America . . . in order to comprehend the new contagion for liberty and reform now

spreading south of our borders . . . "Fidel Castro is part of the legacy of Bolivar, who led his men over the Andes Mountains, vowing 'war to the death' against Spanish rule, saying, 'Where a goat can pass, so can an army.' Castro is also part of the frustration of that earlier revolution which won its war against Spain but left largely untouched the indigenous feudal order . . . "But Cuba is not an isolated case. We can still show our concern for liberty and our opposition to the status quo in our relations with the other Latin American dictators who now, or in the future, try to suppress their people's aspirations." Later he added, "Our differences with Cuba do not concern the impulse that drives the people of this country toward a better life. The economic and social reforms undertaken in Cuba must be encouraged. One of his closest advisers, historian Arthur Schlesinger, wrote: "All across Latin America the ancient oligarchies -- landholders, Church and Army -- are losing their grip. There is a groundswell of inarticulate mass dissatisfaction on the part of peons, Indians, miners, plantation workers, factory hands, classes held down past all endurance and now approaching a state of revolt." Near Recife, Schlesinger had seen poverty-stricken villages full of starving children covered with scabs. He recalled that before Castro came to power Havana had been nothing but a giant casino and brothel for American businessmen over for a big weekend. "My fellow countrymen reeled through the streets, picking up fourteen-year-old Cuban girls and tossing coins to make men scramble in the gutter,"⁽⁴⁾ he wrote. The policies of the President and his advisers were certain to have economic repercussions. In April 1962, a year after the inauguration of the Alliance for Progress, Latin America, in the eyes of the conservatives, appeared headed for chaos. In Argentina, President Frondizi had just been overthrown by a military coup, and rioting had broken out in Guatemala and Ecuador. There was no country to the South that could be considered politically and economically stable.⁽⁵⁾ Capital flowed back into the United States, frightened by the specter of Castroist revolution. But the effect on the American economy threatened to be even worse. The businessmen could not accept concepts like those of Schlesinger, who declared that the essential thing was not, as Nixon had suggested, to stimulate the cosmetics industry,⁽⁶⁾ but to build hospitals and to invest in sectors that affected the strength of the nation and the welfare of the people. Kennedy and his team called themselves "liberals," but the most intelligent of their adversaries, like economist Milton Friedman, questioned their right to use this term. "As a supreme, if unintended compliment, the enemies of the system of private enterprise have thought it wise to appropriate its label," Friedman wrote. To his adversaries, President Kennedy's economic policies appeared to be inspired entirely by a concern for public welfare to which they were fundamentally opposed. They quoted the words of Jefferson, "The government is best which governs least." Many of them preferred the freedom to make a million or go bankrupt to the governmental planning and regulation that diminished the range of these alternatives. Senator Barry Goldwater was a good example of this mentality. The little people considered the cowboy-grocer as one of their own, and the big men knew that, regardless of his political destiny, they had nothing to fear from him. For Goldwater, a General in the Air Force Reserve, intelligence was nothing but the "*extremism of imbeciles*." Turning his back on this kind of extremism, Goldwater expressed himself in vague definitions of the great problems of the day, asserting that unemployment was but "*an excuse for the lazy*," and the government "*the end of individualism*." But he turned serious when he wrote: "Welfare is a private concern . . . The current instrument of collectivism is the Welfare State. The collectivists have finally realized that it is possible to institute socialism through a policy of welfare as well as by nationalization. Welfare socialism is much more difficult to combat. It takes an individual and changes him from a spiritual creature, proud, hardworking and independent, into a dependent and animal creature. "We must reject this false notion that Communism is brought about by poverty, illness, and other similar social or economic conditions. Communism is brought about by the communists, and by them alone. Communism is international conspiracy, and its goal is to re-establish slavery throughout the earth. "The advent of a reign of freedom, justice, peace and prosperity is impossible until Communism has been defeated. The victory over Communism must be the principal and immediate goal of American policy. All other objectives are secondary. We must take the offensive. American civilization is man's greatest achievement in the history of the world . . . "In *Strategy of Peace*, Kennedy actually described Fidel Castro as the 'heir of Bolivar, the

great liberator of South America' . . . the same Bolivar who led his men across the Andes after declaring all-out war on Spain. We must fight Communist subversion throughout the Western Hemisphere, within our borders as well as in Central and South America, with all the weapons at our disposal. It is inconceivable that Castro, that show-off puppet, that lackey of Kennedy be allowed to make fun of us and jeer at our freedom only a few minutes' flying time from our closest city . . . Financial circles have been deeply disturbed by the recent events in Guatemala, Bolivia, and particularly in Cuba . . . "In the last analysis, the choice is not between surrender or nuclear war. It is between winning or fighting a nuclear war. We must cut out extravagant and useless domestic programs and stop wasting our money on utopian foreign aid projects." As if in answer, Kennedy declared on March 13: "For the first time we have the capacity to strike off the remaining bonds of poverty and ignorance -- to free our people for the spiritual and intellectual fulfillment which has always been the goal of our civilization . . . "This political freedom must be accompanied by social change. For unless necessary social reforms, including land and tax reform, are freely made -unless we broaden the opportunities for all our people -- unless the great mass of Americans share in increasing prosperity -- then our alliance, our revolution, our dream, and our freedom will fail. But we call for social change by free men -- change in the spirit of Washington and Jefferson, of Bolivar and San Martin and Martin -- not change which seeks to impose on men tyrannies which we cast out a century and a half ago. Our motto is what it has always been -- progress yes, tyranny no -- progreso si, tirania no!" Caracas⁽²⁾ and then Bogota gave the President of the United States a warm welcome. In Mexico in June 1962, he paid tribute to the Mexican revolution, and in March 1963 in Costa Rica he defended the rights of the peasants to land and an education and called for an end to "the ancient institutions that perpetuate privileges." His enemies saw the Kennedy Administration as the ally of the "agitating popular forces" of the continent south of the border, "working towards progress and a better life for the masses by evolution if possible, or by revolution if that is the price that must be paid. ⁽⁸⁾ Revolution! Many people thought that it had already invested the White House, despite the reassurances of the President. On February 13, 1961, he told the National Industrial Conference Board: "There is no inevitable clash between the public and private sectors -- or between investment and consumption -- nor, as I have said, between Government and business. All elements in our national economic growth are interdependent. Each must play its proper role -- and that is the hope and the aim of this administration . . . "We will not discriminate for or against any segment of our society, or any segment of the business community. We are vigorously opposed to corruption and monopoly and human exploitation -- but we are not opposed to business. We know that your success and ours are intertwined -- that you have facts and knowledge that we need. Whatever past differences may have existed, we seek more than an attitude of truce, more than a treaty -- we seek the spirit of a full- fledged alliance." His tone annoyed his business audience, who thought they perceived a hint of paternalism, and who were somewhat less than eager to cooperate with the federal government. The Business Advisory Council discontinued its meetings and decided to break off relations with the Commerce Department. The members of the Council noted uneasily that the Kennedy virus had spread to Commerce Secretary Luther Hodges, a man they had thought they could count on. The Democrats had inherited a rather mediocre economic situation from the Eisenhower Administration. 1961 was not a very good year. True, the national income had increased 19.6% between 1958-1961 as compared with its 1954-1957 level, corporate sales had risen 18.7%, and salaries had climbed 18.9%. But the prosperity of an economy is written in the balance sheet, and during the same period business profits had risen only 3.3% after taxes.⁽⁹⁾ Critics also noted that the federal and state governments were steadily expanding, and that their expenditures equaled one-third of the gross national product. ⁽¹⁰⁾ Retail prices had remained stable, and wholesale prices had dropped 1%, ⁽¹¹⁾ but the personal incomes of some of the Titans had also dropped. ⁽¹²⁾ Things looked better at the beginning of 1962. The automobile industry, the economic thermometer of the nation, predicted an annual sales figure of 7 million cars, an increase of 1,500,000 over the previous year.⁽¹³⁾ 1962 promised more than a recovery and less than a boom. In January Bradford B. Smith, an economist for US Steel, told the National Industrial Conference Board, "I have said to this group many times that as the nation goes,

so goes the steel industry, only twice as fast. I would say the steel production in the first half of 1962 could look pretty good." A month later, however, Roger Blough, Chairman of US Steel,⁽¹⁴⁾ noted that overall industrial profits, which should have reached the figure of \$35 billion in 1961,⁽¹⁵⁾ were only \$23 billion, and added that over the past three years hourly salaries in the steel industry had increased 40 cents (between 12 and 13%), while profits had been the poorest ever recorded in the history of steel. In 1961, 85% of these profits, he claimed, had been used to pay dividends. He declared that an economy should not be judged solely by its prices, which always depend on costs, but rather by the comparative level of costs and profits. Blough told *US News and World Report* that the President might understand businessmen, but that he certainly didn't like them. He recalled that President Kennedy had sent a letter to steel industry leaders in September 1961 warning them against any increase in prices. "The steel industry, in short, can look forward to good profits, without an increase in prices. Since 1947, iron and steel common stock prices have risen 397%; this is much better performance than common stock prices in general," the President had written. On April 6, 1962, the Steelworkers Union agreed, at the request of the federal government, to limit its wage demands to a 10-cent-an-hour increase beginning on July 1, 1962.⁽¹⁶⁾ On April 10, the steel industry announced a price increase of \$6 a ton,⁽¹⁷⁾ placing the President, the consumers, and the unions before the *fait accompli*. In the course of its history, the steel industry had often defied American Presidents, but it had forgotten what it was like to be thwarted. The following day at his press conference, the President declared: ". . . the American people will find it hard, as I do, to accept a situation in which a tiny handful of steel executives whose pursuit of private power and profit exceeds their sense of public responsibility can show such utter contempt for the interests of 185 million Americans." This denunciation of the Titans stunned the nation. It marked the birth of a legend. The President's remarks made headlines throughout the world and were even quoted in *Pravda*, which expressed its surprise and satisfaction. The businessmen were disconcerted by the violence of his reaction and by the apparent extent of his public support, but Roger Blough maintained that his decision had been made "in the interest of the stockholders" and that the profits of the largest steel producers were 33% lower in the first quarter of 1962 than they had been in 1959.⁽¹⁸⁾ The administration replied that the dividends paid to the stockholders of the steel corporations in 1958-61 were 17% higher than those paid in 1954-57. The steel industry rejoined that profits had exceeded \$1 billion in 1959, but that they had fallen to \$807 million in 1961, endangering investment possibilities, the future of the steel corporations, and consequently the future of American industry. But, faced with FBI investigations, the pressure of public opinion, and the cancellation of government contracts, it yielded and revoked the increase.⁽¹⁹⁾ On May 7, 1962, *US News and World Report* wrote: "*What happened is frightening not only to steel people but to industry generally . . . President Kennedy had the public interest at heart in acting as he did, but the results may not in the long run be what he intended them to be.*" The following day at Atlantic City, speaking before the United Auto Workers Convention, Kennedy declared: "This administration has not undertaken and will not undertake to fix prices and wages in this economy. We have no intention of intervening in every labor dispute. We can suggest guidelines for the economy, but we cannot fix a single pattern for every plant and every industry . . . This is a competitive economy." We believe it has served us well, the free enterprise system." The preceding day, May 7, Roger Blough had told the stockholders of US Steel: "*this concept is as incomprehensible to me as the belief that Government can ever serve the national interest in peacetime by seeking to control prices in competitive American business, directly or: indirectly through force of law or otherwise.*" And he added that since 1950 wages had doubled, revenues from taxes on business had increased by 68%, the profits of storeowners and farmers had risen by 70% , while corporation profits had only increased by 2%. He remarked that in recent years the prices of many industrial products had increased, and that he did not see why there should be any discrimination against steel. Replying to President Kennedy's remarks at Atlantic City on May 1, Walter Reuther, President of the United Auto Workers, declared that what the economy needed was "to increase demand, and therefore salaries." That same day Dr . Charles E. Walker, Executive Vice President of the American Bankers Association, made a speech at New Brunswick attacking

increased federal expenditures and the concepts of the President's economic advisers. May 28, 1962 was the blackest day on Wall Street since the 1929 crash. Steel holdings fell to 50% of their 1960 level. *"This could become total war,"* declared Avery C. Adams, Chairman of Jones and Laughlin Steel, to the stockholders of his company. The unions began to wonder whether the consequences of the President's intervention might not prove more serious for them than for the corporations. ⁽²⁰⁾ Allan Sproul, ex-President of the Federal Reserve Bank of New York, declared that "although there was no panic by stock-holders after the stock market crash of May 28, 1962, another May 28 might have different consequences. (²¹) In July 1962, the steel industry at Pittsburgh was working at only 55% of capacity, as compared to 70% in April. The steel companies noted that this crisis hit them just when they were faced with competition from foreign producers favored by lower costs and cheaper labor, and from related industries (plastics, aluminum, cement, glass, wood) that were becoming more and more diversified and more and more powerful. One of the paradoxes in the arguments of certain businessmen was the fact that, while rejecting any notion of federal intervention in their affairs, they called for greater protection against foreign competition.⁽²²⁾ Business reaction was unanimous. Ralph Cordiner, President of General Electric, declared that Kennedy ought to reread his Lincoln,⁽²³⁾ and David Lawrence ⁽²⁴⁾ wrote: *"The heavy hand of government has just won a pyrrhic victory . . . Economic facts cannot be changed merely because politicians dislike them. Nor can America's private enterprise system survive very long if the Federal Government itself engages in the mudslinging of class warfare and, in effect, tells an industry it must disregard profits, disregard dividends, and pay labor whatever the Administration says shall be paid even if, as in this case, it costs the industry an additional \$100 million a year."* "Apparently (Mr. Kennedy) believed that the Administration could coerce the industry into submission. For what else was meant by Mr. Kennedy's statement that the 'Department of Justice and the Federal Trade Commission are examining the significance of this action in a free, competitive economy? . . . This implied a threat of criminal prosecution. It was a move designed to terrorize those who disagreed with the Administration . . . While denying any inclination toward state socialism, the President's action on steel prices points inevitably to a federal dictatorship over business." And he concluded, *"Socialism (is) often a forerunner of Communism."* Analyzing the battle underway, Richard E. Neustadt⁽²⁵⁾ wrote, "As far as I can observe it from abroad, the steel case was a classic demonstration of two things: of the tenuousness and uncertainty of presidential power -- one might almost say the weakness of the President's position -- coupled with almost incredible political naivete on the part of the US Steel Corporation." Some months later, Kennedy explained his reaction: "I think it would have been a serious situation if I had not attempted with all my influence to try to get a rollback, because there was an issue of good faith involved. The steel union had accepted the most limited settlement that they had since the end of the second war . . . in part, I think, because I said that we could not afford another inflationary spiral, that it would affect our competitive position abroad, so they signed up. Then, when their last contract was signed . . . steel put its prices up immediately. It seemed to me that the question of good faith was involved, and that if I had not attempted . . . to use my influence to have the companies hold their prices stable, I think the union could have rightfully felt that they had been misled. In my opinion it would have endangered the whole bargaining between labor and management, which would have made it impossible for us to exert any influence from the public point of view in the future on these great labor-management disputes which do affect the public interest." In June 1962, at the height of the crisis, business circles in the United States were much more concerned about the President's style and personality than by the decline in the stock market, which it knew to be artificial, or the state of the economy, which it considered hopeful.⁽²⁶⁾ Kennedy's speech at Yale ⁽²⁷⁾ on June 11 confirmed the worst fears of the businessmen: "The great enemy of the truth is very often not the lie -- deliberate, contrived, and dishonest -- but the myth -- persistent, persuasive, and unrealistic. Too often we hold fast to the cliches of our forebears. We subject all facts to a prefabricated set of interpretations. We enjoy the comfort of opinion without the discomfort of thought . . ." "We cannot understand and attack our contemporary problems in 1962 if we are touched by traditional labels and worn-out slogans of an earlier era. But the unfortunate fact of the matter is that our rhetoric has not kept pace

with the speed of social and economic change. Our political debates, our public discourse -on current domestic and economic issues -- too often bear little or no relation to the actual problems the United States faces . . . "(These problems) cannot be solved by incantations from the forgotten past. But the example of Western Europe⁽²⁸⁾ shows that they are capable of solution -- that governments, and many of them conservative governments, prepared to face technical problems without ideological preconceptions, can coordinate the elements of a national economy and bring about growth and prosperity . . . "Some conversations I have heard in our own country sound like old records, long-playing, left over from the middle thirties. The debate of the thirties had its great significance and produced great results, but it took place in a different world with different needs and different tasks. It is our responsibility to live in our own world, and to identify the needs and discharge the tasks of the 1960's . . . "Nearly 150 years ago, Thomas Jefferson wrote, 'The new circumstances under which we are placed call for new words, new phrases, and for the transfer of old words to new objects.' New words, new phrases, and for the transfer of old words to new objects -- it is truer today than it was in the time of Jefferson, because the role of this country is so vastly more significant . . . As we work in consonance to meet the authentic problems of our times, we will generate a vision and an energy which will demonstrate anew to the world the superior vitality and the strength of the free society." This was a serious speech. Not only did he attack the Titans, but also those of his fellow-citizens who took pride in their traditional stereotypes, their worn-out slogans, their old records, their ancestral cliches, their imaginary problems, and their prefabricated interpretations, and of whom Kennedy said that they were 150 years behind and understood nothing of the real problems of their times. It was already late when he announced on television on August 13 that since he had entered the White House the gross national product had increased by 10%, industrial production had risen 16%, disposable personal income had gone up 8% (\$30 billion), the unemployment rate had dropped by 1 million, and that in Carbon County, Pennsylvania, George Demart, aged 52, was finally able to support his family. He added that corporate profits had risen 26%, but those concerned were probably no longer listening when he concluded: "We have to move ahead, and I know that there are those who oppose all these moves as they opposed moves in other days much as they opposed a ban on child labor and, more recently in the Senate, medical care for the elderly. "This country would still be in the dark ages economically if we permitted these opponents of progress and defenders of special privileges to veto every forward move. But the president of the United States, I believe, and the Congress and all of us must be committed to action in our time." The fever fell somewhat in the fall. Business was good, and 1963 looked better still. The increase in federal expenditures, defense contracts, and urban renewal projects acted as a stimulus on the economy. But businessmen remained pessimistic and distrustful. At the American Bankers Association Convention at Atlantic City on September 23-26, 1962, it was predicted that automobile production would drop by 500,000 units in 1963.⁽²⁹⁾ Most financial experts in New York and Chicago warned of a new recession. There was no recession. On the contrary, the United States was in the midst of an industrial expansion.⁽³⁰⁾ But the federal government remained vigilant. In July 1962, it had protested to the banks, which were predicting inflation and deforming the financial market. In November it denounced unjustified price increases in the pharmaceutical industry. In 1963, its antitrust suits multiplied. The tendency towards corporate mergers was accentuating.⁽³¹⁾ Pursuing its traditional anti-trust role, the Justice Department opened investigations into price-fixing conspiracies and other illegal activities. This action brought positive results (prices of electrical equipment dropped 30%), but it infuriated industry." Mergers arouse acute suspicion of the Government's trustbusters," wrote *US News and World Report*.⁽³²⁾ In January, the Justice Department asked a federal court to force the General Motors Corporation to dispose of its locomotive business and break up its merger with the Euclid Road Machinery Company. In a third case, it charged General Motors with monopolizing the manufacture and sale of inter-city buses. In the face of such attacks, businessmen began to ask themselves what would happen when large companies attempted to grow or diversify through mergers. Was this the end of all corporate mergers? The Federal Trade Commission opened an inquiry into the relationships between 1,000 of the nation's largest companies. It was particularly curious about "joint ventures" and "reciprocity,"

or the extent to which big companies bought from their own best customers. To what extent did a steel company order its machinery from the machinery manufacturer who regularly bought its steel? How far did a truck manufacturer go in favoring a steel company that purchased its trucks? General Dynamics was ordered to dispose of a division dealing in industrial gases that it had acquired five years before, and a merger of Consolidated Foods with a firm producing dehydrated onions and garlic was broken up after the FTC charged that the food firm had required some of its suppliers to buy the products of its new division. The FTC suggested that any merger might be judged illegal if it tended to promote reciprocal business. The government brought price-fixing charges against a long list of industries, including milk, baked goods, silver products, copper tubing, pulpwood, brass-mill products, macaroni, sewing machines, etc., and in many instances won easy victories. In 1963, the Justice Department's Antitrust Division won 45 out of 46 cases. Big business grew more and more concerned about the tendencies of the Kennedy administration, and industrialists aren't the type of people to sit around and chew their fingernails. Employers complained that they were continually placed at a disadvantage in their relations with the labor unions, which were backed by Washington. They felt that the National Labor Relations Board had abandoned the neutral position it had occupied under Eisenhower. *"The NLRB is also affected by the spirit of crusade,"* declared Joseph L. Block, Chairman of Inland Steel. J. Mack Swigert added, *"The financial power of the unions is so great that many employers can't risk a strike."*⁽³³⁾ Kennedy stated over and over again that he was opposed to government control of salaries and prices, but his administration intervened more and more often in labor disputes. Washington appointed mediators who stressed the "public interest," which was generally interpreted as favoring the unions. Federal pressure was exerted on numerous corporations, especially in the missile and space industry, which had not yet adopted the union shop. The regulatory commissions available to the President wielded considerable power.⁽³⁴⁾ The National Labor Relations Board ordered that workers fired for union activities, or who had lost their jobs because their employer refused to negotiate with their union, be reinstated with their back pay plus 6% interest. The businessmen feared that the federal government would somehow take control of wages,⁽³⁵⁾ and their fears were voiced at the gatherings of the American Management Association, the National Association of State Labor Relations Boards, and the American Mining Congress. The Vice President for Labor Relations of the Ford Motor Company declared that the Kennedy administration appears to be "seeking some sort of halfway house between private bargaining and Government compulsion that will give it the degree of influence or control over the results that it conceives to be needed . . . it is prepared to go past the point of relying simply on reason and persuasion." Others went much further. *US News and World Report* charged that *"the machinery for a true socialist economy already exists,"* and quoted one financier who added, *"The pension funds give considerable room for maneuver. By acting in a certain direction, they could be used to destroy the capitalist framework."* 1963 could be considered a good year for business. But the businessmen didn't think so. The gross national product, wages, taxes, and prices had progressed satisfactorily, but the steel industry was still working at only 50% of capacity, and profits were lower than what businessmen thought they ought to be, and proportionally lower than what they had been in 1950.⁽³⁶⁾ Speaking at the University of Chicago, Henry Ford declared, "How high are profits? By any relative measure, profits are now at about the same level as they were during the 1954 recession. *Today, after 3 full years of rising prosperity for the rest of the economy, profits have finally climbed back up until they are as high as they were at their lowest point in the decade after the end of World War II. The reduction of federal income taxes is an important step in the right direction.*"⁽³⁷⁾ Industrialists noted that the growth rate of the American economy in 1963 would be the lowest of all the industrialized countries, and emphasized that this lag could have "dramatic" consequences. They forecast that the Soviet Union would have caught up with the United States in terms of industrial production by 1975-80. Kennedy responded to these predictions by pointing out that the exceptional growth rate of the Soviet Union was due in large part to its huge crop -three times larger than that of the United States -- of students in all branches of learning, future researchers, and future technicians, and he cited this as one more reason for assuring equal educational opportunities for all students and breaking down the financial barriers surrounding the

universities.⁽³⁸⁾ He was especially concerned about unemployment: in 1963 there were 4,166,000 people out of work, as compared to 4,007,000 in 1962.⁽³⁹⁾ The businessmen were more concerned about federal deficits and expenditures.⁽⁴⁰⁾ In 1962, Kennedy had elected to pursue a new economic and financial policy based on the potential gross national product.⁽⁴¹⁾ To bring this potential into being, it was necessary to create "fiscal drag" -- in other words, to reduce taxes on individuals and corporations. On December 14, 1962, speaking to the members of the Economic Club at the Waldorf Astoria Hotel in New York, the President upset the traditional economic thinking not only of the businessmen, but also of the members of Congress. Many Congressmen were violently opposed to any increase in federal spending, which they blamed for weakening the dollar, and considered the budget deficit as an evil in itself which should be reduced by all possible means. But Kennedy felt differently.⁽⁴²⁾ He began by reassuring them: "To increase demand and lift the economy, the Federal Government's most useful role is not to rush into a program of excessive increases in public expenditures, but to expand the incentives and opportunities for private expenditures." But he went on to declare, "Our practical choice is not between a tax-cut deficit and a budgetary surplus. It is between two kinds of deficits: a chronic deficit of inertia . . . or a temporary deficit of transition, resulting from a tax cut designed to boost the economy, increase tax revenues, and achieve . . . a budget surplus." The President planned to apply PPBS, which had been used so successfully at the Defense Department, to the federal budget,⁽⁴³⁾ but in 1963 the primary problem was that of balancing the budget. Kennedy proposed a Keynesian program of budgetary deficit designed to encourage economic expansion.⁽⁴⁴⁾ This classic plan consisted of alleviating fiscal pressure without a corresponding decrease in public expenditures. A tax cut, investment tax credit, and a simultaneous increase in public spending would increase demand and stimulate consumption. On January 17, 1963, President Kennedy presented both his 1963 budget and his proposals for a tax cut and tax reform to Congress. Senator Harry F. Byrd and Representative Wilbur D. Mills, respectively chairman of the Senate Finance Committee and the House Ways and Means Committee, voiced their opposition to the plan. "Power feeds on power. Big government is too big,"⁽⁴⁵⁾ said Senator Byrd, who added that in his opinion confidence was not reassured by expanding federal domination and control, or judicial usurpation of power, or excessive federal spending, and that he was feeling the oppression of all three. What Kennedy wanted was not simply a temporary tax cut, but a thorough revision of the American fiscal system. The tax reform sealed his fate. Some Americans were opposed to it on principal, like the Florida businessman who found himself in the same plane with Douglas Dillon one day in 1962. The Treasury Secretary spent some time explaining the tax reform in terms of this man's corporate outlook and income, and the businessman was most impressed. Finally, as the plane landed at Miami, he turned to Secretary Dillon and said, "I am grateful to you for explaining the bill. Now tell me just once more: why is it I am against it?"⁽⁴⁶⁾ The answer came from Barry Goldwater: *"We have been persuaded that the government has an unlimited right to appropriate the wealth of the people. The government has the right to demand an equal percentage of the wealth of every man, and no more. This is as valid for incomes as it is for gifts and inheritances. Taxes should be the same for everyone, as they are for cigarettes. Progressive taxation is a confiscation."* "It is scandalous that a man who earns \$100,000 a year contributes 90% of his revenue to the national budget, while a man who earns only \$10,000 contributes only 20% . It is a penalty for success." But taxes weren't the same for everyone. The President was astounded to learn that of the 19 Americans whose income exceeded \$5 million a year, 5 paid no income tax at all in 1959, and none of the 14 others had been taxed in the \$5 million a year bracket, and that in 1954 one American with an income of \$20 million a year had not paid a cent of taxes. Similar examples abounded. In most cases, these scandalous exemptions were the result of the multiple deductions and loopholes that the tax system offered to certain corporations, notably in the oil industry.⁽⁴⁷⁾ Kennedy was determined to put an end to these abuses. Already, on April 20, 1961, the day he learned of the failure of the Bay of Pigs invasion, he declared before Congress: "A strong and sound Federal tax system is essential to America's future . . . The elimination of certain defects and inequities as proposed below will provide revenue gains to offset the tax reductions offered to stimulate the economy . . . Special provisions have developed into an

increasing source of preferential treatment to various groups. Whenever one taxpayer is permitted to pay less, someone else must be asked to pay more. The uniform distribution of the tax burden is thereby disturbed and higher rates are made necessary by the narrowing of the tax base. Of course: some departures from uniformity are needed to promote desirable social or economic objectives. But many of the preferences which have developed do not meet such a test and need to be reevaluated in our tax reform program." And he added, "The war on poverty is not over. It has just begun." The 1963 tax reform was aimed at: 1) relieving the hardships of low-income taxpayers and older people, and encouraging economic growth; 2) revising the tax treatment of capital gains to provide a freer and fuller flow of capital funds; and 3) broadening the base of individual and corporate income taxes so as to remove special privileges, correct defects in the tax law, and provide more equal treatment of taxpayers. But the most important aspect of this reform focused on the tax provisions which "artificially distort the use of resources." The President declared that "no one industry should be permitted to obtain an undue tax advantage over all others" and called for the correction of defects in the tax privileges granted the mineral industries, the oil industry first of all. As they read through the 24 pages of Document No. 43, the President's Tax Message to Congress, certain businessmen had good reason to be against it.⁽⁴⁸⁾ They were far less interested in the health of the American economy ⁽⁴⁹⁾ than in the rate of their profits. On November 18, 1963, three days before his death, President Kennedy presented his economic report to the Florida Chamber of Commerce: "For the first time in many years, in the last 18 months, our growth rate exceeds that of France and Germany. It is because, as *Fortune* magazine recently pointed out, corporate profits in America are now rising much faster than corporate profits overseas . . ." "By next April, with the indispensable help of the pending tax cut bill, the United States will be sailing with the winds of the longest and strongest peacetime economic expansion in our Nation's entire history." And he concluded: "I realize that there are some businessmen who feel they only want to be left alone, that government and politics are none of their affairs, that the balance sheet and profit rate of their own Corporation are of more importance than the worldwide balance of power or the nationwide rate of unemployment. But I hope it is not rushing the season to recall to you the passage from Dickens' 'Christmas Carol' in which Ebenezer Scrooge is terrified by the ghost of his former partner, Jacob Marley, and Scrooge, appalled by Marley's story of ceaseless wandering, cries out, 'But you were always a good man of business, Jacob.' And the ghost of Marley, his legs bound by a chain of ledger books and cash boxes, replies, 'Business? Mankind was my business. The common welfare was my business. Charity, mercy, forbearance and benevolence were all my business. The dealings of my trade were but a drop of water in the comprehensive ocean of my business.'" "Members and guests of the Florida Chamber of Commerce, whether we work in the White House or the State House or in a house of industry or commerce, mankind is our business. And if we work in harmony, if we understand the problems of each other, and the responsibilities that each of us bears, then surely the business of mankind will prosper. And your children and mine will move ahead in a securer world, and one in which there is opportunity for them all . . ." But many businessmen were indifferent to harmony, the problems of mankind, the future of their children, and Charles Dickens. Four days later, President Kennedy landed at Dallas. There is no stronger hate than that of the robber barons. On February 26, 1964, Congress approved Public Law 88- 272, which amended the Internal Revenue Code of 1954. Nowhere in the 128 pages of this act, however, will you find the provisions concerning the "removal of certain inequities" requested by President Kennedy. In April, 1964, now that they had a President "who understands business," in the words of W. B. Murphy, President of the Campbell Soup Company, the businessmen interviewed by *US News and World Report* declared, "All the business news is good -- profits up, sales climbing, output rising. Everything is breaking out on the upside." The Great Society had begun. It was at the height of its glory when, on July 4, 1967, President Johnson told a cheering crowd: "We own almost a third of the world's railroad tracks, almost two-thirds of the world's automobiles, half the trucks, half of all its radios, a third of all the electricity, a fourth of all the steel . . . half of its wealth." "And bear in mind," continued the President (who had forgotten to include half the world's oil) "that the rest of the world would like to exchange places with us."

NOTES1. In 1902, Teddy Roosevelt had designated the Administration (later to become the Pentagon), the lobbyists, and organized finance as "public enemies of the nation." Franklin D. Roosevelt declared that "Private enterprise is a public service." 2. William Cary was appointed to head the Securities and Exchange Commission, Newton Minow as Chairman of the Federal Communications Commission, Frank McGulloch to the National Labor Relations Board, Joseph Swidler to the Federal Power Commission, and Paul R. Dixon as Chairman of the Federal Trade Commission. 3. 3.9 million unemployed in 1960; 4 million in 1961.4. On August 16, 1961, Richard Goodwin, another of Kennedy's advisers, met at Montevideo with Ernest "Che" Guevara, then "czar" of the Cuban economy. The late journalist Lisa Howard was in the process of arranging a meeting between Bob Kennedy and Guevara at the time of President Kennedy's assassination. 5. In April of 1962, *US News and World Report* published a round-up of the Latin American situation which concluded, "Clearly, after one year of the Alliance for Progress, Latin America is in worse trouble than it was before the program started. Experts warn that the situation will get worse before it gets better. 6. Since 1964, the cosmetics industry has expanded rapidly. Between 1964 and 1967, Avon Products, with 190 different branches, tripled its international sales. In 1966, the combined profits of its American and International Divisions totaled \$55.5 million, or 13.5% of its turnover (\$408 million).7. Where rocks and tomatoes had been thrown at Nixon in 1958.8. On November 16, 1963, Argentinean President Illia canceled the agreements signed with foreign oil companies in 1958 and 1959.9. In 1961 the gross national product, which had grown by 4% in 1960, increased by only 3.3%, but rose to 68% in 1962. 10. In 1963, one out of every six workers was employed by Washington or the state governments. These governments absorbed 35% of the gross national product (but Kennedy's critics forgot to add that there were 2,548,000 federal employees, as compared to 7,88,9000 in the state and local governments). 11. Retail Price Index: 1960: 100.7 1961: 100.3 1962: 100.6 1963 : 100.3 12. A comparison between the earnings of 515 top businessmen in 1960 and 1961 revealed an increase in income for 243 and a decrease for 161. 71 reported no change. Frederick G . Donner, Chairman of General Motors, with gross earnings of \$557.725 (including \$405.324 in taxes) earned \$16,300 less (before taxes). J. W. Schwab, Chairman of United Merchants and Manufacturers Textile, earned \$384,505 in 1960 and \$324,400 in 1961. In the steel industry, Thomas E. Millsop, President (later Chairman) of National Steel, earned \$285, 100 in 1960 and \$260,100 in 1961. Roger W. Blough, Chairman of US Steel, earned \$283,333 in 1960 and \$300,000 in 1961. (All of these figures indicate income before taxes. Mr. Blough received \$3,000 of his 1960-1 increase; the remaining \$13,000 went for taxes. 13. Automobile sales: 1960: 6,675,000 1961: 5,543,000 1962: 6,933, 000 14. The largest steel corporation in the world. In 1966 it produced 29 million tons of steel. 15. Mr. Blough based this figure on 1947 statistics, a questionable procedure at best. He might also have noted that profits during the Eisenhower administration had hardly moved at all: \$22.8 billion in 1950, \$23.0 billion in 1955, \$22.7 billion in 1960, \$23.3 billion in 1961, and that they had climbed to \$25.9 billion the first year the results of the Kennedy administration were felt.16. David McDonald, President of the Steelworkers Union, declared that the cost of steel production had decreased by 1% since 1958. 17. This represented an increase of 3.5%, while the 10-cent-an-hour wage increase represented a rise of only 2.4% .The administration claimed that the price increase would cost the Pentagon \$1 billion. (Mr. Blough lowered this figure to \$20 million.) Blough added that profits per ton of steel had dropped from \$12.19 in 1958 to \$79.70 in 1961. 18. Effects of the crisis on the revenue and the number of persons employed by US Steel from 1960 to 1965: *Employees Revenue* 1960: 225,081 \$600,500,000 1961: 199,243 \$387,096,059 1962: 199,044 \$337,403,081 1963: 187,721 \$410,069,357 1964: 199,979 \$493,388,130 1965: 208,838 \$550,384,380 19. Comparative profits of American industry as a whole and the steel industry were as follows: 1947 1950 1955 1959 1961 Industry as a whole 15.1% 15% 12.3% 10.2% 8.7% Steel Industry 11.7% 13.8% 13.1% 8.0% 6.1% 20. In 1961, there had already been 64,500 job cuts in the steel industry. 21. On December 26, 1962, the stock market

situation was as follows (as compared with the preceding year): *Greatest rise* international oil (up 13.2%)

shipping (up 12.3%) *Greatest drop* vending machines (down 50.6%)

cigarettes (down 43.3%)

specialty machinery (down [figure omitted due to typographical error]) steel (down 35.9%) *Other notable drops* motion pictures (down 33.0%)

food chains (down 30.9%)

publishing (down 0.8%)

tires, rubber goods (down 27.3%)

electronics (down 25.7%) 22. A true market economy, as defined by Milton Friedman, suffers as much from the interior and exterior protectionism of many industrial leaders as from governmental controls and restrictions. But, as Galbraith notes, Friedman is a romantic, and his concepts are far removed from those of the true conservatives. 23. Lincoln had declared before Congress on

December 3, 1861: "Labor is prior to and independent of capital. Capital is only the fruit of labor and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights." 24. Editor of *US News and World Report*, April 23, 1962. 25. Columbia

University professor and author of the book *Presidential Power, the Politics of Leadership*. 26. The expansion had resumed in March 1962, then slowed down in the second quarter and stopped in the third, but a new expansion was forecast for the month of October, and the forecasts proved correct.

27. When Kennedy returned to New Haven on October 19, 1962, at the height of the Cuban crisis, a group of Yale students greeted him with a sign that read, "Be more courageous and less photogenic."

28. Here, the President was praising the interventionism and even the state socialism of European countries such as Great Britain, France, Italy and Sweden. 29. Instead, it rose by 705,000. 30. In 1960, the gross national product was \$502.6 billion. In 1961 it rose to \$518.7 billion, in 1962 to \$556.2 billion, and by 1963 it had reached \$583.9 billion. The incomes of most of the nation's top businessmen rose in 1962: F. G. Donner climbed to \$643,975 a year and J. W. Schwab to \$367,613, but steel industry leaders weren't so fortunate. Roger Blough remained at \$300,000, and Thomas E. Millsop dropped from the list of those earning more than 250,000 a year.

31. There were 1,400 mergers in the first half of 1967. John Kenneth Galbraith believes that anti-trust procedures should be invoked not only against General Motors (which controls 54.5% of the market), but also against the Ford Motor Company, the big oil companies, U.S. Steel, General Electric, and several other large corporations. 32. April 1, 1963. 33. The percentage of working time lost during the three years of the Kennedy administration was the lowest in a decade:

Eisenhower Kennedy Johnson 1958: 0.22% 1961: 0.14% 1964: 0.18% 1959: 0.61% 1962: 0.16% 1965:

0.18% 1960: 0.17% 1963: 0.13% 1966: 0.19% 1967: 0.30%, or 41 million man days 34. The Interstate Commerce Commission is the oldest of these bodies, followed by the Atomic Energy Commission,

the Federal Reserve System, the Export-Import Bank, the Federal Housing Administration, the Securities and Exchange Commission, the National Labor Relations Board, the Federal Trade Commission, the Federal Power Commission, the Federal Communications Commission, etc. The

Securities and Exchange Commission, which regulates the stock exchange and overseas stock market transactions, went into action on the day of President Kennedy's death. That afternoon, 6 million shares changed hands on Wall Street, in 30 minutes, the Dow Jones average fell 21.16 points (on May 28, 1962, it had fallen 35.95 points). At 2:09 pm the Stock Exchange was closed (which didn't prevent some people from making a killing).

35. When, in December 1967, US Steel, followed by other producers, announced a price increase of \$5 a ton, President Johnson stated simply that steel industry leaders had been informed of "his feelings" on the matter, and that he did not exclude the idea of government control of prices and salaries in the future. Industrial circles

took this threat calmly. At the end of July 1968, he again permitted the steel industry to raise its prices. 36. Between 1950 and 1955, profits averaged 3.6% of sales. From 1955 to 1959, they

averaged only 3.1% (a drop of 14%), and between 1960 and 1963, 2.6% (a further drop of 16%).

Since 1950, while the gross national product had increased 106%, employees' and workers' wages

70%, investments 90%, taxes 56%, prices 33% and federal expenditures 179% , profits (which totaled \$23 billion in 1950) were only \$27 billion in 1963, or \$20.5 billion in terms of 1950 values, 10% less than in 1950. The dividends paid by American industrial corporations had averaged 11.4% from 1955 to 1959. Between 1960 and 1963, they averaged only 9.4% (a decline of 18%). 37. The Ford Motor Company had been prosecuted in November 1961 under the Clayton Antitrust Act for having absorbed the Electric Autolite Co. in April. The Justice Department claimed that this merger would reduce competition in the production and sales of spark plugs, noting that in 1960 Electric Autolite and General Motors had produced 90% of the spark plugs sold in the United States. Ford expressed its surprise and retorted that its principal competitor, General Motors, manufactured spark plugs and batteries through its subsidiary company, AC Sparkplugs. 38. In 1967, there were 4,000 universities or higher technical institutes in the USSR. Four million Soviet citizens attended college. Five million young workers and farmers took university correspondence courses. There were approximately 400,000 young researchers working in Soviet research centers, and the nation had nearly ten million engineers, five times more than the United States. 39. The Council of Economic Advisers (Walter Heller, John P. Lewis and Gardner Ackley) did not believe that unemployment was structural (the result of technological advances), and could therefore be cured by adapting the workers to changing job conditions. Instead, they felt that it was necessary to increase the level of demand. 40. Since 1950, federal expenditures had increased by 179%. The 1960 budget (the last of the Eisenhower administration) included a deficit of \$1.2 billion. In 1961 (in the first year of the Kennedy administration), the budget deficit was \$3.9 billion. In 1962, it was \$6.4 billion. The 1963 deficit was estimated at \$6.8 billion in July 1963. 41. This formula has been employed in Europe for many years, but the term often covers unorthodox financial manipulations. 42. David Brinkley reported on September 9: "Harry Truman was out for his walk this morning and he said he did not think we should have a tax cut until we get the budget balanced, and the other day Senator Humphrey was saying in the Senate that what the American people think is true is very often more important than what is actually true." 43. In 1968, the increasing use of the Planning, Programming, Budgeting System, or PPBS, has proved President Kennedy's foresight correct. This system, which has already been instituted in New York State and Wisconsin, and which is under study by Colorado, Michigan and Vermont, was developed by the Defense Department in 1961. PPBS, which constitutes a first step in public planning, is an overall examination (on the national, state or local level) of the objectives, the available resources and the basic principles of public spending, which were formerly dealt with in separate studies. 44. Milton Friedman claims that Keynes is as out-of-date as Marx, and that his doctrine is based on the situation in Great Britain after the 1929 crash, when the nation was faced with falling prices and underemployment. Friedman does not believe that the Keynesian serum can be applied to an expanding economy, as it speeds up inflation. 45. The budget for fiscal year 1960 will be around \$150 billion (\$190 billion using the new method of calculation). In President Johnson's defense, however, it should be noted that around \$40 billion of this is accounted for by exceptional Defense costs. 46. Quoted by Kennedy at Tampa on November 18, 1963. 47. See Chapter 10, "Oilmen." 48. The tax reform favored the 450,000 businesses (out of 585,000 in the country) with a net revenue of \$25,000 per year, and which benefited from a 27% reduction in their taxes. Other proposals favored: child care deductions, older people, contributions to charity and medical facilities, and research and development activities. An amendment defining certain medical and drug expenses was designed to prevent abuses in tax deductions. 49. On January 21, 1963, President Kennedy informed Congress that during the 1961-62 expansion: 1) Private income had increased by \$46 billion to reach a high of \$450 billion, or 12% more than the maximum attained during the previous expansion. The net revenue per farm had increased by \$330, while the net income of the farmers from agricultural activities had increased overall by \$800 million. The total income of American consumers, after taxes, had risen by 8%, which represented an annual increase of \$400 in the standard of living (in terms of 1962 prices) for a family of four; 2) The number of civilian non-agricultural jobs had increased by 2 million, while the average work week in the factories had risen from 39.3 to 40.3 hours; 3) Company profits had attained a record high of \$51 billion in 1962; 4) Wholesale prices had remained remarkably stable,

while consumer prices had risen by only 1.1% a year (the best record of price stability attained by any important industrial nation with the exception of Canada); 5) The improving competitive situation had led to a marked improvement in the balance of payments deficit, which had dropped from \$3.9 billion in 1960 to \$2.5 billion in 1961, and to around \$2 billion in 1962. The President added that prospects for continued moderate expansion in 1963 were favorable.

Farewell America

10 Oilmen *"The American Beauty Rose can only be coaxed to that degree of splendor and fragrance that enchants us by sacrificing the other buds growing around it. In the business world, the same operation is the result not of an unhealthy trend, but simply of a law of nature and of God."* JOHN D. ROCKEFELLER, Jr. Oil is the lifeblood of modern civilization. It provides the fuel for our planes, our ships, our trucks, and our 180 million automobiles, and it is the source of some 300,000 petro-chemical products. Oil accounts for more than half of the maritime freight tonnage, and furnishes more than 60% of the world's energy. It is the number one industry in the world today. The budget of the oil industry is larger than the budget of the United States government. The annual revenue of the largest oil company in the world, Standard Oil of New Jersey, is greater than the revenue of the government of Canada. Directly or indirectly, through American domestic production⁽¹⁾ as well as overseas holdings, the American oil industry controls 80% of the world market. ⁽²⁾ Through their overseas domination and the steady growth of the oil market in the past fifty years, the big companies have grown increasingly bigger. ⁽³⁾ Their interests, however, do not always coincide with those of the continents and the peoples they control. Europe, which consumes 25% of the oil produced in the world today, accounts for only 0.7% of world reserves, and for only 1.4% of world production. In the coming decade and probably until the end of the century, Western Europe's major problem will be how to obtain enough oil. ⁽⁴⁾ Oil is no longer an exclusive capitalist commodity. The International (mainly American) Consortium that dominates the world market, after attempting unsuccessfully following World War I to gain control of Russian resources, saw them pass under Soviet control. In 1962 the Soviet Union (with an annual production of 1.3 billion barrels) had little surplus oil to export, but since then the situation has changed. Soviet production in 1968 is estimated at more than 2.1 billion barrels. Simultaneously with its ideological and political transformation, the USSR is converting its coal-burning industry (including its armaments industry) into an oil-burning consumer industry. In a few years it will have the same proportion of consumer to heavy industry as the countries of Western Europe. Its desire for international commercial expansion and its need for foreign currency have led the Soviet Union to abandon its socialistic oil policy. The consequences of this change are these: - an increase in production, in order to export more oil; - the creation of a distribution network which, because the USSR has relatively few tankers, is largely dependent on the COMECON pipeline which runs to the heart of Western Europe;⁽⁵⁾ - the adjustment, with certain exceptions (barters such as that practiced with Italy, or agreements based on political considerations, as with Cuba) of Soviet prices to bring them into line with the prices of the Consortium. At the present time, the USSR is feeling its way into the world petroleum market. This has led to a change in its Middle East policy following a series of instructive failures in the area. The neo-Soviets have come to understand the ground rules of the petroleum industry, and Soviet influence in the Middle East is steadily rising. By 1980, Soviet oil production is expected to exceed 3.5 billion barrels. Through the pipeline, it will provide an increasing percentage of Western European consumption. But before that date the conflict of interests between the Soviet Union and the International Consortium will either be resolved or will come to a head. In the latter event, there will be economic warfare; in the former, the United States and the Soviet Union will set revolutionary principles aside to carve up the world oil market among themselves. If Soviet expansion continues at its present rate, the oil market in the 1980's will be dominated by a Communist-capitalist cartel that will swallow up Western Europe while continuing to juggle with the Middle East. For beneath the golden sands of the Persian Gulf lie the most important oil reserves on the globe, \$300 billion worth (in terms of current prices), on which the Consortium hopes to earn \$75 billion at its usual rate of commission. About one-fourth of the price

of refined oil goes to the companies of the Consortium in the form of clear profits. In the Middle East, another fourth goes to the countries that own the concessions. The remaining half not only covers the cost of production, transportation and refining, but provides profits comparable to those earned in other industries. Oil as an industry is in a class by itself. No other economic activity offers such high profits, to the detriment of the consumers and the producing countries. In the Middle East, the people gain nothing from the riches extracted from their soil. The royalties paid by the Consortium go to the rulers and their relatives, the ruling classes, high government officials, and a few local businessmen. By supporting the emirates of the Persian Gulf and protecting their rulers, Great Britain, now supplanted by the United States, has contributed to the preservation of archaic social structures and paved the way for revolution.⁽⁶⁾ In 1968, the overseas investments of American oil companies total more than \$30 billion (nearly 40% of all American investments abroad.⁽⁷⁾ The giants of the oil industry not only control the world market, but governments and foreign and military policy as well. In the United States, the Republican and a portion of the Democratic Party get much of their financial backing from the oil industry. The State Department and the White House and a substantial portion of the press give systematic support to the industry. Even college graduates in quest of jobs are warned of the danger of opposing it. ⁽⁸⁾ Four oil companies were classed in 1966 among the ten largest American corporations: Standard Oil of New Jersey, which ranked third (after General Motors and Ford), Socony Mobil, fourth, Texaco, seventh, and Gulf Oil, which ranked tenth. But this list is open to question. It fails to take account of the most important factor in economics, profits. Although the combined personnel of these four oil companies totaled only 346,846 (388,016 persons are employed by General Motors alone), their net profits, \$2,661,684,000, exceeded those of the entire automobile industry (\$2,603,638,000) -- in other words, the combined profits of General Motors, Ford, and Chrysler, which together employ four times as many people. But General Motors, Chrysler, and Ford, together with deficit-ridden American Motors, comprise almost the entire American automobile industry. The fourteenth, fifteenth, and sixteenth places on the list of the top 500 companies are held by Shell Oil, Standard Oil of Indiana, and Standard Oil of California, whose combined net profits exceed \$1 billion, and further down the list are 15 other oil companies whose profits add another million to industry profits. It can be said that the combined profits of the American oil industry (which in addition to these 22 top companies include several thousand smaller ones) are greater than the annual turnover of General Motors.⁽⁹⁾ Standard Oil of New Jersey is symbolic of the oil industry. It is also its moral leader. At first glance, it looks like just another corporation. In theory, it is what is left of the empire created by John D. Rockefeller, which was broken up by anti-trust legislation in 1911.⁽¹⁰⁾ But half a century later Jersey Standard, which theoretically neither produces nor refines nor transports nor sells any oil, controls one-fifth of the world market. It owns the largest private tanker fleet in the world (126 ships totaling 5,096,000 tons), ranking 12th in 1967 on the world list of fleets, along with the national fleets of Panama, Sweden, Denmark and Spain. It has a security department eight times larger than the security department of General Electric, employing about 30 special agents who are graduates of the CIA or the FBI. Its 14 top executives control more than 300 subsidiary companies, one-third of which rank among the largest corporations in the world. ⁽¹¹⁾ The history of Standard Oil is the history of the oil industry, which was born a little more than a century ago at Titusville, Pennsylvania in 1859.⁽¹²⁾ Oil, however, has always existed. In ancient times it was used for eternal flames and torches, but no one ever thought of commercializing it. Until the 19th Century commerce was based on grain, and it was there that personal fortunes were made and power won. Standard Oil was founded in 1860, and for nearly half a century the oil industry and the life story of John D. Rockefeller were one. During 51 years Standard eliminated its competitors by every means at its disposal, corrupting public officials and violating or getting around the laws, until it was dissolved in 1911. Around 1890, its world monopoly began to slip. The Russo-Swedish Nobel group inaugurated operations in the Caucasus, and between 1891 and 1901 Russian production actually exceeded that of the United States. The British Rothschilds, realizing the future possibilities of oil, in particular with regard to modern shipping, aided the Royal Dutch Company to escape the control of Standard and conquer some of Rockefeller's markets in the Far East.⁽¹³⁾ In

1907 Royal Dutch merged with the Shell Transport and Trade Company, which until then had specialized in mother-of-pearl. With the backing of the Foreign Office and the privileges it enjoyed in the British and Dutch colonies overseas, the Anglo-Dutch company, headed by Henry Deterding, expanded rapidly. Contrary to Standard, which had patterned its commercial policies after the isolationist principles of Theodore Roosevelt and Taft and sought only markets abroad, Royal Dutch Shell carried out explorations and extended its operations throughout the world.⁽¹⁴⁾ In 1912 it began operating in the United States and soon controlled half of American production. It also forced its way into Mexico, where it bought out the Pearson group that owned the No. 4 well at Potrero del Llano, with a production of 91 million barrels. By 1921 Mexican production equaled 40% of United States production, but foreign companies (British and American) sacrificed everything to the present and devastated the Mexican reserves. Gas pressure was wasted and the Golden Way oil field near Tampico was invaded by salt water. By 1930 Mexican production had dropped far behind, and she was soon eclipsed by her neighbor to the south, Venezuela. In 1963, Mexican production equaled only 4% of American and 20% of Iranian production. In the Middle East, where oil reserves are at least 100 times greater than those of the United States, a British adventurer, William Knox d'Arcy, obtained a concession from the Shah of Persia in 1901 covering five-sixth of his lands. In 1908 the Anglo-Persian Oil Company (later the Anglo-Iranian Oil Company, and later still British Petroleum or BP) was founded. The British Navy had just switched to oil-burning ships, and Winston Churchill, First Lord of the Admiralty, persuaded His Majesty's government to purchase a majority share in the new company.⁽¹⁵⁾ At that very moment, America and Europe discovered the automobile. In 1908 Henry Ford began producing his famous Model T. The rush was on. In 1911 there were 619,000 automobiles. By 1914 there were 2 million, and by 1924 there were 18 million cars on the road, 16 million of them in the United States. That year the United States alone consumed more oil than Europe consumed in 1960. The war revealed the strategic importance of oil. Not only did it contribute heavily to the allied victory, but it became part of the stakes of the game. Wilhelm II wished to destroy British oil domination and give Germany a share in Mesopotamian oil. He built the Berlin-Bassorah railway (via Constantinople and Baghdad) to compete with the route of the Indies. Once Germany had been defeated, the British and the French divided up the oil of the former Turkish Empire.⁽¹⁶⁾ In 1920, Royal Dutch Shell circled the globe. It had subsidiaries in the United States, Mexico, Venezuela, Trinidad, the Dutch East Indies, Ceylon, Romania, Egypt, the Malay Peninsula, North and South China, Siam, the Philippines, and Burma. In association with other British companies it acquired concessions in Colombia and Central America, and it was trying to establish itself along the Panama Canal. Soon it would extend its activities to Honduras, Nicaragua, and Costa Rica. It also bought out the Rothschild holdings in Russia for far less than they were worth. Banker Sir Edward Mackay declared that "all of the known, probable or possible oil fields outside the territory of the United States were either British property, under British direction or control, or financed by British capital," and added that "the world was solidly barricaded against an attack from American interests."⁽¹⁷⁾ Jersey Standard realized that Woodrow Wilson's policy of isolationism and pacifism represented a threat to its future. A. C. Bedford, President of Jersey Standard, declared, "What we need is an aggressive foreign policy," and the Interstate Commerce Commission recommended that the United States give diplomatic support to the acquisition and exploitation by American companies of oil properties overseas. The State Department dispatched a series of diplomatic notes, the tone of which grew more and more violent, demanding that the United States be given a share in the Turkish and German holdings. In 1922 talks opened between Bedford and Sir Charles Greenway, President of Anglo-Iranian. They dragged on for six long years, but Gulf in the meanwhile had obtained a concession on the island of Bahrain (which it later ceded to Standard of California) which the British geologists had somehow overlooked. At the same time Socony Mobil (which when Standard Oil was dissolved in 1911 had inherited most of its Asian interests) and Shell were engaged in a struggle to the death in India. Their price war brought prices down all over the world. In 1928 Sir Henry Deterding (founder and promoter of Royal Dutch Shell) invited Sir John Cadman of Anglo-Iranian and Walter C. Teagle, new President of Jersey Standard, to his home in Scotland. At the

conclusion of what has since been known as the Achnacarry Conference, it was agreed that outright competition had resulted in excessive overproduction. The Big Three decided: 1. to maintain the status quo of 1928 (in other words their respective positions) on the world market; 2. to fight overproduction and the waste of new, non-competitive installations; 3. to fix uniform production prices; 4. to supply markets from their closest source of supply through a series of reciprocal agreements between companies; 5. to avoid producing in excess of demand. The companies signing the agreement explained that these measures were designed to protect the consumers from price hikes resulting from a multiplicity of separate operations. In actual fact, they laid the foundations for an arrangement by which the members of the international cartel would cooperate in the most profitable exploitation of world oil reserves. They brought the war between Shell and Socony to an end by making it possible to fix prices in India, and prevented a new price war in Mexico. A sort of line of demarcation was drawn between the British and American zones of influence. It was nothing short of a monopoly. American anti-trust legislation was no problem. It was expressly stipulated that the Achnacarry Agreement did not apply within the United States. But in 1929, 17 companies joined to form the Oil Exporters Association, which set quotas and established prices, which were aligned with the highest costs in the country, those prevailing in Texas and the Gulf of Mexico. The British had no objection to this arrangement, as it enabled them to make high profits on their low-cost crude from Iran and Iraq. As for the American companies, which were already making good profits from domestic production, they intensified their overseas explorations, which would earn them even higher profits. The "Red Line" agreement concluded in 1929 consecrated America's entry into the Middle East. The holdings of Turkish Petroleum were divided up again, this time between four partners which joined to form the Iraq Petroleum Company: Anglo-Iranian (still controlled by the British government), Royal Dutch Shell, the Compagnie Francaise des Petroles, and Standard Oil of New Jersey (in association with Socony Mobil). Each was given a 23.75% share in the venture.⁽¹⁸⁾ The Red Line agreement stipulated that the four associates undertook to maintain the same percentages in all of the countries that lay within a red line on the map. The red line ran all the way around the Middle East. At the time that the Iraq Petroleum Company was founded, Iraq was the only oil-producing country in the region. But Standard of California discovered oil at the edge of the sea on the concession it had acquired from Gulf at Bahrain. As it had no distribution network in the Orient, it signed an agreement with the Texas Company (becoming Caltex in 1936). Standard of California also began operating in Saudi Arabia, on the territory of El Hasa which King Saud had seized from the bedouin princes. With Texaco it formed the Arabian American Oil Company (Aramco). Caltex and Aramco soon proved to Standard and Socony that the reserves on their concessions far exceeded those of Iraq. The latter two companies regretted having signed an agreement to share their future discoveries with the French and the British. But American solidarity and Jersey's power soon overcame that obstacle. Jersey Standard, Caltex and Socony joined with Aramco, excluding Royal Dutch Shell, Anglo-Iranian and the Compagnie Francaise des petroles. Great Britain already controlled sufficient resources in Iran, Venezuela, the Malay Peninsula, and Burma. France was traditionally a non-commercial country, and she had no petroleum policy. Like Gulbenkian, she was given an indemnity. The Iraq Petroleum Company faced the difficult problem of income taxes. In order to benefit to the maximum from American and British tax provisions that favored the overseas activities of their companies, it was decided that any profits earned would not go to IPC, but would appear instead on the balance sheets of the constituent companies. Obviously, this was contrary to the interests of the government of Iraq. IPC sold oil to Iraqi consumers at its usual Texas-based prices, and the company was not eager (or perhaps unable) to calculate its actual net cost, which would have brought its excessive profits to the attention of the Iraqi government.⁽¹⁹⁾ By the time of the Second World War, the world had been divided up between the Big Seven (Jersey Standard, Royal Dutch Shell, Socony, Texaco, Gulf Oil, Standard of California, and BP). The war caused a few minor annoyances, and there was concern as the Germans neared the Caucasus and Egypt, but the oil business was booming.⁽²⁰⁾ The requirements of the war nevertheless led the Allies to impose quotas on raw commodities throughout the world, and even the distribution of oil was controlled. The experts on the War Production Board demanded

that the United Nations be given the power to administer world stocks of raw materials, and in Britain the Labour Party proposed a similar plan. In 1945 at the Washington Conference, Sir Anthony Eden and Secretary of State Cordell Hull legalized and completed the old Achnacarry Agreement that divided up the world's oil reserves between Great Britain and the United States. Highly displeased, the Soviet Union that same year signed the Moscow Agreement with France. In 1947 the International Cooperative Alliance proposed that the petroleum industry in the Middle East be nationalized in order to eliminate the nascent rivalry between Russia and the West, raise the living standards of the Arabs, and diminish the price of oil to the consumer. It proposed that the United Nations create a special agency to control the petroleum resources of the Middle East and admit all buyers on an equal footing, in accordance with the Atlantic Charter. But when the United Nations Economic and Social Council voted on the measure on August 12, 1949, only Norway and Colombia supported it. Eight member countries abstained (including the Communist states), and eight others voted against it, including the United States, Great Britain and the Netherlands.⁽²¹⁾ The international oil cartel was in greater danger when, in December 1952, the Economic and Financial Commission of the UN approved a joint Iranian-Bolivian resolution in favor of the right of nationalization. The United States was the only country to vote against it. Iran was Britain's private preserve. Sinclair (42nd largest American corporation in 1966, with \$1,377 billion in sales) and Standard had carried out some explorations there, but had withdrawn at London's insistence. In 1959 Iranian Prime Minister Mossadegh demanded an increase in royalties, the rate of which had remained unchanged since before the war, as well as a 50-50 split in profits. Anglo-Iranian refused, whereupon Mossadegh nationalized the company,⁽²²⁾ and the crisis was on. The American firms profited from the operation. Aramco's production rose from 196 to 280 barrels, that of Kuwait from 126 to 266 million. In 1955 Iran began to export oil in small quantities and at reduced prices to non-producing countries such as Italy and Japan. But the Consortium regarded Iran as an ominous sign. To its great relief, the CIA went into action, and Mossadegh was replaced by Zahedi.⁽²³⁾ The American intervention aroused a storm of ill-feeling against the United States that has not yet been dissipated. The Iranians claimed they had been exploited by Anglo-Iranian for forty years.⁽²⁴⁾ John Foster Dulles turned the Iranian problem over to Herbert Hoover, Jr., who formed an alliance of five big companies (Jersey Standard, Socony, Texaco, Gulf, and Standard of California) which formed a common front in the interminable negotiations with the British and demanded that the Iranian holdings be divided equally between Anglo-Iranian and themselves. The new company was called Iranian Oil Participants, Ltd. The British (who received an indemnity of \$510 million) kept their majority with 54% of the shares (40% went to Anglo-Iranian, now BP, and 14% to Shell), while the five American concerns got 8% each.⁽²⁵⁾ The new agreement was signed on October 21, 1954 and ratified by the Iranian Parliament, which recognized the validity of the new Consortium for a period of 40 years.⁽²⁶⁾ But the American independent companies were annoyed. They felt the Big Five were deliberately shutting them out from their overseas treasure chests, while continuing to benefit from domestic sales prices for their low-cost crude from the Middle East and Venezuela.⁽²⁷⁾ The Consortium, however, was more concerned about the reaction of the other oil-rich states, which were carefully scrutinizing every clause of the agreement signed with Iran. The latter country had obtained nothing more than a 50% share of the profits, the same accorded the other producing states, plus the promise of a gradual increase in production. This new agreement raised the American share in the oil production of the Persian Gulf to 55% in 1955 (as compared to 14% in 1938). The British and the Dutch were declining in power. In 1956 came the Suez crisis. On July 26, Egypt nationalized the canal. Since that date, the Middle East has become a battleground of vested interests⁽²⁸⁾ where the member countries of the Consortium, the United States, Britain and France, struggle for predominance under the interested gaze of the Russians, whose problems are simpler because, unlike the French, they have enough oil for their own needs, unlike the British their power does not depend on their position in the Persian Gulf, and unlike the United States they are not subjected to private industrial pressures. The USSR is content to sit back and watch as the cracks grow wider between the Western powers, between the Western powers and the Arab states, and between the Arab states themselves. In 1956 half the oil consumed in Europe was imported

from the Persian Gulf, and 60% of it was shipped through the Suez Canal.⁽²⁹⁾ Britain and France risked a war to ensure control of their oil supplies, and only the intervention of the United States stopped them. During the winter of 1956- 1957, American companies took advantage of the European shortage to raise the price of fuel oil \$1.50 a ton, and the price of crude \$2 a ton. The price hikes affected American consumers as well. They cost the Americans \$1.25 billion and the Europeans \$500 million. Suez brought Jersey standard \$100 million in additional profits. The Big Five beat all records for profits during the first quarter of 1957. Jersey Standard's profits rose 16% (compared to the last quarter of 1956), Texaco's 24% and Gulf Oil's 30%.⁽³⁰⁾ The Persian Gulf brought the Consortium more than \$1 billion a year. Continuing the policy followed by the Department of State since 1920, John Foster Dulles lent his support to the big American oil companies, and when necessary the intelligence services and the military backed him up. The Middle East was almost completely encircled, and Britain was losing her foothold. In 1957 the King of Jordan, hitherto subsidized by the British, switched his allegiance to the Americans. Saudi Arabia's King Saud renewed his country's agreement with the US Air Force and the Strategic Air Command in exchange for \$10 million in weapons. The London Times wrote, somewhat maliciously, that "The bizarre combination of a large American company (Aramco) and an ancient feudal kingdom constitutes a real threat to Anglo-American cooperation in the Middle East." The growing demands of the Saudi Arabian King were not the only problem the Consortium had to face. It had managed to gain a foothold in the Sahara,⁽³¹⁾ but it was deeply concerned when the Italian firm ENI (Ente Nazionale Idrocarburi) proposed an agreement giving the government of Iran a 75% share of profits (at a time when a 50-50 split was still the rule in the Middle East).⁽³²⁾ ENI's President, Enrico Mattei, had the courage to defy the Consortium. He declared: "The oil companies have built their power by concentrating control of production and distribution in a few hands, by maintaining a relationship of supplier to client with the consumers in a closed and rigid market, by refusing to grant compensation other than tax revenues to the countries owning the reserves, by excluding all agreements and arrangements between states for a more rational organization of the market, but they have also created the conditions for a breaking up of the system or its transformation under the pressure of new forces and new problems . . . The price of crude oil is based not on production costs in the Middle East, but on the much higher costs in the United States . . . As a result of the rivalry between the various nations and the Western oil companies, oil has become an element of disorder and instability that gives rise to nationalist demands in the oil-rich countries and arouses the jealousy of those states that have none. "Italy, France, Belgium, Germany and Japan are anxious to free themselves from their subservience and that of the consumers to the traditional organization of the oil industry . . . For the first time in a century we have the possibility of substituting a buyers' market for a sellers' market. An orderly market is necessary if we are to change the order established by the big international companies. The supremacy of what is known as the international cartel is not 'taboo,' and Italy is not obliged to respect it when this supremacy is breached on all sides by public and private initiatives. "Oil is a political resource par excellence. What must be done now is to see that it is made to serve a good policy which is free, in so far as possible, from all imperialist and colonialist reminiscences, devoted to the preservation of peace, to the welfare of those whom nature has provided with this resource, and of those who make use of it in their industry." A short time later, in 1962, Enrico Mattei was killed in the crash of his private plane.⁽³³⁾ At the beginning of the Sixties, the Consortium's problems multiplied. The evolution of the market revealed growing competition,⁽³⁴⁾ but what was even more serious was the wave of popular revolts. Fortunately, for every Mexico⁽³⁵⁾ there were two or three Venezuelas,⁽³⁶⁾ but nations all over the world were suddenly becoming conscious of the importance of the minerals in their soil. Those that had been bypassed by nature realized that the balance of their economy depended on the security of their supplies. The Consortium knew that the Italian ENI, the French ERAP, the Mexican Pemex, and the Argentinean YFP could easily be copied elsewhere. It began to pay special attention to its sources of supply in the Middle East and to its principal clients in Western Europe.⁽³⁷⁾ Their hatred of the foreigners who depleted their soil, however, was not strong enough to forge the peoples of the Middle East into a powerful and united community. In January, 1968, the

principal oil-exporting countries of the Middle East -- Saudi Arabia, Kuwait, Iran, Iraq, Qatar, Syria and Libya -- joined with Indonesia and Venezuela to form an organization to commercialize the oil of its member states, to defend their economic and commercial interests, and to examine ways to develop the oil industry and its derivatives. The principal object of this agreement was to raise prices and create a fleet of tankers and a petrochemical industry under the control of the producing countries themselves. The Consortium is fighting every foot of the way, but it is beginning to realize that its days in the Middle East are numbered. On the other hand, it has sufficient political power to maintain its position for the moment in Venezuela. Caution, however, has led it to concentrate its exploration efforts in South America and Africa, where the oil fields of Libya, the Sahara, Nigeria, and Gabon produce more than 700 million barrels. For Jersey Standard, the future lies in Africa. The Consortium also had problems in Europe. In 1966 Western Europe consumed 2.9 billion barrels of oil, only 126 million of which came from her own soil. Britain is a member of the Consortium. Her oil policy is patterned after that of the United States, and despite the promise of important oil discoveries in the North Sea, she remains dependent on her concessions in the Persian Gulf and has not yet resolved her coal problem.⁽³⁸⁾ The Common Market is a bigger headache for the Consortium. Germany produces only 56 million barrels of oil a year, plus an additional 14 million barrels in Libya, but the distribution networks in Germany are almost entirely controlled by American concerns. (Texaco was able to buyout DEA, an important Germany company, with only one-fourth of its annual profits.) Italy is less aggressive but just as realistic as France. Her oil policy is that defined by Enrico Mattei, and she is linked to the Soviet COMECON pipeline at Trieste. The Italians have undertaken explorations in the Adriatic, Somalia, the Sinai, the Gulf of Suez, Tunisia, and the Persian Gulf. In December, 1967 they obtained a 12,000 square kilometer concession at Rub El Khali in Saudi Arabia, together with permission to construct a petrochemical complex. In France the present Minister of Agriculture and former Prime Minister, Edgar Faure, wrote in 1939 that "If the government has an oil policy, the leaders of the oil industry will have a policy in the government." Until 1939 France too was dominated by the Consortium. Since De Gaulle's accession to power in 1958, and in particular since 1963, France has stood in direct opposition to the interests of the American oil industry. The French government already controlled a portion of the third-largest non-American company in the world, the Compagnie Francaise des Petroles, and it spent several billion dollars drilling for oil in the Sahara. When political considerations forced De Gaulle to give the Sahara back to the Algerians, the government, desirous of obtaining oil independence, began looking in other directions. A state oil company, ERAP, was created which today ranks 17th in the world, and whose activities and policies in the Middle East (notably in Iraq and Iran) run contrary to the methods and interests of the International Consortium.⁽³⁹⁾ Today, France is the most active supporter of the idea of a Common Market oil organization. Such a body is indispensable to Europe, but it is contrary to the interests of the Consortium in other words, to the interests of the big American companies.⁽⁴⁰⁾ In November 1966, Walter J. Levy, an American expert, submitted a 52-page confidential report to the European Economic Community (Common Market). Levy noted that "eighteen percent of the oil importations of the Common Market are controlled by the companies of the Common Market."⁽⁴¹⁾ As things stand now, this figure is destined to drop." Levy recommended the adoption throughout the Common Market of fiscal measures of the type already existing in France, which are aimed at stimulating oil explorations. These measures are specifically directed at the oil industry and are nearly as favorable as the tax privileges granted oil companies in the United States, with the difference that in France any amount deductible from taxes must be reinvested within five years in explorations or related activities. Levy suggested that this provision be included in any fiscal measures adopted by the Common Market countries. This report, which was submitted to Dr. Walter Hallstein, was an indication of the Common Market's preoccupation with the development of the oil industry of its member states in order to be able to compete with the Consortium.⁽⁴²⁾ This orientation of the oil policy of the Common Market was hardly welcomed by the Consortium. The battle was on.⁽⁴³⁾ The measures proposed by France and Walter J. Levy to enable the Common Market to regain its oil independence were identical to those that had enabled the United States to gain control of the market. The oil industry has dominated the

American economy formerly 40 years.⁽⁴⁴⁾ The 1930 crisis enabled it to eliminate the independent prospectors and made possible the establishment of federal and especially state controls the likes of which existed in no other industry, and which had the effect of maintaining artificially high prices for petroleum products. You will find no mention of price fluctuations for crude oil and gas in any financial publication. Almost all of the world's raw commodities are quoted on the stock exchange, with the exception of oil.⁽⁴⁵⁾ The oil market is no freer in the United States than it is in the rest of the world.⁽⁴⁶⁾ The rules that govern the activities of the Oil Empire within the United States are particularly advantageous for prospectors and land owners,⁽⁴⁷⁾ which explains why there are more than a million oil wells on US territory, and why 400,000 of them produce, or are permitted to produce, only 10 barrels a day (while one well in Mexico has an annual production of 7 million barrels, and several wells in Iraq produce more than 500,000 barrels a year). Mackay, the British oilman, once remarked, "The Americans are plundering their natural resources." Under the rules that have governed the American oil industry for nearly 40 years, two-thirds of the United States reserves have been wasted. Henry M. Bates, Dean of the University of Michigan Law School, remarked in 1935 that "the losses resulting from the rule that any oil discovered belongs to the property owner can be evaluated at several billion dollars and constitute the most ruthless and the most unjustifiable destruction of our natural resources ever perpetrated by the American people." Nevertheless, the oil industry justifies its privileged position by pointing to the need to conserve American oil reserves, a major part of the wealth of the nation and a strategic necessity in time of war. But, as Harvey O'Connor remarks, the word "conservation" must be taken with a grain of salt. When oilmen talk about conservation, they are speaking of the conservation of their profits. The problem emerged for the first time in 1930, when the immense reserves of the East Texas oil fields upset the balance of the market. It was decided that production quotas would be established each month in accordance with the demand. A national quota was set, and in each oil-producing state a special body was established to see that it was respected.⁽⁴⁸⁾ In Texas, this task was assigned to the Texas Railroad commission, which had been created in 1891 to regulate the railroads. In 1919 its authority was extended to the oil industry. Given the dominant position of the state of Texas in the Oil Empire, the Texas Railroad Commission serves as a model for the other state regulatory bodies. The annual variations in the quota bear no relation to scientific conservation techniques.⁽⁴⁹⁾ Nor are the consumers represented on these commissions. The system is, in effect, a monopoly, and it enables the oil industry to top all other American industries in sales per employee⁽⁵⁰⁾ and to maintain a steady rate of profits regardless of the national economic situation and international events.⁽⁵¹⁾ The system of "posted prices" is one of the pillars of the industry. These prices do not represent the net cost increased by a normal margin of profit. Instead, they are fixed by the Consortium. While it is difficult to determine the actual net cost of crude oil, it can be estimated at one-tenth the wholesale sales price. The companies of the Consortium and the company-backed local rulers (in Venezuela as in the Middle East) pocket most of the difference.⁽⁵²⁾ The Consortium's profits were and are excessive when calculated on production costs in Texas, but the latter, which already include profits for the local operators, are four or five times higher than net costs in the Middle East, and three times higher than net costs in Venezuela. The American independent producers are constantly urging higher production quotas for themselves. In 1954 twenty-nine companies were forced to lower production as a result of competition from foreign oil. Even Standard of Indiana complained that imports had increased by 35% between 1951 and 1954, while at the same time its Texas production had been ordered cut by 35%. (It was as a result of these complaints that the members of the Consortium agreed to sell the independents 5% of the shares in their Iranian operations. But the independents' protests had little effect. The big corporations had friends in Washington. In 1952 a commercial treaty concluded with Venezuela set the import duty for Venezuela oil at 2% of its value, rather than the 20% requested by the American producers. The National Security Resources Board, backed by the Mutual Security Agency, recommended that import duties be abolished altogether "if necessary." In 1955 the government considered limiting oil imports to 10% of national production, but the big corporations promised not to exceed their importation level of the preceding year, and this apparently satisfied Eisenhower. Actually, Jersey

Standard and the other members of the Consortium had little to fear from any restrictions imposed by Congress. Their foreign market was growing steadily, and they had diversified interests within the United States. Their importations of foreign oil brought them super-profits, but they made money from their integrated operations in Texas, Oklahoma, and Louisiana as well. Conflicting interests can rarely be reconciled. Texas and Venezuela seemed destined to clash, but the men from Jersey Standard were well versed in the art of the most profitable compromise. The big integrated corporations make profits on all four sectors of their activities: extraction, transportation, refining, and retail sales. Distribution is sometimes run at a loss and pipeline profits are largely fictitious. Refining is an indispensable intermediate operation of which the independents are purposely deprived. Extraction is the main source of revenue, but it is the interlocking operations as a whole that provide the profits.⁽⁵³⁾ The profit margins of small, strictly producing companies are extremely precarious, particularly in the case of the independent refineries, which are at the mercy of a slight increase in the cost of crude or a slight drop in the price of gasoline.⁽⁵⁴⁾ The independent, integrated producers and the small producers of crude are in a somewhat better position. They benefit not only from the posted prices, but also from the special tax privileges accorded the oil industry as a whole. These fiscal privileges enable the Big Five to earn colossal profits while guaranteeing super-profits to the big independent and integrated companies. They also provide large profits for the medium-sized concerns, particularly the producers, and it is to them that the small producers, which in any other sector of the American economy would have been swallowed up long ago, owe their survival.⁽⁵⁵⁾ A booklet entitled "An Appraisal of the Petroleum Industry of the United States," published in 1965 by the Office of Oil and Gas (headed by Rear Admiral Onnie P. Lattu) devotes only one line in 96 pages to the depletion allowance.⁽⁵⁶⁾ But Milton Friedman, who can hardly be accused of being a socialist, wrote a whole article on the subject in the June 26, 1967 issue of *Newsweek*: "Few US industries sing the praises of free enterprise more loudly than the oil industry. Yet few industries rely so heavily on special governmental favors. These favors are defended in the name of national security. A strong domestic oil industry, it is said, is needed because international disturbances can so readily interfere with the supply of foreign oil. The Israeli-Arab war has produced just such a disturbance, and the oil industry is certain to point to it as confirmation of the need for special favors. Are they right? I believe not. "The main special favors are: "1. *Percentage depletion*. This is a special provision of the Federal income tax under which oil producers can treat up to 27.5% of their income as exempt from income tax -- supposedly to compensate for the depletion of oil reserves. This name is a misnomer. In effect, this provision simply gives the oil industry (and a few others to which similar treatment has been extended) a lower tax rate than other industries. "2. *Limitation of oil production*. Texas, Oklahoma, and some other oil-producing states limit the number of days a month that oil wells may operate or the amount that they may produce. The purpose of these limitations is said to be 'conservation.' In practice, they have led to the wasteful drilling of multiple wells draining the same field. And the amount of production permitted has been determined primarily by estimates of market demand, not by the needs of conservation. The state regulatory authorities have simply been running a producers' cartel to keep up the price of oil. "3. *Oil import quotas*. The high domestic prices enforced by restriction of production were threatened by imports from abroad. So, in 1959, President Eisenhower imposed a quota on imports by sea. This quota is still in effect. Currently it is slightly more than 1 million barrels a day (under one-fifth of our total consumption). "Foreign oil can be landed at East Coast refineries for about \$1 to \$1.50 a barrel less than the cost of domestic oil. The companies fortunate enough to be granted import permits are therefore in effect getting a Federal subsidy of this amount per barrel -- or a total of about \$400 million a year . "These special favors cost US consumers of oil products something over \$3.5 billion a year. (Gibert Burck, *Fortune*, April, 1965). This staggering cost cannot be justified by its contribution to national security. "The following points indicate the basis for this judgment: "1. Restricting imports may promote the domestic industry, but why pay a \$400 million subsidy to oil importers? A tariff of \$1.25 a barrel would restrict imports just as much -- and the US Government rather than the oil importers would get the revenue. (I do not favor such a tariff but it would be less bad than a quota). "2. Oil from Venezuela -- after the U.S., the largest oil producer in the world -- is

most unlikely to be cut off by international disturbances threatening our national security. Yet it too is covered by the import quota. "3. Restrictions on domestic oil production at least have the virtue that domestic production could be expanded rapidly in case of need. But such restrictions are an incredibly expensive way to achieve flexibility. "4. The world oil industry is highly competitive and far-flung and getting more so. The Mideast crisis has let large oil-producing areas undisturbed. Moreover, the Arabian countries themselves cannot afford to refuse to sell for long. Only World War III is likely to produce severe disruptions of supply -- and then the emergency is likely to be brief. "5. If all the special favors to the oil industry were abandoned, prices to the consumer would decline sharply. Domestic production also might decline -- but then again, if the industry were freed of all the artificial props that raise costs and stifle initiative, production might rise rather than decline. In either event, a vigorous and extensive domestic industry would remain, protected by the natural barrier of transportation costs. "If domestic production did decline, we might want to insure against an emergency by stockpiling oil, paying for holding reserve wells in readiness, making plans for sharp reductions in nonessential consumption, or in other ways. Measures such as these could provide insurance at a small fraction of the \$3.5 billion a year the US consumer is now paying. "The political power of the oil industry, not national security, is the reason for the present subsidies to the industry. International disturbances simply offer a convenient excuse.⁽⁵⁷⁾ Indeed, the American oil industry enjoys extraordinary political power. When Kennedy entered the White House, the American fiscal system, and in particular the system of the depletion allowance, had enabled a few operators in the oil industry like H. L. Hunt to amass in only a few years the kind of fortune it had taken Rockefeller a half-century and a great deal of patience to accumulate. If a person had enough capital, speculation in oil operations carried virtually no risk. He could take capital which normally would have been taxed at the rate of 90% and invest it in new oil wells. A speculator with \$900,000 in this tax bracket could drill nine wells (at an average cost of \$10,000). The odds were that one well out of nine would be productive. The eight dry wells would have cost him \$10,000 each, all tax-free, and the ninth would earn him a fortune. With a little perseverance, any speculator could make a million. Pools or joint ventures enabled citizens with more modest revenues, but whose income was still partly taxed in the 90% bracket, to do the same thing. These persons would purchase fractional interests in an oil well. Some of them never even got to see "their" well, but every tax dollar they invested represented a gain of approximately 25% on their capital. In the war and immediate post-war period, investment in the petroleum industry was one of the most obvious and attractive ways of reducing personal income tax liability. For the non-professionals this system was still, to a certain extent, a speculation, but the same was not true of the big companies, which employed experienced geologists and commanded unlimited capital.⁽⁵⁸⁾ These special privileges constituted an international anomaly, and they cost the nation several billion dollars every year.⁽⁵⁹⁾ It has been estimated that the abolition of these favors would have enabled the government to avoid the 1951 tax increase that applied to taxpayers earning as little as \$4,000 a year. The oilmen, conscious of the importance of these privileges, have always claimed that their abolition would hinder new explorations. But the fantastic number of wells drilled in the United States represents a waste of natural resources. In 1963, the oilmen advanced other arguments.⁽⁶⁰⁾ They noted that the market for American crude had grown from 1 billion barrels in 1930 to nearly 2 billion in 1950 and almost 3 billion in 1963, and they made known their "concern" about a future shortage. Their cautious and seemingly pessimistic prognostics, however, were not confirmed by more independent-minded experts. Professor A. I. Levorsen of Stanford University had declared in 1949 that world oil reserves were sufficient to cover the world's needs for the next five centuries, and other scientists estimated that only 1/1,000th of the surface of the earth and sea had been explored thus far.⁽⁶¹⁾ The oilmen also complained that it was becoming harder and harder to find oil in sufficient quantity to make it as easily extractable and as profitable as in the past. Between 1956 and 1967, it took twice the number of new field wildcats to make one profitable discovery compared with 10 years earlier. These arguments became the theme song of the National Petroleum Council, the only lobby representing private interests that enjoys official standing. The NPC was founded in 1946 and is composed of representatives of the front offices of the big

companies. It elects its own President. In reality, it is the NPC that defines the oil policy of the federal government, in the spirit of John Jay's maxim: "The country should be governed by those who own it."⁽⁶²⁾ The President of the United States has no business interfering. A half-century ago, the oilmen lacked the influence in the White House that they had over Congress. They regarded the President with suspicion. For them, the country had been going to the dogs since McKinley. The power of the oil lobby was a concern to every President who entered the White House after the accession to power of Jersey Standard and its little brothers and sisters. In 1920 President Harding was elected with the massive backing of the oil industry. Two members of his Cabinet were oilmen (Hughes of Standard and Fall, an associate of Sinclair). Coolidge, and after him Hoover, did nothing to displease the oil magnates. On the day of Franklin D. Roosevelt's death, a San Antonio oilman threw a huge party to celebrate. Roosevelt, nevertheless, had not been particularly aggressive towards the oil industry. The pre-war climate was hardly favorable, and the war, which was still going on at the time of his death, had brought a boom in the oil business. In 1950 President Truman examined the depletion allowance system, and the oilmen learned that the President felt that an exoneration that withheld such amounts from the Treasury was not equitable. That same year Hubert H. Humphrey, then a political neophyte and regarded as a liberal, introduced an amendment to the tax bill that would reduce the depletion allowance. The amendment was rejected. It was re-introduced in 1951 but rejected again by a margin of 71 to 9. In 1952 President Truman turned again to the problem, but any decision he might make was at the mercy of Congress, and Harry Truman liked the quiet life. Nevertheless, during his last days in office he adopted one of Roosevelt's ideas and declared that the continental shelf (an extension of the American coastline) was part of the national reserves and should be placed under the control of the Department of Defense. The value of the oil beneath the sea had been estimated at \$250 billion, and Truman felt it would be madness to let this oil, which was vital for national defense, fall into private hands, obliging the government to buy it back at high prices. In 1952 Eisenhower received heavy financial backing from the oil industry in his campaign against Adlai Stevenson. Ike knew how say thanks. When Truman's bill came up before Congress, the House rejected it in favor of a measure recognizing the property rights of the states over any oil discovered within ten and a half miles (twelve for Texas and Florida) of their coastline. The federal government was left with only a right of preemption over the resources of its former territory. The bill was later voted into law by the Senate.⁽⁶³⁾ In 1954 Senator Humphrey's timid offensive was taken up by Senators Douglas (Illinois) and Williams (Delaware), both of whom introduced amendments concerning the depletion allowance. Senator Douglas noted that in 1953 one company with a net income of \$4 million had paid only \$404 in taxes, that another had paid nothing on a revenue of \$5 million, and that a third company with profits of \$12 million had received a \$500,000 subsidy. The amendments were rejected. On March 27, 1957, Senator Williams again introduced an amendment that would reduce the depletion allowance from 27.5% to 20%. He explained to Congress that this privilege had been instated during the First World War, when it amounted to only 5%. Later it had been increased to 12.5%, then to 25%, and finally to 27.5%. Originally it had been a discovery depletion, permitting the recovery of the investment, "but the present 27.5% oil depletion rate obviously gives a special tax advantage to the oil industry above that enjoyed by other taxpayers." He added that when the present rate of 27.5% had been adopted in 1926, the corporate tax rate had been approximately 14%. The depletion allowance therefore did not represent a huge sum of money. But in 1957, "with our present corporation rate, this 27.5% gross sales deduction, or depletion allowance, represents a tremendous tax-free bonanza."⁽⁶⁴⁾ "The importance of percentage depletion is more glaringly emphasized in connection with the operations of foreign companies," he continued. "The Treasury Department has submitted three examples as to how this works. Corporation A with total earnings of approximately \$200 million reported a United States tax liability of \$103,887,000. They paid foreign taxes which are deductible from United States taxes in the amount of \$103,323,000, leaving a United States tax liability of \$564,000. This company has a total allowable depletion allowance of \$91,879,000. Corporation B reported an income of approximately \$150 million. Their total allowable depletion was \$123,977,000, and they reported a United States tax liability of

\$78,961,000. The taxes reported as paid to foreign countries by Company B amounted to \$98,319,000, and the credit allowed for foreign taxes paid was \$77,087,000, leaving a United States tax liability after foreign tax credit of \$1,874,000. Corporation C reported an income of approximately \$33 million. The total allowable depletion of Corporation C was \$44,895,000. The United States tax liability of this company was \$17,325,000, and foreign taxes paid were of the same amount, with credit being given for the full total, leaving Company C with no United States tax liability." Senator Williams cited and inserted in the Congressional Record the testimony of Mr. Paul E. Hadlick, general counsel of the National Oil Marketers Association, to the Senate Finance Committee. Mr. Hadlick had prepared a list of the incomes and taxes paid by the 23 largest oil companies. His figures indicated that Humble Oil had paid \$30 million in federal income taxes on a net income of \$145 million, that Socony Vacuum Oil had paid \$51 million on a net income of \$171 million, that Standard Oil of California had paid \$40 million on an income of \$174 million, and that the Texas Company had paid \$47 million in taxes on an income of \$181 million. Senator Barrett (Wyoming) retorted that *"the depletion allowance is based upon the great risk involved in drilling and discovering oil,"* and he drew Senator Williams' attention to the fact that *"our first line of defense will rest in air power, but the planes will not be able to deliver the bombs without high octane gasoline and plenty of it, I might say."*⁽⁶⁵⁾ Senator Carlson (Kansas) declared: *"Those of us who are familiar with the reserves in the stripper well are in a position to know that the producers must have the 27.5% depletion allowance and any other encouragement they can get, or the United States will lose millions of barrels of oil, which will never come out of the ground."* Senators Monroney (Oklahoma) and Martin (Pennsylvania) joined in the chorus. Senator Williams quoted a statement by the Secretary of the Treasury in 1937: "This is the most glaring loophole in our present revenue law." Nevertheless, he noted, depletion had not been discussed during the 1937 hearings, and the committee had made no recommendation in its report on the subject "because of lack of time." "Mr. President," Senator Williams continued, "today we hear the same argument: lack of time." Senator Williams spoke for another 15 minutes and then called for a vote. Senator Johnson (Texas) suggested the absence of a quorum. But there was a quorum, the vote was held, and the amendment was rejected. Senator Douglas of Illinois then introduced his amendment, which maintained the percentage of 27.5% on revenues not exceeding \$1 million, but lowered it to 21% for revenues of between \$1 and \$5 million, and to 15% for revenues exceeding \$5 million. Senator Aiken (Vermont) supported the Douglas amendment. "I believe that when these enormous depletion allowances are given to one segment of our economy, it means that other people must dig into their pockets to make up for them," he said, adding that in 1955, "the total depletion deductions were approximately \$2,800,000,000. Since the corporate tax would have been 52%, this resulted in a tax saving of \$1,500,000,000 to the oil companies. "My amendment," he continued, "would save approximately \$700 million for the Treasury. I wish to emphasize again that it would not hit the small driller. The weight would fall almost entirely upon the big companies." He went on to cite examples of oil companies that didn't pay a cent of taxes (on \$7 million in income), or 1% of taxes (on \$1,800,000 in income), or 6% (on \$95 million in income), while in other industries companies were taxed at the rate of 52%. The parade of lobbyists for the oil industry began. Senator Long (Louisiana) declared: *"I must oppose this amendment. I submit that in many respects it works out to be the absolute epitome of unfairness and injustice. This is an amendment which proposes to say: Oilman Rich can earn and receive \$1 million a year and still retain the 27.5% depletion allowance. On the other hand, Grandma Jones who does not have the importance or prominence of an independent oil and gas man owns \$200 worth of stock in an oil company, and she receives an income of \$20 a year from that ownership . . . I would like to protect Grandma Jones' little \$20 dividend."* Senator Johnson (Texas) again suggested the absence of a quorum. The legislative clerk called the roll. Eighty-seven Senators were present. There was a quorum. Senator Douglas then asked for the yeas and nays, but his request was not sufficiently seconded. The yeas and the nays were not ordered, and the amendment was rejected. The Senate turned to the examination of an amendment concerning transportation taxes, which were considered too high for the Western states. The following year, on August 11, 1958, Senator Williams introduced his amendment once again.

He was obliged to wait for four hours until there were enough Senators present. He reminded them of what Senator La Follette had said in 1942: "In my opinion this percentage depletion is one of the worst features of the bill, and now it is being extended. We are vesting interests which will come back to plague us. If we are to include all these things, why do we not put in sand and gravel; why do we not provide for the depletion the farmer suffers through erosion of the soil of his farm?" Senator Taft had followed up Senator La Follette's remark with one of his own: "I think with the Senator from Wisconsin that the percentage depletion is to a large extent a gift . . . a special privilege beyond what anyone else can get." Senator Dirksen (Illinois) made a long speech declaring that the problem of national defense needs and the precarity of oil supplies in the Middle East *"is worth infinitely more than a question of whether the oil companies get a few million dollars more or a few million dollars less . . . the oil companies,"* he added, *"which have given their best to the country."* Senator Williams acknowledged that "it is always popular to defend the little fellow, but what is small about a man with a million dollar income?" He noted that in 1955 depletion deductions for all corporations had totaled \$2,805,500,000, and that 67% of these deductions had benefited companies with net assets of more than \$100 million. He asked why the deduction for oil depletion wasn't the same as that for metal (15%) or coal (5%). He concluded: "One of the really major loopholes in the tax code is the method by which capital gains may be applied to oil and gas properties," and he produced a document which explained exactly why the leaders of the oil and natural gas industry were opposed to a reduction in the tax rate for the highest income brackets.⁽⁶⁶⁾ Such a reduction, which was supported by the majority of the nation's corporations and taxpayers, would mean a *decrease* in the incomes of the oilmen. Senator Williams' amendment was put to a vote and defeated by a margin of 63 to 26. A similar but less liberal amendment introduced by Senator Proxmire (Wisconsin) was also defeated, this time by a majority of 58 to 43. Senator John Kennedy (Massachusetts) voted against the Williams amendment and in favor of Senator Proxmire's amendment. When the vote on the second amendment was announced, Senator Johnson (Texas) remarked, *"Mr. President, I do not think we should ask the Senate to stay any later this evening."* The oilmen and their representatives in the Senate were all the more concerned about these amendments because 1957 had been a record year for oil production in the Middle East, and everything indicated that the expansion would continue. (In fact, Middle East production rose from 6 billion barrels in 1958 to 9.7 billion barrels in 1963.) In 1959 President Eisenhower imposed import quotas on foreign oil. The sales price of domestic American oil, which had been steadily rising since the end of the Depression and had dropped in 1959, held steady in 1960.⁽⁶⁷⁾ On June 18, 1960 Senator Douglas re-introduced his amendment. He noted that the total depletion allowances taken could amount to \$4 billion that year. He presented his Congressional colleagues with 20 pages of documents, remarking that if the other Senators were unable to hear him (for there were only three other people on the floor), they could perhaps read them. The following day, June 20, his audience was larger. Senator Douglas described his amendment as "a very moderate attempt to reduce the greatest tax racket in the entire American revenue system. It is probably safe to say," he continued, "that the depletion allowances given to the gas and oil industry now amount to well over \$2.5 billion a year. I have put into the Record time and time again the records of 28 oil companies -- which I do not name, and which I identify only by letter, but which I could name -- that show that there was one company which in 5 years had net profits of \$65 million and not only paid no taxes, but received \$145,000 back from the Government. There are many other corporations which have a similar favored record. "My proposal is a modest one. I do not propose to abolish the depletion allowance. I do not propose to reduce it across the board. I merely propose to introduce a moderate, graduated reduction. On the first \$1 million of gross revenue there would be no reduction whatsoever. That would remain at 27.5%. On gross income from \$1 million to \$5 million, the depletion allowance would be 21 percent. On gross income in excess of \$5 million, the depletion allowance would be 15 percent. This is a very moderate proposal. "Mr. President, this issue has faced the Senate and the Nation for at least a decade. It is now before us again. We must make our decision as to what we shall do. It is time that we put our fiscal system in order. In our fiscal system some people pay too much because others pay too little. The time has come when we should deal

with this issue. The depletion allowance can continue without any time limit. It occurs after depreciation has been allowed and fully taken account of. As long as the oil and the gas run, the depletion allowance can continue to be taken. There are cases in which the amount of the depletion is many, many times the total original cost, which bear in mind has already been deducted under the depreciation practice. I think the Senators are aware of the issues at stake. I wish to sa

Farewell America

11Texans*The myth of the indispensable man must be broken if our country is to survive.*

HAROLDSON LAFAYETTE HUNT The Panhandle State owes more to oil than it does to the Alamo. Texas didn't really come into its own until oil gushed forth from the swamps of Beaumont on January 10, 1901. Fed by more than 100,000 barrels a day from the Spindletop well,⁽¹⁾ a lake of oil formed which was soon consumed by fire. Spindletop set off a second Gold Rush. The area was overrun by prospectors, the oil field was plundered, and the price of oil fluctuated wildly. At first, Rockefeller ignored the Texas strike. But after Standard Oil of New Jersey was broken up in 1911, Standard Oil of Indiana bought up Humble, thereby becoming the largest producer in Texas, while Socony took over Magnolia. By 1930, the American oil empire was controlled by 20 big companies which seemed destined for eternal prosperity. But on October 9, 1930, a stubborn prospector named "Dad" Joiner struck oil at 3,000 feet in East Texas. He had discovered the richest oil field in the United States. Forty miles long and 2 to 5 miles wide, its reserves have been estimated at one and a half billion tons. By the time Standard and the other big companies arrived on the scene, thousands of prospectors were drilling away on tens of thousands of rural and urban plots. It was the most ruinous waste in the history of oil, and just at the start of the Depression the bottom dropped out of the market. Standard, Gulf, Texaco and Shell managed to regain control with the help of the federal government. Laws were voted by the states, concessions were closed down by force, and the Connally law on "black oil" put a stop to illegal production in East Texas. When the basin had been pumped dry, production quotas were established and order prevailed. Some independent producers managed to survive, but they were obliged to comply with the rules set by the Big Four, who tolerated them because their greater production costs enabled the larger companies to keep prices high and increase profits. Thirty years later, in 1963, Texas accounted for half the proven oil reserves on American soil. With 95,000 active oil wells owned by 6,500 oil companies (of the 12,325 in the United States), it constituted a key position for the big corporations, for it controlled production in the neighboring states of Louisiana and Oklahoma (65% of the American total), and therefore prices. Six companies control 80% of Texas oil production. Humble produces 15% and refines 30% of this total. These giants command not only the oil, but also the sulfur and natural gas markets, and consequently real estate, transportation facilities, power, water, and banks throughout the state. Even without oil, Texas would be one of the richest states in the Union. One hundred times larger than Delaware, five times larger than New York, four times larger than Missouri, three times larger than Minnesota, twice as large as Montana, it covers 100,000 square miles more than the state of California, and each of its 254 counties is bigger than the state of Rhode Island. There are 227,000 ranches in Texas, and the King Ranch covers more territory than Switzerland. Texas raises 10 million head of cattle and provides one-quarter of the rice, one-third of the cotton, and half of all the synthetic rubber consumed in the United States. In 1963 the state had a population of 10,228,000, including one million Negroes and one million Wetbacks. The Second World War turned Texas into an industrial state. Thanks to the Cold War, its industries expanded five times faster than those of the rest of the nation. This industrial expansion reached a climax in 1963, when General Dynamics of Fort Worth was awarded the TFX fighter plane contract. The fantastic development of smaller firms such as Texas Instruments is directly linked to the war in Vietnam.⁽²⁾ Texas offers these industries lower taxes, cheap labor (poor whites, Negroes and Wetbacks), restrictive labor legislation (the union shop is prohibited by state law), and its outstanding natural resources in oil, natural gas, and sulfur.⁽³⁾ The federal government is one of the state's principal benefactors. Texas ranks second in the nation in terms of federal aid, with \$3.9 billion in 1960-61, or 20.1% of the total state revenue. ⁽⁴⁾ The wealthiest of the wealthy states, Texas in 1960 had 53% more federal employees and received 65% more federal aid than the average American state. ⁽⁵⁾

Washington's favors touched every sector of the economy. Texas, with the most extensive highway system (constructed with federal funds) in the country, ⁽⁶⁾ received the largest amount of federal aid for paralyzed children, and the highest subsidies for flood prevention. But not all the inhabitants of Texas share in this munificence. In 1963, the state of Texas spent only \$282.46 per person on social welfare (education, health, hospitals, public welfare), as compared to the national average of \$343.64 per inhabitant (a difference of 18%). In the field of education, Texas ranked third in the nation in terms of federal aid per inhabitant, and 31st in terms of expenditures. It ranked first in terms of federal aid for child welfare, and 44th in terms of expenditures. It was second in the nation in terms of federal aid for the aged, and 40th in terms of expenditures. Nor does Texas neglect only its people. In 1963 it received more federal aid for experimental agricultural stations than any other state in the union, but ranked 47th in terms of the amount spent on improvements in cattle breeding. There is little indication that the people of Texas merit such favoritism. Their state is first in the nation in terms of murder and armed robbery, and second for rape. Texas is the realm of intolerance. It calls itself Democratic, but for the past 25 years it has elected Republicans or would-be Democrats. It claims to be progressive, but only 15% of its 2.5 million non-agricultural workers are unionized, and since 1954 a fine of \$20,000 and 20 years in prison punishes membership in the Communist Party. In 1952, Governor Allan Shivers even tried to obtain the death penalty for this "crime." Texas sees nothing wrong with prescribing the death penalty for a political opinion, but it protects the right to commit homicide. It is the paradise of murder, and even of murder for thrills. The name "Texas" comes from the Indian "Tejas," meaning "Friendship," which is also the state motto. In 1879 *Harper's Bazaar* wrote, "In the past 12 years there have been 300 murders in Texas, and only 11 death sentences." Since then, Texans have done even better. In 1960 there were 1,080 murders in Texas, and 5 death sentences. Moreover, Texas has its own definition of murder. Only 3 of the 254 counties in Texas require a coroner's examination in the case of sudden or suspicious death. The 251 others leave it to the Justice of the Peace⁽⁷⁾ to determine the cause of death. A verdict of death due to natural causes has been known to coincide with the discovery of a bullet in the body of the deceased. The FBI estimates that the number of murders actually committed in Texas is several times the official figure. Between 5,000 and 10,000 deaths occur every year in Texas because of brutality, greed, or just because. ⁽⁸⁾ One hundred and thirty-two counties in Texas are prohibitionist, another form of intolerance that satisfies the puritanism of its inhabitants and the interests of the business community. One out of every 12 Texans -- 800,000 in all -- is illiterate, the highest percentage in the nation. Texas delivers fewer high school diplomas than the poorest state in the union, Mississippi.⁽⁹⁾ It ranks third in the nation in terms of the number of registered automobiles, but only 36th in terms of insurance coverage. Backwards, intolerant, and irresponsible, Texas lifts its soul only towards God, if one is to judge from the number of its churches. There are more than 1,000 churches in Dallas alone. Waco (100,000 inhabitants has 122, Midland (68,000 inhabitants