INTERVIEW I

DATE: April 24, 1969

INTERVIEWEE: NAJEEB HALABY

INTERVIEWER: DAVID McCOMB

PLACE: Mr. Halaby's offices, Pan Am Building, New York City

Tape 1 of 1

M: This is an interview with Mr. Najeeb--to his friends known as Jeeb--Halaby.

First of all, I'd like to know something about your background--where you were born, and when.

H: I was born in Dallas, Texas, November 19, 1915, and lived there until my father passed away in 1928. I went to local elementary schools in Dallas. My father, having been born in what is now Lebanon and having come out to Texas just before World War I, married my mother, who was the daughter of a Confederate soldier who had moved from Tennessee to Texas and had a small ranch down at Graham, Texas. They met while she was an art student at SMU [Southern Methodist University] and formed something called the Halaby Galleries--top floors of the new Nieman Marcus Building in 1927. So I'm sort of a half Arab, half Texan by heritage.

M: You got an A.B. degree from Stanford?

H: Yes. After my father died we moved to California where I finished prep school, went to Stanford, got my A.B. degree in 1937, then my LL.B. at Yale in 1940. Returned to Los Angeles to practice law at O'Melveny and Myers, and then into the service as a navy test pilot.

M: Then after the service, what did you do?

H: After the service, I kind of felt that the war hadn't been won or completed, and I decided I'd to do something about U.S.-Soviet

relations. So I offered myself as the assistant naval-air attache in Moscow. That didn't quite work out. The Russians didn't particularly want too many assistant naval-air attaches at that time. As a substitute, I went into the newly formed research and intelligence organization in the State Department, working on the formation of the Central Intelligence group. After a stint there, James Forrestal asked me to come on his staff as he had just become secretary of defense. So I spent from 1948 to 1953--the Truman Administration--doing work in the field of International Security Affairs for the Secretary of Defense, mainly connected with NATO overseas base installations and military assistance.

M: And then after 1953, what?

H: After that I became an associate of Laurance Rockefeller in his venture capital work. [I] went back out to California and practiced law. John Kennedy appointed me Federal Aviation administrator on January 19, 1961.

I met Lyndon Johnson only once before the inauguration when I was in the Pentagon and had to deal with him in his office on some minor defense matter back in 1949. The most vivid meeting I recall in the beginning was while at the White House on inauguration day, being introduced to him by my friend Congressman Albert Thomas of Houston, who was pretty well acquainted with Lyndon. He gave me a very good introduction and a good start with the new Vice President.

M: You apparently were on some kind of advisory group for the formation of the FAA back in 1955 and 1956, were you not?

H: While working for Laurance Rockefeller a group of us here in New York became very concerned about the cutbacks in expenditures for

the airways and airports in the United States. We felt that the Eisenhower Administration, particularly Secretary of Commerce Sinclair Weeks, was trying to make a record of economy that was false in that they had cut the appropriations for the CAA down to a point where there was no research and development going on, no new installations. And at that very moment we saw a rapid growth of both commercial, military, and private aviation.

So we proposed that the study be conducted to Nelson Rockefeller. He got Eisenhower's blessing and an investment banker named William Harding was made chairman of a citizens commission to study the airways, and I was vice chairman. The dean of the Harvard Business School George Baker, the head of the Flight Safety Foundation, and various others were on this commission. As a result of digging into the substance of the problem, we came out for a reorganization plan for the CAA to give it independent status such as the NASA had acquired, independent of the Department of Commerce. We also proposed a rapid buildup of the technical capabilities of the airways and the airports in the United States, and that is the so-called Harding Commission Report that you referred to.

Later President Eisenhower adopted most of these recommendations, appointed first General Curtis and then General Quesada to be his Special Assistant for Civil Aviation. About that point there were a series of very serious air disasters out in the Grand Canyon area, and this alerted the Congress and the public to the need we had identified a year before. As a result the Federal Aviation Act was amended and the new agency was set up.

M: Was your main concern in starting this group one of safety?

H: The main concern was safety. There were also some other primary concerns such as the efficiency of government operations in this area. We saw how many control towers, how many air route traffic control centers, how many inspectors, rule makers and so on were going to be needed. We were terribly concerned at the efficiency of the operation. I think finally we felt that civil aviation should be promoted more effectively as could be done by an independent, well-financed agency.

M: Was there any problem with having the agency within the Department of Commerce?

H: Yes, the Department of Commerce didn't want to give it up. They were very opposed at the White House level to making it independent. Sinclair Weeks lost that struggle.

M: Did it make sense to have such an agency within the Department of Commerce, since the Department of Commerce was an organization to promote business?

H: Over the years to that point the Secretary of Commerce had been the business man's defender within a series of Democratic administrations. And his concern, as your question suggested, was mainly promotional and not really regulatory. It was, you might say, profitability rather than safety. It was a variety of different and sometimes conflicting responsibilities in the promotion of various kinds of business.

Now he did have the Maritime Agency for transportation, and he did have the Weather Bureau, both of which were related to aviation. There was also a tendency for him to come under the influence of the competing transportation media--the railroads, the steamships,

the bus operators--and for them to get much more attention and appropriations.

M: Did you testify before Congress or anything of that nature in the formation of the FAA?

H: I believe I did. I know I published several pieces on the subject. I was very strong for it. I think I was asked to testify in connection with it. I think the person who did the hardest tactical work--we sort of set the strategy--the guy who did the hardest tactical work in getting it set up was General Ted Curtis, who was a vice president of Eastern Kodak and an intimate friend of President Eisenhower's and Sherman Adams' and General Spaatz to whom he was chief of staff at the 8th Air Force in England during World War II. Curtis really did the groundwork. And then General Quesada, another air force general, came along and did the frontline work on the Hill and as a result became the first administrator.

M: Then you were appointed by Kennedy as administrator in 1961.

H: Yes, the second administrator.

M: And served until 1965?

H: Right.

M: During that period of time did you have any contact with Vice President Johnson?

H: Yes. He, of course, had an airplane that belonged to him and his family. He had an airport and a hangar at the ranch. Although I don't think he has ever considered himself an active pilot, from time to time he has flown airplanes, and during World War II I guess had a stint in naval aviation. So he was very air-minded, and his work on the Senate Preparedness Committee gave him an insight into the

aircraft industry that was extraordinary. And, of course, he had a lot of old close personal friends like C. R. Smith in the airline industry.

One of the first serious matters we dealt with was the crash of his own airplane in which his two pilots were killed on their way out to the ranch. I think they simply tried to let down through cloud cover into one of the foothills out there. He, of course, wanted us to make an especially careful examination of the cause of the accident, which we did.

M: Did you have anything to do at that period of time with the SST program?

H: Yes, a great deal. It has an interesting history. I'll give you just a quick summary of it. I had been fascinated with the prospects of supersonic transportation ever since I had seen some sketches at Lockheed in the summer of 1955 where Bob Gross and Kelly Johnson showed Eddie Rickenbacker and Laurance Rockefeller and myself some sketches of an airplane that would go two or three times the speed of sound. At that point Lockheed, unknown to me, was designing the very high speed reconnaissance spy plane. They had, of course, seen that if you had the engines for this military type airplane you could use those engines for a commercial type airplane.

General Quesada in his last year at FAA also was intrigued with the possibility and he proposed that there be a five million dollar appropriation request by Eisenhower in his last budget that would permit a study of supersonic commercial transportation. It was fascinating that he got no support in the Defense Department. In fact, Secretaries Gates and Douglas opposed this expenditure. They felt they'd already put enough on the B-70, I think. The Budget

Director, Maurice Stans, now the secretary of commerce, wouldn't even let Quesada appeal to President Eisenhower, and as a result he couldn't get any money.

Shortly after coming in, I was able to persuade the new Budget Director, Dave Bell, and the President that we should embark upon a thorough study of the potentialities and problems. I was able to get from Congressman Albert Thomas and Senator Magnuson about eleven million dollars for this study. In connection with it I talked to Vice President Johnson. He was quite intrigued with the idea, and I think it can be said that he supported it from the beginning--also, James Webb, with a little less enthusiasm, was for it. I got Ros Gilpatric in the Defense Department to sort of reverse his predecessor and support it.

Then as it appeared to President Kennedy that it was going to cost a great deal of money, and that I might be a little too enthusiastic about it, and that there was some question about whether FAA, the regulator of civil aviation, should also be the promoter of a new airplane, he thought it wise to set up a committee to review the matter in the winter of 1962-1963.

Also, Lyndon didn't have much to do, and this was the kind of project that his instincts and his enthusiasm and his maneuverability on the Hill would apply to very well. So it came up in the Space Council, of which Johnson was chairman. Then a cabinet-level committee was established with Johnson as chairman and with Ed Welsh as sort of his assistant and with me providing the staff work and sort of the driving force. The committee met a number of times and published a report favoring the development of the SST, and as a

result in the spring of 1963 President Kennedy was pretty well briefed on the prospects and problems.

About that point the British and French who had been talking about a tripartite development program--Americans, British, and French--decided that it wasn't going to be possible to proceed with the Americans, but they would proceed on their own. And they announced the Concorde program, and that precipitated a decision that Kennedy had been prepared to make but had not yet made. He inserted in his Air Force Academy speech in the late spring of '63 the proposal that we proceed on, I think, a cautious, conditional basis with the SST. From then on Johnson was interested in the SST, but he didn't directly actively participate in it again until he became President.

M: Did the Budget Bureau have some objection to the SST?

H: As part of the whole growth of the Kennedy budgets and the rather liberal attitude toward projects that he knew the President was interested in on the part of Dave Bell, it became clear that these rather unique and exotic projects like the Space Program, the SST, and some others had to be reviewed. And I would say beginning about 1964, the SST was more and more critically reviewed. It would never have gotten through the Budget Bureau in 1963 if the President hadn't personally decided to go ahead with it. I won't say he went ahead with it over their objection, but he went ahead with it over their cautioning as to the problems and as to the methods of financing.

M: Was there some thought in this period of time, the sixties, 1963-1964, about forming a Department of Transportation?

H: There had been proposals for a Department of Transportation for a

decade or so. It was the kind of thing that political scientists and government reorganizers and occasionally the Budget Bureau Management and Organization Section would take out and discuss. But it never really got much serious consideration, I would say, until about the 1964,1965 period.

There was a particularly able and strong-minded under secretary of commerce for transportation appointed. I had a hand in urging the President to appoint him, Alan Boyd, who had been chairman of the CAB. I think he brought out many of the reasons that would make sense. We were heading toward a sort of crisis of congestion in all forms of transportation--airways, airports, highways, even the seaways. And the conflict between the special interests--the truckers, the highway contractors, the airline executives, and of course that absolutely ungovernable group of maritime labor union and maritime interests was getting sharper--and [there was] more competition for the budget dollar and public attention.

From my point of view, as FAA administrator, I saw more and more how each of us--narrow, parochial, special interests--was developing his thing, his specialty, without consideration for others. For example, I wanted to make the approaches into the airports at Kennedy and at Los Angeles International under a freeway. In other words, I wanted a freeway under the approaches. I had a very special reason for it. I didn't want any more residential dwellings to be built under the take-off and landing area. So if I could get the freeway routed along that approach, then I would eliminate potential noise complaints and restrictions and expenses for the airport. But I found that neither the state or federal highway people gave a

damn about the airways, and they were proceeding quite independently. And we couldn't get even a mile or two rerouting although it would have saved the state and local and federal governments money and trouble.

There were other aspects of the problem. We regulated airmen very stringently, but nobody regulated automobile drivers. The fatality rates were unbelievable. And we felt very strongly that there should be a highway safety program, perhaps not as detailed or as stringent as our own, but here we were spending millions of dollars with thousands of inspectors on a handful of airmen while the fifty-sixty million automobile drivers were killing fifty or sixty thousand of each other with almost no safety regulations.

Then I felt that we were beginning to have enough technology, we knew enough about the so-called systems approach, we knew enough about the optimum lifting vehicles, we just had enough computer capability, enough professional manpower to begin to develop an integrated transportation system, using the best mode. For example, it's fairly clear that a train is a better vehicle between New York and Boston than the plane. But nobody was developing the train, and everybody was developing airplanes, not because it was a better technical vehicle but because it had more, you might say, energy and is imaginative.

So for all those reasons I prepared a memo when I left office to Mr. Johnson suggesting that there be a Department of Transportation. If it got attention, I think it did so because here was an independent agency head proposing to become less independent, in fact, apparently saying, "Well, now it's time to put the FAA back in a cabinet

department."

However, I felt that for all the reasons I just gave, plus the fact that aviation would have Cabinet representation. Now, we independent agency heads didn't feel left out of the Kennedy or Johnson Administrations but, God, there are about 225 people reporting to the President and it's a hopeless administrative thing. In theory, and many times in practice, the Cabinet officer had not only the biggest word but the last word. So I felt that a good professional transportation cabinet officer would be a great thing. And, of course, in the course of the congressional debate over Lyndon Johnson's proposal to create the department of transportation there was quite a bit of discussion; and in fact some of the aviation zealots like Senator Mike Monroney insured that there would be a high degree of autonomy in the FAA. But I think it was a sound decision, and I've continued to support it. A number of people in aviation have criticized me for initiating or supporting the idea, and they are more and more saying that aviation is getting buried down in Transportation like CAA used to be buried in Commerce. I don't think that's so. It could be so, but I don't think it is yet.

M: Apparently from all I've heard when you left the FAA there was a certain amount of strain between you and the President. Can you tell me about that?

H: I can only tell you my side of the thing. Let me do it backwards. The actual last day in office--as I recall it was July 1, 1965--
--it was the swearing-in in the Cabinet Room by President Johnson of my successor General William McKee. It was a rather tense and slightly dramatic thing for me because Busby and Valenti and Moyers

I knew had been urging the President to acknowledge in some way that I'd done a reasonably good job and that I wasn't being fired because Congressman Gonzalez of San Antonio had forced him to fire me. There was some question about whether I would be invited--I was--then what the President would say about me in view of the fact that two things had happened. One, Life had published rather prominently an article that stated in effect that Congressman Gonzalez had gotten me fired because of my criticism of him in a talk in San Antonio; and second, there had been wide speculation, particularly in the New York papers, that I had quit in order to take a job with Pan American, and that Johnson somehow was opposed to this. Anyway, the ceremony went off very nicely, and the President read some remarks that Valenti and Busby had prepared for him. It was all, on the surface at least, very friendly.

Now going back, in 1963 I prepared a plan with the full support and strong backing of the Budget Bureau to reduce the number of air traffic control centers. There were some thirty-five of them, and I had reduced them down to twenty-eight and I wanted to go even further because our radar range, our computer capability, our communications network, now permitted each one of these centers to control more efficiently a wider area. For example, there had been between Phoenix and Memphis, Tennessee, centers at El Paso, San Antonio, Fort Worth, New Orleans, and Memphis. These are wide stretches of land and airspace, and it was perfectly clear that we didn't need the centers at El Paso, San Antonio, New Orleans. There were several others in the North, so I had a program of closing eight of these centers and saving over the long term several million

dollars. President Kennedy had approved the scheme, and I went through the laborious and treacherous process of advising the congressmen and senators that we were about to do it. I came to Senator Henry Gonzalez who had just been elected in a by-election I didn't even know it at the time, but he had had Lyndon Johnson down on the street corners of San Antonio campaigning for him, as Vice President. And, of course, he overcame the rather strong Republican vote in the area and won. Of course, he was one of the first Mexican-Americans elected to Congress. I went to his rather unorganized office and tried to get an appointment to talk to him about it and couldn't. I didn't know whether he just didn't appreciate the significance of my move to close the San Antonio center, where there were about 200 federal employees, or he was avoiding me. But, anyway, I persisted and finally I was told I could come and have lunch with him. I arrived to have lunch, but instead he had Sarah McClendon with him and another lady and he was sorry, that we would have to have lunch another time.

At that point I had telegrams in my hand announcing all eight of these closures which we felt had to be done at the same time. And I told him, "This is going out tonight, Mr. Congressman, and we never did have a discussion." He said, "Well, discuss it with my assistant." Really, in retrospect, it was just the sort of excitement and disorder of being a freshman Congressman. Among other things I said, "I would be happy to go down to San Antone and make a public statement of your opposition to this closure and the fact that I just had to go ahead and do it." He, again, gave me no comment on that.

In any case, I went to New Orleans and explained to the FAA

people there, and then I went up to San Antone. By the time I got there, there was just an absolute mob scene of civic protesters. What I hadn't realized was that the closing of any federal facility in San Antone was a major threat, it being as federal a city as any other than Washington because of the air force and veterans and other federal facilities. I was absolutely swarmed by all kinds of adversaries who thought they could get this decision reversed. In the course of being literally mobbed, we went into a little conference room and there wasn't even room to turn around--microphones and TV cameras and so on.

On the way to this facility, really to explain to my own people what was happening, not knowing there were going to be anything but maybe a couple of pressmen, I was greeted at the airport by the mayor of San Antone who had been an official in the Eisenhower Administration, who was a rabid Republican, unknown to me, and by a young man who was president of the Chamber of Commerce Aviation Division who also was an ambitious young Republican politician. They handed me, as I got down out of the airplane, an AP dispatch from Washington that said, "Congressman Gonzalez asks GAO to investigate Halaby's illegal and improper closure of San Antonio facility." And in an off-hand remark to one of my assistants with me, overheard by the two gentlemen--the mayor and the Chamber of Commerce man--I said, "Boy, he is acting like a freshman congressman, isn't he?" They put that, unknown to me, a few minutes later on the radio and from then on the headlines and the newspapers and TV were gunning for Gonzalez. "Halaby calls Gonzales freshman, and acting like one!" From that moment on Mr. Gonzalez was an absolutely

sworn, indefatigable enemy of Halaby, and he drew around him critics from within aviation and outside. In fact, one fellow was hired to write speeches for him attacking me.

He went to Lyndon Johnson, his friend, and Lyndon called me up. I went over, and Lyndon was very cool about it. He said, "What did you do to this fellow?" And I told him the whole story. He said, "Well, that's the damndest thing I've ever heard of."

And I said, "Well, what can I do to help him? As I understand it, he's a liberal, he has got a good sense of humor, he represents a neglected part of our society. The last thing in the world I would want to do is hurt--that's why I was there, to try to help him out, to say how much he'd opposed this."

"Well," he said, "you fouled it up."

And I said, "I sure as hell did. I'm going to write him a personal handwritten note of apology," which I did and never got a reply. I never flared back at Gonzalez. I never answered his attacks. He began to attack me for gambling, I think he said playing roulette with the lives of the people in the skies over Texas by closing this facility. The fact was it was going to be safer because there were fewer hand-offs between control stations and so on. There was a running attack in the Congressional Record. I did everything that I thought I could do. Johnson didn't ask me to do any more. President Kennedy said, "Don't worry about it, Lyndon will help you out." I know Kennedy and Johnson talked about it because it was a rather dramatic thing for this new young congressman whom they had counted on for solid administration voting on various bills. Well, this running attack kept up after Johnson became president

and reached a peak in this Life article.

Now, when I went to President Johnson at the ranch in the winter of 1964--I guess it was December, 1964--I told him I wanted to leave at the end of my four years. [I said] that I had only committed to take the job [for that length of time]. It's a very painful and tiring job. And [I said] that I had done what I had told President Kennedy I would do. I had kept the job longer than anybody else in history. Previously the average tenure had been about eighteen months, and I felt I had done my duty. He said, no. he wouldn't hear of it. Then I wrote him a letter in January and said I'd like to leave and didn't hear from him for several weeks.

M: This is after Johnson was president?

H: Yes. This is now 1964. That would be December 1964.

M: That was when you were at the ranch?

H: The budget hearing at the ranch. I told him I'd like to leave in January 1965, and he said, "No, no, we won't even talk about that." Then in the spring I wrote him another letter and said I would like to leave in the spring.

Finally I told Jack Valenti I was serious and that I had to have a date. Valenti finally convinced Lyndon that I meant it. So he asked me over and got me in his little inner office there between Valenti's office and the Oval Room, and gave me what at the time was a surprising and flattering sort of arm-twisting session. He said that he didn't want me to leave, that sure, I had ruffled

Gonzalez' feathers, but that I'd done a fabulous job and that I knew more about airplanes than anybody, and that the SST was just getting started and he wanted me to keep going on that, and I had good support on the Hill by Magnuson and Thomas and others, and on and on in sort of a whirlwind of "You can't go, you've got to stay." I listened to it all, quite surprised--just the two of us there--and said, "Well, Mr. President, I'll certainly think it over again, but I do need to get out. I'm tired and I'm running out of dough, and I hope that I'll have some opportunities outside."

He said, "Well, do you have any now?"

And I said, "Well, I've been told by a couple of people that when I get out they want to talk to me. One of them is Juan Trippe."

And he said, "Well, I heard about that. You think it over." So I came back about two weeks later and told him I just had to go. Some of his intimates warned me that if I turned him down after that much of an effort to get me to stay that I was not going to be exactly the most beloved ex-colleague.

Well, I think that was the real problem. He hated to be turned down, particularly at that early stage. I think he was sensitive to Kennedy men leaving the administration, and since I'd been kind of visible and fairly closely identified with the New Frontier group I think that was a consideration. The continuing pressure from Gonzalez, the difficulties with budgets and all kinds of controversies that constantly swirl around the FAA, plus my "disloyalty" in leaving, I think put the relationship under some strain. We didn't talk on the phone much after that and he didn't

consult with me about my successor. I would never have thought of his appointing McKee. I had urged him to appoint Alan Boyd as the FAA administrator, hoping that from there, if the Department of Transportation were formed, Boyd could become secretary.

M: But you summed up your thoughts in that last memo that you sent over?

H: Yes. So I left, I think, particularly in the aviation community, under a slight cloud as to whether Lyndon was really mad at Halaby or not. By that time I didn't mind so much except that it would prevent me from returning to law practice or getting a desirable job. Jack Valenti, in particular, was quite helpful in reassuring people in the public that this was not a hate-Halaby on the President's part. But that he was sort of irritated at leaving too soon and so on. So I don't think it hurt much.

I did see Johnson on several occasions subsequently, mostly swearing in or Collier Trophy ceremonies, and he was always very courteous. Mrs. Johnson and I had two or three projects together which worked out pretty well. I, of course, was never very close to him. In fact, the closest I ever got to him was the day I told him I had to leave and he told me I had to stay.

His personal habits and mannerisms and manners didn't endear him to people like myself. His sort of subjectivity and emotional cycles were always a source of confusion and anxiety. And he hadn't selected me, which was another factor. I think he was most sure of those he had selected. I remember one of the most vivid phrases that he used. He said, "I'm not going to appoint that fellow until I've got his pecker in my pocket." He used that in my presence and he used it many times, which meant--I take it, that the metaphor

means that "I don't want anybody in a job near me if he can screw me." I think that in a way symbolizes his attitude toward those who work for him. It's good old salty Texas caliche earthiness. It produces a lot of energy and a lot of vitality, but it doesn't produce a lot of harmony and affection.

M: I know you're running on a tight schedule.

H: Yes.

M: You've pretty well covered the questions I wanted to ask you. It may be in the future we'll want to talk to you again, but I thank you for your time.

H: Don't hesitate to come back if you're filling in some gaps or interstices. I think the SST was an important feature. I think that the creation of the Department of Transportation was another one. I think the faltering of the appropriations for airways and airports in the last three years, 1966, 1967, 1968, and the failure to achieve a strong rapidly advancing airways-airport system may prove to be one of the most serious failures in the area of transportation. Yet, on the whole, the Kennedy-Johnson years advanced the field of aviation very, very markedly.

M: Very good. Thank you.

[End of Tape 1 of 1 and Interview I]

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