INTERVIEWEE: EUGENE R. BLACK

INTERVIEWER: PAIGE E. MULHOLLAN

DATE: June 4, 1969

M: Let's begin simply by identifying you, sir. You're Eugene R. Black, and as far as Mr. Johnson's Administration was concerned, you served as Special Consultant on Economic Affairs and then were his man, as far as our participation in the Asian Development Bank was concerned. Did you know Mr. Johnson though when you were president of the World Bank, when he was in the Senate, at all or very well?

B: I knew Mr. Johnson very casually when I was president of the World Bank. I had no particular occasion to deal with him as president of the World Bank. The beginning of my close relationship with him started when he became President.

M: He never evidenced any particular interest in the World Bank's operation when he was in the Senate?

B: No particular interest in it, as far as I know. He may well have been thoroughly familiar with its operations, but I had no special dealings with him. I had no occasion to, because when I was president of the World Bank I was an international civil servant and I had no particular dealings with the U. S. government. The dealings with the U. S. government as far as the World Bank was concerned were done through the American director who was on the board of the bank.

My relationships with President Johnson really started in the early part of his administration as President, and it came about in this way. Several months before President Kennedy was killed he asked me to

become adviser to him on the supersonic transport plane, so for several months before he was killed I spent practically all of my time working on a report to him as to whether or not it would be advisable for the U. S. government to build a supersonic transport plane. During that time I visited with all of the air frame manufacturing companies and the engine companies and talked with all the airlines, talked with the British and the French, and talked with the various agencies in Washington involved with transportation. I was preparing my report at the time the President was killed. After he was killed, President Johnson asked me to continue this preparation of this report and to act as his adviser on the problem of the supersonic transport plane.

I finished the report and presented the report to President Johnson, and as a result of that he appointed a committee headed by Secretary McNamara to decide to do what to do about the building of the supersonic plane. I served on that committee for several years. We had frequent meetings and finally decided that we would go ahead with the supersonic plane, and we had competitive proposals for building the plane. After these proposals were filed, we selected the Boeing Company to build the air frame of the supersonic plane and we selected General Electric Company to build the engine of the plane. So that was my first experience with President Johnson.

M: Did he get involved directly in that committee's operation?

B: No, he did not. But before President Kennedy was killed, President Johnson was the head of the governmental committee to study this question so he knew a good deal about it and always took quite an active interest in what we were doing.

M: And there was no difference in his view and President Kennedy's as far as the desirability of the SST?

B: I don't think so. Well, President Kennedy was waiting for my report.

M: So he'd had no view really?

B: He'd had no view really.

My next connection was when President Johnson appointed a committee called the General Advisory Committee on Foreign Aid. This was a presidential committee, and it was headed by Mr. Perkins, the president of Cornell University, and we were supposed to advise the President from time to time on various aspects of foreign aid.

M: This is a new committee? This is not a continuation of the Kennedy committee? That was headed by--was it Clay?

B: Clay was back in the Eisenhower Administration.

M: Clear back that far.

B: Right. I was on that committee too. Anyway, I served on this committee, and this committee had frequent meetings, and we did advise the President of various aspects on foreign aid. That committee continued in existence until the closing days of the Johnson Administration, and at that time we made a final report to him, and then we dissolved. As he

closed his administration, we closed up the operations of the President's Committee.

M: Did he ever give that committee direct instructions or impress his own views?

B: No, it was the other way around. We went to him with various suggestions. And then I also served in sort of an unofficial capacity on a committee that was called to Washington on several occasions to discuss critical political situations. I don't think this committee had any name, but we were called down to get some outside points of view on various critical questions facing the country at that time. I served once or twice on an ad hoc committee, again which was not official. One time I remember he had a small committee to discuss what we should do about Indian aid, Pakistan aid, which was a very important question at that time. But those were not official committees.

M: What kinds of problems specifically did this political committee deal with? What did he call that committee down for?

B: It was called several times, I don't remember the specific things. I think it was something to do with the Viet Nam war or the Middle East situation.

M: This was the group that press sometimes refers to as the wise men or the elder statesmen or such names as that?

B: Yes, but it wasn't official. And then on a number of occasions the President would telephone me in times of financial crises, the weakness of the pound, devaluation, things of that kind. He would telephone me,

and we'd have conversations on the phone, or I would be in Washington and he would ask me about some of the critical financial problems, economic problems. Again, this was nothing official.

M: Did he do this widely, to your knowledge, among people outside the government?

B: I think he did it with a few people, yes, I don't know exactly which ones. But he was inclined to do that. He wanted to get some fresh view outside of government as to various problems facing us.

M: This may be an unanswerable question, but it seems to me sort of interesting anyway. How does a man who was never close to Mr. Johnson before he was President become a trusted adviser? Is there some process used to prove yourself, for example?

B: I was told by President Johnson that one of the reasons that he asked me to do these various things was the very high regard that Senator Fulbright had for me.

M: Senator Fulbright is my senator, incidentally.

B: Really? And that Senator Fulbright had told him a good deal about me and therefore he decided to try me because of Fulbright's recommendation. We hit it off. I suppose that's the way it began. That's what he always told me. He said, "I've never heard anybody speak as highly of a person as Fulbright does of you," and that was the reason he started calling on me.

M: When he began to fall out with Mr. Fulbright, though, that didn't affect his relations with you? He didn't associate you with Fulbright?

B: No, he talked with me frequently about his relations with Fulbright and he was very sorry that they developed like they did and often wondered what could be done to improve this relationship. I suppose he was hoping that I would do something to do that, and I did try. But, no, I didn't have any effect at all. I hadn't made any public statements that I agreed with Senator Fulbright. Although he's a good friend of mine, sometimes I didn't agree with him because I was very much in favor of the President's policy over Viet Nam, and Senator Fulbright was not. But that didn't affect my friendship with Fulbright, which is still very close, nor did the President's falling out with Fulbright affect my relationship with the President.

M: What about the Asian Bank involvement? How did that begin?

B: That was the main thing that I did with the President. He made a speech at John Hopkins University, a famous speech, and in that speech he said that he was prepared to recommend to Congress that the United States spend up to one billion dollars provided other countries also contributed money and also provided that the Southeastern Asian countries were prepared to work up proposals and plans. He would be glad to spend this money, and he did this in the hope that this might be conducive to early peace. In other words, if he offered the incentive of getting a billion dollars plus to these countries, this might make them anxious to hurry up and get the war over and start using this money for the development of the country.

M: Had he talked to you about this speech which he made?

B: He didn't talk to me about it all. McGeorge Bundy called me on the telephone and said that the President was going to make the speech that day or the next day, and in the speech he was going to state that I was going to head a group of distinguished citizens to carry out this program. I was reluctant to take on this job, didn't want to take on this job because I had so much to do at that time that I didn't think I could. So during the conversation Mac Bundy put the President on the phone, and I was shanghaied into this job.

M: He used what they call the treatment on the telephone?

B: That's right. So that was the beginning of it. I came to Washington a day or two after that, and he had a meeting of the Cabinet and invited me to the meeting of the Cabinet. He discussed what this proposal was, and I asked some questions and members of the Cabinet asked questions, and that was the launching of my connection with him as a special adviser on Southeast Asian economic development.

M: The distinguished group that he talked about never did get appointed, did it?

B: After this meeting with the members of the Cabinet the press came in, and somebody in the press said that they saw that there was going to be a group of distinguished Americans and wanted to know who they were, and the President pointed to me and said, "There he is." And that was the last I heard of the group.

M: "There's my group," huh?

B: So I spent the next four years, I took four trips to Southeast Asia, visiting all the countries. When the President asked me to take this job; he said that there was no way that the government could pay me for it, but that he would promise to let me use Air Force One. That was the only inducement he could give me. So I did. I used Air Force One. I took a group of people out there each time. One time I took a group of senators and congressmen out there at the beginning of the Asian Bank.

The first thing that happened was after I took the job the President said that he would like to have me go and talk to U Thant and C. V. Narasimhan (Thant's Chef de cabinet), of the United Nations and see what ideas they had as to what would be the most useful thing we could do in carrying out this proposed billion dollar program.

M: This is all before the Asian Bank had actually taken shape?

B: Yes. So I went to see U Thant and Narasimhan, and they said that there were two things that they thought were important for the United States to do. The first one was to join the Asian Bank, to support the Asian Bank. Well, the Asian Bank had been talked about for some time and recommended by the Economic Commission for Asia and the Far East, ECAFE, and the United States had been very lukewarm about this, really not wanting to support this bank. I personally have never been particularly favorable to regional banks. I was opposed to the creation of the Latin American Bank, and I felt that the World Bank

could do the jobs that these banks were supposed to do, and I was afraid that if regional banks were set up it might mean a lessening of the quality of the loans. In other words, they might do things that the World Bank wouldn't do; it might be a place that the countries could go to if they thought the World Bank was too strict, and I was very much afraid of that. So I was not keen for regional banks.

Anyway, U Thant and Narasimhan felt that this was tremendously important, that these countries of Southeast Asia were very anxious to have this bank, and this was a wonderful example of cooperation between these countries. They felt that anything should be done to encourage peaceful cooperation among these countries.

The second thing that they thought ought to be done was to build a dam and a power plant in Laos. This was a project called the Nam Goon Project. Laos was a country that was a very poor country; there had never been anything done in Laos. The French controlled it, and there had never been any project of any kind, and this was a very important things as far as Laos was concerned.

M: This was a part of the Mekong--

B: It was a recommendation of the Mekong committee to do something in Laos. This would be the first time anything had ever been done in Laos.

So I came back and reported to the President and the State Department what Narasimhan and U Thant had said. And then after various discussions we decided to go ahead and support the Asian Bank.

M: Was there much opposition within the government?

B: Not a great deal. The Treasury had never been enthusiastic about it. But we decided that in view of the fact that we were real anxious to do anything we could to stimulate reasonable cooperation, to get people interested in the economic problems instead of political problems, that we ought to go along. We decided to go into the bank and decided to become one of the principal stockholders and put up 200 million dollars of a billion dollar capital in the bank, and our contribution was going to be matched by the Japanese. And we also decided to support the Nam Goon Project. These were the two things that were suggested to us the U. N. as the most helpful things we could do.

So I devoted quite a bit of my time to working on the Asian Bank, to helping the Asians set up a charter and bylaws and constitution because I felt that, although I didn't particularly like regional banks, if there was going to be one, I wanted it to be a good bank. And so I did that.

And then I spent a great deal of time finding support to build the Namgoon Dam in Laos, which we finally did. We got about seven other countries to put money up besides us.

M: You were soliciting support from other countries, not from the United States?

B: That's right. The United States put up half of the money; we had gotten the other half from about seven other countries. All of this took a lot of time and a lot of negotiations. I was frequently consulting with the

President and frequently got his active support for doing these things. I got his support in putting pressure on other governments to come in the bank and support the bank and support the Lamgoon project, and he was in there pitching, helping me whenever I wanted him to. So that was the beginning of my operations in Southeast Asia. I saw quite a bit of the President. Each time, after I made one of my trips out there--extended trips, I would visit practically all of the countries in Southeast Asia, meet with all of the leaders of the countries--I would come back and report to him my impressions.

But the thing that impressed me about President Johnson--two things. One is that he'd certainly back you up, he never failed to back me up. He told me when I came down there, "If you get in trouble with some of these fellows in Washington, come to see me." He had a very homespun way of expressing that, which I won't give you, but anyway he meant what he said. Every now and then I did get tangled up with the bureaucrats. Whenever I did I went to him, and he'd give me complete backing when I asked him.

I also was impressed by his great determination to do everything possible to have peace. That was what was back of this speech at Johns Hopkins. This was just another attempt to do anything on earth that could be done to try and bring peace. It sort of amuses me, as well as irritates me, that people criticize him about the war because no matter who you're talking about, there wasn't anybody who really wanted to have peace more than President Johnson did. Despite all of the fine

phrases of Nixon about it, you couldn't convince me or anybody else had more at stake or more from the heart than President Johnson did about peace. I think his desire for peace came for two reasons: one was political; he's a politician and he didn't want to go down as having failed in the quest for peace and being blamed for all the troubles about the war. This was perfectly normal.

But also, he was very, very upset about the loss of lives. I don't know anybody that I ever talked to who took it harder than he did. So, as I say, it sort of burns me up for people to criticize him. He certainly did his level best in every way possible to bring about an early peace.

M: In that regard did he see the Asian Development Bank as a political institution, as well as an economic one?

B: Oh yes, I think he was very pleased with the Asian Bank. He told me on a number of occasions and made public statements about it, and he thought it was a good vehicle for carrying out economic development in Southeast Asia. But he thought the main advantage of it was that it was really a wonderful opportunity for these countries to get to know each other and work together.

You see, we had in the Asian Bank such diverse countries as Thailand and Cambodia, Laos and South Viet Nam, and those countries were not friendly to each other--they probably didn't even have diplomatic relations. And then we had India and Pakistan sitting side-by-side--

M: That's unusual in itself.

B: And we had Malaysia and Singapore and Indonesia and the Philippines and all these countries. Between a lot of these countries was very hard feeling, but there they were in a cooperative venture in which they were all stock owners, and we thought this argued well for the possibility of these countries learning how to work together. And I think President Johnson was impressed with that, and he thought the Asian Bank was a great success. And it has turned out to be true. The bank is a good bank, it's well organized, and they're working together and doing a lot of things that are very helpful for that part of the world.

M: One of our Senate committees, particularly the Senate Foreign Relations Committee and Senator Fulbright, held up the capital donation of two hundred million dollars for a considerable length of time.

B: That was not capital donation. This was confusing because the original capital was two hundred million dollars. But on one trip I went on out there, I came back and strongly recommended to President Johnson that the United States also contribute another two hundred million dollars to a special fund. This was entirely separate from the capital. And based on that recommendation in a message to Congress he advocated this two hundred million dollar special fund.

This special fund was to be a special fund, which would be contributed to by other countries, but our two hundred million dollars was

going to be slightly less than half of the total fund. We expected to pay in and the other European countries to put money up.

So we did go to Congress, and I appeared before a Senate committee and a House committee several times. I got the support of the President to try to get this special fund put through.

M: Is that an IDA type fund, soft loan--?

B: That's right. It did not go through; although it was approved by the House committee, it was never approved by Fulbright's committee, and the thing was postponed. This was caused by a combination of circumstances. Everybody was busy trying to get a tax increase, and they were worried about the war and the cost of the war. Anyway, Congress adjourned and action did not take place. Senator Fulbright personally was in favor of this.

M: He was?

B: Oh yes, very much so, because Senator Fulbright has always been in favor of multi-lateral aid. This was another example of the multi-lateral aid.

M: The critic press played it up as sort of Fulbright punishing Johnson?

B: That was completely wrong. He was for it personally, but there wasn't enough members of his committee who were willing to actively support it and the thing was just postponed. It was not Fulbright; that was wrong.

So nothing happened. That was a disappointment to President Johnson and to me. But now they're about to start this again, and in the foreign aid bill that President Nixon signed the other day there's a clause in there calling for a special fund to be set up along the lines we

talked about. Instead of two hundred million dollars they're asking for a hundred million dollars, and I think that this will go through. As a matter of fact, Japan has already declared they'll put up a hundred million dollars; so if we put up a hundred and Japan puts up a hundred, other countries, I'm sure, will put some money up. So this idea that I had and he supported will go through, not the amount that we asked for, but I think this will be the beginning amount and if it works, I'm sure we'll put some more money in later on.

That was another case where I made a recommednation and he supported it. He made the recommendation to support it to the Congress, and he supported me right along.

M: Did you manage to create the bank in such a way that the Asian nations didn't consider it an American creation?

B: Oh sure. All the way through we stressed that this was going to be their bank and we wanted it run by an Asian. They picked the Japanese to head it, a man that I had known who used to be in the World Bank when I was there. But all the way through in all of my conversations with leaders of the Asian countries, I stressed the fact that we wanted everything to be an Asian initiative; we wanted them to come to us with proposals, we didn't want to tell them what to do. This was my theme everywhere I went.

M: Did that work? Did they then do it?

B: Yes, they did it. And we also spent a lot of time encouraging regional cooperation in all aspects, in the field of education, in the field of transportation, communication or agriculture, all those sort of things. And that was quite successful because they were willing to do it, anxious to do it.

You see, the thing that impressed me in my visits to Southeast Asia was that I didn't find anybody who wasn't completely back of us in the Viet Nam war, which is quite different from the way you find it here. All of those countries were absolutely for us because for one reason--they were all scared.

M: That includes Japan and India, for example?

B: Yes. I don't know about India, I'm talking about Southeast Asia. India is not Southeast Asia at all. No, I don't think India supported us.

M: But Japan would be in that group.

B: Japan, that's right. But the other countries, what I would call the vulnerable countries, such as Thailand and Laos and even Cambodia and Malaysia and Singapore and Indonesia, the Philippines, and Taiwan and Korea--all of these countries, they were all back of us. And the reason, they all had a common fear of China. They all felt that the way to combat that problem with China was to learn how to work together, so this idea of regional cooperation caught fire. This was something that I was practicing all the time, and President Johnson was preaching it. They felt if they learned how to work together in the fields of education or agriculture or transportation or the Mekong River, that

learning how to work together in that way and live together that way may help them to get together politically. This was what we were trying to accomplish, and I think we had great success with that.

I made three lectures at Emory University about a month ago, and these lectures were on my work in Southeast Asia and my impressions and recommendations for the future. These lectures are going to be in book form.

M: I was going to say, I've read your earlier collection of things.

B: This is a new one, this is going to be published. I called up Tom Johnson, who's the President's secretary, and asked him if the President would write a preface to this book. He came back and he said the President would do it, and so far as he knew that was going to be the only one he was going to do, but this is about the thing that I did for him. The book is now about finished, and I'm going to get his preface and it's going to be published in the fall.

So, all in all, it was a wonderful relationship that I had with him. The climax to it I guess was that he invited my wife and me down to the ranch, and we went down and spent three days there with the McGeorge Bundys and the Clark Cliffords and Califano and two other people. It was interesting to see him there on the ranch, and it was interesting to get to really know his wife, who's a wonderful person. I never had seen much of her, but we spent three days there and she was a charming person and a highly intelligent person and a wonderful hostess, a very thoughtful hostess. It was interesting to watch how she

handled him, which is quite a job because he's very energetic--he wants to do something all the time. She was trying to look after the interest of the business and not to have them overdo things and to hold him down at the same time--

M: A juggling act.

B: But it was interesting to see that side of the man.

M: Was he different down there?

B: Yes, he was more relaxed. He wasn't having the phone ring every minute and people rushing in. To see how he loved that place and that country. One morning I got up early and went downstairs, and he was in the swimming pool taking a swim before breakfast, there was nobody up but him and me. He order me a wonderful breakfast. I had breakfast and after breakfast I got in the car with him, and he drove me all over the place. We went into one of the pastures where there were a lot of bulls, and he went to visit each bull and knew them by name and everything that was wrong with them. He sent one back, said this bull had the pink eye, so something could be done about it. But it was wonderful to see a man who loved that part of the world as much as he did. I think he'll be happy there; I hope he will. Of course it's very hard for a man with enormous drive and energy he had to slow down completely, but I think he has certainly handled himself beautifully since Nixon came in. He has been quiet and helpful. So all in all I think he's quite a man.

As I say, I just didn't know anything about him. I did know President Kennedy quite well; I knew President Eisenhower quite well.

M: Can you compare Presidents?

B: I think that President Kennedy was quite a man, and I think that if he had lived he might well have been a very great President. I don't think he had proven that at all. I think he had great qualities. I think his death and the manner of his death probably immortalized him somewhat out of proportion, although, as I say, I believe if he had lived he might have been a great President. I don't think he'd proven that though.

I think as far as the Presidents that I have known, and that has been Roosevelt, Truman, Eisenhower, Kennedy and Johnson, I'd pick Johnson more than anybody else.

M: Remarkable.

B: I'd certainly pick him quickly over Truman. I'd pick him quickly over Roosevelt, not because I liked Johnson, but because I didn't like Roosevelt; and I certainly think he was a better President than Eisenhower. I think that he was a better President than Kennedy, although I don't know that he would have been if Kennedy had lived.

M: Did Mr. Johnson worry about his comparison with Kennedy?

B: No, I think he worried about his image. I never talked to him about Kennedy. I never talked to him about Bobby Kennedy. I thought that I knew how he felt, and I didn't see any useful purpose in talking to him about Bobby Kennedy. I thought he was very restrained in his comments about Bobby Kennedy. No, I think he had a great respect for President Kennedy. But I think he was a man who was concerned about his image; he worried about the press and about television and radio, I thought,

more than he should have. Anybody who's President is going to run into criticism, and you've got to be ready to take it. You can't have everything go for you. I thought that he was over-worried about it. I thought he was doing a good job and he shouldn't be worried about occasions of recurring criticisms.

But I think, all in all, he was a good President. It was most unfortunate that the accomplishments that he made were clouded by Viet Nam. It's a pity, a real pity.

M: Of course the verdict on that will have to wait.

B: That's right.

M: It may turn out to be the thing that makes his _____.

B: I think when he decided not to run, that was a noble gesture on his part.

M: Were you involved in that famous meeting of the March period when his advisers, so-called wise men, were in Washington to review the Viet Nam policy prior to his speech?

B: No.

M: That wasn't one of the occasions?

B: No, I was not involved in the Viet Nam, political or military, situation. That was not my business.

M: He separated the development and the war part. You've been very patient and by the time I break down my equipment, my time is going to be up, and I wouldn't overstay my welcome for anything.

B: I hope this has helped.

M: I think it has. We certainly thank you.

he desk of:

EUGENE R. BLACK

Mr. John Fawcett -

January 6, 1975

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NATIONAL ARCHIVES AND RECORDS SERVICE

Gift of Personal Statement

By EUGENE R. BLACK

to the

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Signed Eugene R Black

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