INTERVIEWEE: GOVERNOR LUTHER HODGES

INTERVIEWER: T. HARRI BAKER

October 10, 1968

B: All right, sir, if we may start here, when did you first get acquainted with Mr. Johnson?

H: I met Mr. Johnson some time in the forties. I was in Washington on various assignments--OPA, Agriculture, other things. I saw him there. I met him as a U.S. Senator, because I always went to the Congress and said hello to the people.

But I had a chance to know him better in the late fifties when I was Governor of North Carolina and he was invited to make the speech to the Jefferson-Jackson Day Annual Dinner and he and Mrs. Johnson spent the night with Mrs. Hodges and me at the mansion. We had a chance to know them pretty intimately, and he made a good impression at the Jackson Day Dinner because he was and is a great politician and knew the political game and everybody there was pretty much in tune with that kind of thinking.

One thing, at the mansion, the dinner, we had a small group of about a dozen, and he absolutely captivated people at the table with his great knowledge of political affairs and things generally in the country. And then I remember a situation developed after he and Lady Bird had gone on back. I watched her taking a few notes and listening most intently while he was talking freely, and even my chauffeur got a letter of thanks for being nice to them. We later found out that everybody that he had met around here had received this. This, to me, was an indication that he was still running for something and not necessarily just from Texas.

B: You figured as early as then he had his eye on the Presidency?

H: Oh, I'm sure that he had in mind that that was what he would like to do because he was properly a very ambitious man and there was no reason why he couldn't have aspired to the Presidency.

B: Had you begun thinking about him then as a candidate?

H: I hadn't thought of him as a President at that time. The main interest had not developed. He had been through the '56 convention with [John F.] Kennedy and he was there--Mr. Johnson was there--with Dick Russell and others--at the hotel and had a "Love That Lyndon" button around and all that, but nobody took him very seriously. They were looking toward Kennedy. Actually, when the time came, I had no trouble deciding to be for Mr. Johnson for the nomination.

B: You were also acquainted with Mr. Kennedy at that time, were you not?

H: Yes, quite so. I had met Mr. Kennedy at some meeting, either there in Congress or at some meeting in the early fifties, but I got to know him pretty well in 1956 because we were on the platform together. He was nominating Mr. [Adlai] Stevenson and I was seconding it, and I urged him then to run for the vice-presidential nomination. He demurred, but in the next twenty-four hours he did agree and we were able to help him and almost got him nominated for the vice-presidency. I had a chance to get to know him very well then. From then on I saw him in meetings in the 1956 campaign and then as we came into the '60 campaign, he came to me and asked my support.

B: What was his reaction when you told him you were supporting Mr. Johnson?

H: Well, he said he didn't understand it because we were such good friends and I had been of such help to him in the '56 convention. And I said, "Well, I'm doing this, Senator, because of prejudice." He said, "What

kind of prejudice?" I said, "The prejudice of the North against a Southern candidate because we've been written off, so to speak, for a hundred years along these lines, and I don't like the prejudice of the North and other parts of the country against the South. This seems to be the best chance we've had in a hundred years, so I'm going to support Mr. Johnson for the nomination." And I said, "If you get the nomination, then I'll support you and work for you night and day. Anything you want. Again, because of prejudice." And he wondered what that was all about. I said, "Prejudice against Jews and Catholics. And I'm speaking as a Southern Methodist, but I don't think we ought to have prejudice in the South or elsewhere." And I said then, and during the campaign, that the prejudice would be stronger against Catholics in the Midwest than it would be in the South. And I think it turned out that way. But he understood all this and that was part of the greatness of this man: that he never held it against me at all. He used me in the campaign and appointed me as his National Chairman for Businessmen for Kennedy-Johnson. We were able to help them a lot along that line, organizing thousands upon thousands of businessmen in all parts of the country. And then on the closing day of the campaign, on Monday night before the election on Tuesday, he asked me to join him and two of his sisters in New Hampshire and Massachusetts for his closing speech in which we were glad to take part. And then I disregarded anything beyond that; thought that was it and never dreamed that I would be selected for the Cabinet by him.

B: Back at the 1960 convention you were the favorite son from North Carolina, which means that you were holding a North Carolina delegation for Mr. Johnson?

H: I wasn't a favorite son as president. I was to be nominated for

vice-president. But I had already announced through the state that I was going to be for Johnson and hoped the delegation would be for him. Actually, we got more than thirty out of forty votes for Mr. Johnson in the North Carolina delegation.

B: For whom did the other votes go?

H: The others went to Mr. Kennedy through the intervention of Mr. Terry Sanford who was succeeding me as Governor, as proved in the election; he was able to get some support, and it was helpful to Kennedy because that was a break in the South. Sanford seconded the nomination of Mr. Kennedy and got eight or ten of the votes, as I recall.

B: How was the Johnson organization at the convention?

H: It was very poor. You just didn't feel that it was organized. You felt completely overwhelmed by, and great respect for the Kennedy organization, because you knew they knew exactly what they were doing. And they went at it like they wanted it. And it was organized to the nth degree to get it, and Mr. Johnson's was just the opposite.

B: Do you figure that was Mr. Johnson's fault--that he himself did not want the office, or seem to want the office?

H: Well, he kept saying right up to the time of the convention practically that he wasn't running for the presidency, but many of his friends insisted on running him. And then he did very little campaigning before the nomination--the convention--and he did that on the basis of pure patriotism because it was his job to stay in the Senate and do the job for the country. I thought his judgment was very naive in this particular case, because he ought to know and he does know by now that people don't really have any real loyalties to a man who does his duties like that. They are interested in a man who wants the job and can win it.

B: But do you feel that he really did want the job?

H: Oh, I'm sure he did, deep down. But he thought that this other was the best way to do it and it was strictly sort of a personal campaign, whereas Kennedy's was highly organized to the last precinct.

B: Were you surprised when Mr. Johnson accepted the vice-presidential nomination?

H: Yes, I was completely surprised. I was not in on the intimacy either with the Kennedy or Johnson group at the convention. I helped as much as I could in connection with Mr. Johnson's nomination, but I didn't know it until I got on the floor the next morning, the time I was to be nominated with others for the vice-presidency. Incidentally, I did not let them do it after Johnson had been chosen. I was asked when I reached the floor by a newspaperman, was I surprised at Johnson's selection. I said, "I don't believe it." So that's how much I knew about it.

B: There has been some speculation that at least some of the Kennedy camp did not believe that Johnson would accept--that is, that the offer was a political ploy, not a sincere offer. Did you have any indication of that?

H: Well, when I found out about it, it was a fait accompli. If I had been asked, I would have said he wouldn't accept, because of a strong feeling that the fact that he felt, and I think the people felt, that he was a stronger individual as such than Kennedy himself--that he had great power in the Senate and he loved power. And it would be more than the vice-presidency. I don't know. History will determine it, I guess. I would think Mrs. Johnson had something to do with it.

B: Mrs. Johnson may have encouraged him?

H: I think she must have had something to do with persuading him.

B: Then you did participate actively in the campaign?

H: Oh, yes.

B: Do you believe your business and professional group was an effective organization?

H: I know it was. Very effective. I had a more intimate connection here in my own state with organizations of businessmen, but I know it was true all over the country. We were able, with lots of good help, to turn the minds of the businessmen to a favorable basis for Mr. Kennedy as being conservative enough for them.

B: Sir, about the Catholic issue. You said you felt that was stronger in the Midwest than here in the South?

H: Yes. You see, the South is always a whipping-boy on these things of prejudice. We had had the Al Smith situation in our own state--first time in a hundred years we went Republican was for Al Smith as a Democratic Catholic. But I felt that in the Midwest they would have more prejudiced feeling than we would have. I think that the election showed that.

B: Do you feel that Mr. Johnson contributed a good deal to the campaign?

H: I'm sure he did. I'm sure he did. I think Mr. Kennedy was very objective in his selection. I don't think it was done out of great gratitude or a great feeling of personal admiration or anything of that character, because they were so different. But Mr. Johnson had several hundred votes in the convention and he had the Senators with him generally, and they do have some influence in the various states and particularly in the South. So I think Mr. Johnson did; however, I think Mrs. Johnson did just as much. I think her famous train trip on the "Lady Bird Special" had a great influence. Mr. Johnson joined us on that both in North Carolina at a tremendous rally as the train passed through and then he flew down later to New Orleans at the end of the trip.

B: Were you on the train, sir?

H: I was on the whole time.

B: What was the reaction of the people in the South to the train?

H: They liked it. They remembered peppery little President Truman, and they thought that was good and they are remembering it again now [in the 1968 campaign]. And they liked the idea of the train and it was well-organized. The whole Kennedy-Johnson setup by that time was functioning well. The leaders generally followed. They would pick up at one station and ride through their station and so forth, and there were good crowds everywhere. And excellent publicity.

B: Was Mrs. Johnson a good campaigner?

H: Very good campaigner. And she was able to turn a lot of this prejudice of people against the Kennedy-Johnson situation.

B: Did she make speeches or just simply informally talk to people?

H: Gave speeches every time.

B: On just everything?

H: Everything. Mainly her sincere looks and her personality. But she always said a few words. Sometimes a little speech. And then usually one of the daughters would say something.

B: Do you feel that was a turning point in the campaign in the South?

H: I think it had much to do with it. I think Mr. Johnson's meeting in Raleigh which went over very big was the turning point in this state and may have been in the South.

B: What went on at that meeting?

H: Well, it was highly organized with the usual entertainment and hoopla that goes with a meeting of this character, and the President [Mr. Johnson] made a speech. He had the crowd with him and did a great job.

B: After the election, as you say, you had no previous knowledge that you were being considered for the Cabinet post?

H: No, not at all. No, it never had been discussed. Nothing had been discussed. We did all we thought we could for the party. When I went to South America with a bunch of governors--twenty-five or thirty of them--as the guest of Argentina and Brazil, we got off at one of those places down there. There was a New York Times article that they were quoting that it was rumored that I was to be selected as Secretary of Commerce. But that's all I knew, and I didn't take it seriously. Others on the trip were more interested in a Cabinet post than I was. I had not planned to do anything except retire to Chapel Hill. In the fall of '60, I bought a house in which to do so. Later while I was presiding over some kind of meeting here in Chapel Hill as Governor, President Kennedy called me and asked me to come to see him. He didn't say then what he wanted. I went to see him and we had not over ten or fifteen minutes together. He was a good friend. He asked me if I would take the job. I said that I would. That began a very great relationship.

B: Did you decide that quickly? No second thoughts?

H: Yes, because it's one of those quick things. You naturally wonder when you are going down, "Well, what's it all about," and you have to bring that in as one of the possibilities that he wanted to talk to me about. So, in my case I was finishing my term as Governor, so there wasn't any difficulty for me.

B: Sir, the problem of transition, of taking over the department: did that go fairly smoothly--your relationships with the existing Secretary [Frederick H. Mueller]?

H: Oh, yes. We had no problem at all. He called me in to one of his

meetings with his whole staff. We talked several times and corresponded regularly. He saw me several days before the actual change and couldn't have been nicer. And we got off to a good start. I told Mr. Kennedy I was going to appoint a strong team, that I was going to select men for his appointment on the team--Under Secretaries and Assistant Secretaries. He made a great statement. He said, "Go ahead and do it and don't ask whom they supported for the nomination, because I want you to have a strong team." So we went right on on that basis. It couldn't have been better.

B: Did you have any difficulty in getting good men--businessmen?

H: Not at all. People wanted to serve. There was a flair about Kennedy's leadership. This was a change after eight years of Republican leadership, or lack of leadership as they may term it. And people were anxious to help. Mr. Kennedy was able to draw people to him, not only his immediate staff, but in the departments around him.

B: How did you find the caliber of the existing civil servants, the nonappointive group?

H: Oh, generally speaking, all right. I told a Congressional committee that I thought ninety percent of them were high grade--the other ten percent were probably malingerers. And if they would give me the opportunity of getting rid of the ten percent and turning the money into other programs that would be helpful, I could cut down the number of people and cut down the expense and have a better department. But the Congress doesn't do it quite that way. But I worked out very well with the Commerce employees. I talked to the entire Commerce group in person, a thousand at a time. I sent a message out to those outside of Washington. I got off to a good start. It's a great department which has been misused, or not used, through the years and it has lost a lot of its influence because of that.

B: By misuse, sir, specifically, do you mean by previous Secretaries?

H: Oh, I mean that nobody had taken the department seriously, almost since Hoover's time, certainly during the Roosevelt time.

B: When Hoover was Secretary of Commerce, or when he was President?

H: Well, he did a great job as Secretary. After that, as Roosevelt appointed various people as more or less part-time Secretaries--[Harry] Hopkins, [Averell] Harriman, and others who were great guys in themselves--but not really interested in building up a great department.

B: Is it too big and unwieldly?

H: In some ways it has become that, but there are organizations bigger than that--Agriculture, and others--much bigger. It's just a question that it had been unused so long, and the lack of real leadership, that it wasn't carrying its load or pulling its oar in the Administration's council as a whole. This is the real problem.

B: What is the relationship between the Secretary of Commerce and these other agencies like the Bureau of Budget and the Council of Economic Advisors?

H: Well, of course, as I have said many times, the Council of Economic Advisors should never have been necessary to have been formed. If the Department of Commerce, which furnishes statistics through their Office of Business Economics, had done their job, you wouldn't have had to have a Council of Economic Advisors. But they again didn't do it. It always held you back. It was a compromise or a fight. There were always bureaucratic jealousies and empire building.

B: Does this take place up at the top level or more down at the--?

H: Well, some of both, but generally down underneath the appointed man, because bureaucrats there really have control and they see Secretaries

come and go. They want to build theirs up. But they don't have enough influence. They hold on to certain things, but they don't have enough influence to get in with the council or the Cabinet and other places to really make it worthwhile.

B: I was going to ask you--do you find a sort of an inertia among the high ranking permanent civil servants who know that they are going to be there after you've gone?

H: Oh, that's a real problem.

B: Is it difficult?

H: It is real difficult.

B: How do you go about impressing your leadership on men in that position?

H: Well, you have to do it with your personality and with determination; you simply tell them that you are going to banish them to Siberia or something if they don't do the job. It works if you work at it, but the average man doesn't have time to work at it. He's taking bows and making speeches. You have to almost know organization work and love organization work to be able to take one of those things and turn it around.

B: Your business and gubernatorial experience help?

H: Oh, it fitted in beautifully. There is no difference in running a big department, covering everything in government practically and abroad. There is no difference in running the governorship; it just broadens your horizons.

B: Did you ever have to banish any of them?

H: Oh, I did that with quite a few.

B: Were you able to weed out any of what you considered to be the ten percent of unfit men?

H: Not many. They would transfer to some other place outside the Department

of Commerce. The Civil Service would still take care of them.

B: Do you think you made any institutional changes that will make the Commerce Department better even after your retirement?

H: Well, we did a lot of things in connection with the organization giving more emphasis to certain things, in the Bureau of Standards and the Weather Bureau and the Patent Office and things of that characters. Mainly because of giving specific authority to them and then having definite reports that had to come in to see what they were doing, and knowing that every Tuesday morning I would know exactly what was going on. It's setting up an organization that is flexible enough for a man to run like his own business, but also knowing that you know each week exactly how he is doing it.

B: Tuesday mornings are staff meetings?

H: Staff meetings, and they started at 8:30 if nobody else was there but me.

B: Was that an innovation of yours?

H: Oh, absolutely. People never dreamed of starting anything like that and never dreamed of having a secretary that was there at 8:30.

B: I believe that you had regular press conferences too.

H: Yes, we had press conferences every month, practically, the whole time we were there. Completely wide open and very well received.

B: Did you find Mr. Kennedy aware of your problems and helpful?

H: Yes, we could take things to him. It's not easy to see a President too often. You ought not to try to see him too often, because he wants you to run your own business. But with many things, such as the Trade Expansion Act which he asked me to try to shepherd through the Congress, he came up to me regularly on things of that character. We met at Hyannis Port when we laid out our strategy; we talked to him in the office. And

on the wheat deal and maritime matters, things of that character, we kept in constant touch with him. He was very knowledgeable and very sympathetic.

B: Did you find the staff perhaps overly-protective of him?

H: Well, his appointment secretary was--had to be protective of him, but we also felt that we didn't have quite the same rapport there because they didn't have quite the broad gauge attitude as the President had. They were against any of us who weren't there before Wisconsin or before West Virginia. The fact that I worked openly against him in the convention never helped me any with the staff.

B: Did you find that general among the Cabinet and staff?

H: No, not general. Most of them were high grade--the [Ted] Sorensens, the [Mike] Feldmans, others of that character--but a few of them were pretty bad.

B: Mr. [Kenneth] O'Donnell was appointment secretary, was he not?

H: Yes, he was appointment secretary. WEll, he played things very close to his chest. He was all-Kennedy all the time, and I think even after Johnson went in, he was still all-Kennedy.

B: Do you think there were too many or not enough or just about the right number of Cabinet meetings?

H: I don't think there were quite enough Cabinet meetings. I don't think they were taken quite seriously enough by the President. He liked to talk individually and get the point of view and then make up his own mind. There were some good meetings of the Cabinet on matters of legislation and things of that character.

B: In your personal conversations with Mr. Kennedy, did he ask you for advice in areas other than specifically Commerce things? Civil rights, for example, as a Southern governor?

H: Yes, we talked about civil rights. I remember saying to him one time when he was trying to get a civil rights bill, "Aren't you probably trying to push this a little too fast?" He said, "Well, you've got to do what you think is right, Governor, even if you get defeated." So, many times he talked to me along these lines, both in the Cabinet and outside.

B: Did he feel that his advocacy of the civil rights legislation in '63 was politically dangerous?

H: Yes, very definitely.

B: He felt, nonetheless, that it should be done?

H: Yes.

B: Did you agree with that evaluation?

H: Well, I was a little more conservative than he was on it. I was kind of drawn into it through the Community Services activities of the civil rights thing and when I came into Commerce, I worked very hard on it. I have nothing but praise for him, and even more praise for Mr. Johnson, who got it through and did a great job. He [Johnson] proved from the very beginning that he was very interested in doing something along these lines. Unfortunately, people as a whole didn't quite believe his sincerity. That's because of his method of--his training in the Senate; some people would call it devious, I would call it strategy. This is the one weakness that I think that he had in his whole career. I think he is a great patriot.

B: During the Kennedy years, did you see Mr. Johnson often and consult with him?

H: Yes, I saw him from time to time on business of the Department of Commerce, or where I wanted him to get a few businessmen together. I saw him on the Fair Employment Practices Committee, on which I served. Then

I saw him quite a few times just in passing, say, in the corridors or before or after Cabinet meetings.

B: Did you go to him for help with Congress?

H: Yes, I asked his advice many times.

B: Did you find it helpful?

H: Yes, he was past master at that kind of thing.

B: Did he do more than advise? If you were, for example, getting the Trade Expansion Bill through Congress, did he himself get actively involved on that?

H: No, he did not, not openly, not that I knew of.

B: Did you get the impression that Mr. Johnson was under some kind of unnatural restraint as Vice-President?

H: Yes, he never seemed to be the ebullient Lyndon Johnson. He was either careful or crafty or subdued or something, with the Kennedy flair or whatever you want to call it. And he took very little part--he was not natural in the Cabinet meetings, in my own opinion.

B: What went on in the Cabinet meetings?

H: There was always a discussion: "What is the situation internationally?" Mr. Rusk would tell us about it; or it was the trade bill, "Governor Hodges, how is it going?" There were three or four major things that were facing the Presidency at that time.

B: Did Mr. Johnson volunteer comments during the meetings?

H: Very little. Practically none.

B: Would he speak when asked specifically?

H: If asked directly, he would answer briefly.

B: Who did dominate the Cabinet meetings? Other than the President himself?

H: Well, there were two chief participants--three chief participants: [Dean]

Rusk, number one--he had the number one rank; and Mr. [Robert] McNamara, because they brought in all the questions from the Defense Department; and Mr. Robert Kennedy always usually had a point of view and he called on him pretty regularly.

B: On all subjects?

H: Just about, yes.

B: Did you get the impression that there was any friction or resentment between Mr. Johnson and the Kennedy staff?

H: Well, I think there was. It was never out in the open, but I heard enough side remarks from him and friends of his that they knew he wasn't received warmly.

B: Do you suppose the Kennedy staff felt that Mr. Johnson was more interested in his own personal advancement than in the Kennedy Administration?

H: I think you could put it the other way. I think that they were devoutly devoted to Kennedy, and he was their whole life. And that this other man had tried to displace him. As they never forgave me, they never forgave him. And they didn't want him to to look too good, or better.

B: Then that continued through the whole three years?

H: There is no question about it.

B: Did it perhaps intensify?

H: I don't think it really did; it remained about the same. We might have had incidents that intensified, but they don't come to mind.

B: What about the relationship between Mr. Johnson and Robert Kennedy?

H: Well, I think it was always strained in that Robert Kennedy was the number one man who would react to things like that. He was his brother's

campaign manager and he was a most active and smart politician.

B: Do you suppose it went beyond that--that Robert Kennedy and Mr. Johnson both might have been thinking about a future Presidency?

H: Well, one could surmise that. It's possible, but I never saw any evidence of it. I'm sure both men had things like that in mind.

B: Do you figure Mr. Johnson was happy as Vice-President?

H: Well, I'm sure he had times of happiness, but I don't think he was genuinely happy. I think he was happier in the Senate.

B: Sir, one of the first things you did as Secretary of Commerce was to deal with the problem of the Business Advisory Council. Did that cause any particular repercussions?

H: Yes. That was one of the nastiest little things that developed. I got into it very hurriedly, almost the day I went on the job, because Mr. [Ralph] Cordiner, who was president of General Electric, was also president of the Business Council; and General Electric and other companies of that type were under indictment for some kind of conspiracy, they called it.

I found that the tail was wagging the dog, that the Business Advisory Council, having their full-time man in the Department of Commerce, using the headquarters, had tremendous influence--paying expenses, flying assistant secretaries and others with their wives down to the meetings. They practically controlled the membership, and this should be appointed by the Secretary if it's going to be an advisory council to the Secretary. And it had gotten into an empire by itself. So I determined to try to do something about it strictly from the standpoint of the Department of Commerce and the government--and for propriety's sake; and I had the full backing of President Kennedy.

B: He was aware in advance of the situation?

H: He asked me early could he get one or two of his friends on the Business Advisory Council, and I told him I doubted it because they controlled the election of their own members. But he said, "Well, I'll support you in whatever you want to do." And he did up to a certain point. When he needed the Business Council after we had eliminated them from Commerce--or they pulled out from Commerce is a better way to put it, because they wouldn't meet certain standards we set for them, then they became the Business Council, not the Advisory Council. He invited them right back into the White House when he knew he needed their support. I wouldn't have done it, but he did.

B: And they had a pretty direct line to the White House?

H: Oh, yes, no question about it.

B: Then, sir, there was the steel affair, the increase in steel prices by U.S. Steel. Did that come as a surprise or shock to you?

H: Yes, it did. I was right in the middle of it. We had a Cabinet meeting immediately after it, and Mr. Kennedy told us how he felt. I was asked then if I would go to New York and make one or two public statements, and go on television and tell them what I thought about it.

B: Did you also make private calls?

H: Oh, yes, I called several people.

B: Do you recall whom you called?

H: There were two or three of the steel people.

B: Were your telephone calls effective?

H: And I went with Mr. Kennedy on an out-of-the-district trip, I think down to North Carolina to some military maneuvers, the day that they gave in. We kept right up to date on them.

B: Did Mr. Johnson make calls too?

H: I don't know. I'm not sure.

B: Do you feel that Mr. [Roger] Blough really was not aware that there was some sort of implicit arrangement in the settlement of the steel labor wage increase?

H: It's hard to know without being on the inside of it. I think Mr. Blough, like a lot of big businessmen, simply didn't quite have the conception of what it means to deal with public relations and with the government. With the closeness that he had and the fact that he knew that other people were trying to get a fairly good wage settlement out of it, I would have thought he would have at least called and talked about the thing instead of coming and making an announcement. I think he lacked something. And then I saw the same thing in the Business Council. Courteous but pretty arbitrary.

B: Do you feel that's common among big businessmen?

H: Well, I'll say this. There's a whole lot of it. It's changing because more enlightened businessmen as they become professional managers (as they are) realize they have a great responsibility to the public. And I'm all for the changes that are happening. But in the past, I think big businessmen have not had an understanding of what it's all about.

B: What was Mr. Johnson's relationship to big businessmen? Did he get along with them?

H: He got along very well. I recall the first two or three days after he came into office; he called in the executive committee of the then-Business Council. I remember that Mr. [Frederick] Kappel was the president of the council, head of AT&T, and there were about fifteen of them. He kept them for an hour-and-a-half and told them about his ideas of a balance sheet and how to run a business and he was going to run the government that

way. He made a great impression. It was not very deep stuff he gave them, but they loved it.

And I was greatly impressed personally by--he told them a story about how he couldn't get his cook from Texas by automobile to Washington without great embarrassment to the Negro, and that had to change. This was the first payoff that I had that this man really meant to do something about this. He was the first President that had been from the South that was really going to do a great job in civil rights and I think that's what history will reveal.

B: That was his Negro cook, and the civil rights bill?

H: Right.

B: Sir, you were on the plane with the Cabinet at the time of the assassination. Do you recall your reactions?

H: Yes. I was shocked, as was everybody else. I was not shocked as much as [William] Manchester had me in his book [Death of A President]. Four out of the seven references there, I question the accuracy. I never heard of him until I saw the book in print.

B: Sir, are those the references, as I recall, to your fainting?

H: Yes, not true at all. I talked to Rusk when we got on the plane that morning, an hour before we heard of the assassination; I said, "I want to talk to you about the agenda for the Japanese cabinet." He said, "I'll see you right after breakfast." When he called us back, the shooting had occurred. We talked frankly back and forth; naturally, all of us were greatly shocked. We talked for half-an-hour before we went back and told the ladies who were with us.

B: Mr. Manchester also quotes some references to you about the possible relationship between Robert Kennedy and Lyndon Johnson.

H: It is incorrect.

B: Do you recall any opinions then of what kind of President Lyndon Johnson would be?

H: Oh, not at all. It was too sudden, too quick. Because I was close enough to him that if you get over the shock of losing a great President (you've got to immediately, if you are a practical man) you say, "Well, what do we do now?" I had great confidence that Mr. Johnson could do the job, and he proved in the first weeks and months that he could and would.

B: Were there any differences in your relationship with the Presidency after Mr. Johnson was President?

H: Well, I was closer to Mr. Johnson. You must realize I was the only member of the Cabinet that had been for him, and naturally he and Bill Moyers, who became his first assistant, were much more friendly. I was able, up to the time I left, to write him a personal note, as I did rather frequently because he seemed to me to be saying, "Here's what I think we ought to do."

B: Did you find him knowledgeable in economic and business affairs?

H: Yes, I think so generally.

B: What do you suppose are Mr. Johnson's greatest strengths?

H: His intense patriotism. He loves this country. Unfortunately, he wants to save it by himself, according to some of his critics, because he is so close to it. He hasn't had the background experience of organizational delegation. He finds great difficulty in delegating, but, basically, his weakness comes from this strength of his patriotism and his great devotion. His ability to carry on individual conversations and persuade people, which is part of what people call maneuvering that he learned in Congress and in the Senate--these things are all to the good.

B: Can he do that with large groups too?

H: No.

B: What happens when you get--?

H: If you get enough--well, I had somewhat the same experience myself, in a small way. For instance, the record shows that I made 700 appearances and speeches over four years up there. Well, most of them had to be reduced to reading. It's very difficult to get a personality over when you are reading a speech. When you're turned loose, then you come over better. Mr. Johnson was as good as any when he turned loose and wasn't bound by time or text. But when he had to read--his voice is not the best in the world, his personality is not the best in the world, and he just didn't go over with the people. And then because of many of these things he did in what they called maneuvering, there was a feeling on a part of much of the public that he was sort of trying to slip something over on them--which I'm sure wasn't true.

B: What was the relationship in those first few months between Mr. Johnson and the Kennedy staff members who still remained?

H: Well, Mr. Johnson went a whole lot further, the so-called second or third mile, than I would have gone. I think he did it as a practical matter; I think again there is his patriotism. He wanted to make the transition for the country safe and secure, in asking all these people, including the O'Donnells, to stay. I would have done it like Mr. Truman.

B: Do you feel that Mr. Johnson really did not have the full support of the immediate staff?

H: I'm sure he didn't. I think that in the first weeks, I think they did--most people are patriotic particularly in time of crisis in the country, because of a war or a President dying or what not. I think they did the best they could. I don't think they ever had their hearts in it.

B: Was there ever anything similar to this on the Cabinet level?

H: No, I don't--except in the case of Bob Kennedy, who stayed in the Cabinet for awhile--I don't think any of the rest of them tried to play one personality against the other immediately. We were interested in running our own departments, basically, so it made no difference, really.

B: But the friction between Mr. Johnson and Robert Kennedy--

H: It continued.

B: Intensified?

H: Intensified, yes. Yes, I think so.

B: Was it open and obvious?

H: Oh, it was obvious to those of us who inside knew what was going on.

B: How was this resentment or friction expressed? What made it obvious?

H: Well, it is a very difficult thing to explain the situation. Either you know or feel something. You don't have to have overheard some of the conversations. I happen to know of two or three meetings that the Kennedy people had. One of my men, who was a Kennedy man, was there, and was loyal enough to me to tell me all about it. So I knew what they were saying about Johnson.

B: Were these meetings looking forward to '64, perhaps "drop Johnson" meetings?

H: No.

B: Do you recall who was involved in this?

H: No.

B: What do you think are Mr. Johnson's greatest weaknesses?

H: I think his basic weakness is the one I have just mentioned. I think he found it almost impossible to delegate. Any of these jobs, including the lowest Cabinet job, is a tremendous burden organizationally, and if you

don't delegate, you're lost; if you do delegate, you have people supporting you. When you don't delegate, you don't have them supporting you. You have them waiting, waiting, and therefore things begin to deaden off. That happened in the Democratic National Committee. It went to pieces because of Mr. Johnson; they kept waiting for him, and he was running things by himself, according to his critics. And I think there's a lot to it, again because he felt he knew what was best for the country or the party and tried to do it that way.

B: Does this give the impression of deviousness?

H: Well, I think it leads to that, it's not immediately that. The first thing is that he wants to run himself. I think because of long effective training and background in compromise, and dealing with committees and individuals in the Senate, I think he used some of the same methods in dealing with people and dealing with the departments.

B: They don't work with the departments?

H: They don't work for the executive at all. It's going to have an entirely different context; it's a straightforward situation usually. I mean, you come in as a businessman or professional man and you do the job straightforwardly and honestly and let the chips fall where they may. He didn't see it that way.

B: What was Mr. Johnson's reaction when you told him you were going to resign?

H: Well, he said, "You can't do this to me. I want you, I need you, you are my friend," and that kind of thing. And I said, "No arm-twisting, Mr. President." And he said, "Well, you had better come down to the ranch and let's talk it over down there." And I got hold of Lady Bird first and I said, "Yes, I know of course what he's going to do to me, I want you to help me and tell him that I am very serious about it, and want to see him.

I determined when I went there to stay four years and no more, regardless of the situation. This is it."

B: Was she sympathetic?

H: Oh, yes, very sympathetic. She understood, believed me, and I think he understood after we talked about it.

B: But he did ask you stay on through the campaign of '64, did he not?

H: Oh, yes, and there was not really any question about my staying on until January.

B: Oh, I see.

H: No, no, I never wanted to quit until January--four years to the day. No, I gave him everything I had in the campaign. I had something to do with this Virginia thing turning around in speeches and data that I gave, and I went everywhere for him. Helped him all I could.

B: What was that in Virginia?

H: Well, Virginia had been going the other way all the time--this Goldwater thing was an opportunity. We had a state-wide meeting in Virginia, a broadcast, and I presented figures to Virginia, two basic things really; I won't have time in this context to get into it. One was that I showed that from real research done in the Department of Commerce that the Democratic Party was better in prosperity for a whole hundred years, including peace times as well as war times--you know, they've always said it's the war party--and gave the fact that we had two-thirds of it, and they had one-third; we were much better over the same number of years. And secondly, I said that here in Virginia, you are against all the centralized government; I <u>know</u> that everybody abhors it greatly. I said let's look at the figures, and I pointed out that Virginia had the highest ratio of federal help to employees of any state in the Union. And then I

began to dig in and show what the community could do, what they owed, to the Democratic Party. I pointed out that businessmen through the years, in my own state as well as Virginia, say, "I don't believe I can vote for Mr. Johnson." I said, "As I recall it, you were not for Mr. Kennedy." They said, "I guess that's right." "I recall also you were against Mr. Truman. I recall that you were against Franklin Roosevelt. You really had them condemned. Now, let's get down to business. Who do you owe your allegiance to; where did you make your money?"

B: Sir, I have read that one day after the election Mr. Johnson just called you over to the White House and introduced you to your replacement. Is that right? Is that the way it was done?

H: That's right.

B: Without consulting you about--?

H: He told me--he said, "Just give me time to find the man. I'll find him." I said, "Fine, Mr. President." And that's the last we ever heard. And then he called me over that morning. I hadn't spoken to my staff in the office and he wanted me right there to start turning over records and call in our budget man to talk about Commerce. And I said, "Mr. President, excuse me, I'll go back to Commerce and straighten my own house out, then talk to you about it." It was very poorly handled.

B: I was going to say, sir, that, on the surface, it seems like the kind of thing that would cause resentment.

H: Well, of course, it would cause it to the average person. By that time I had known how he operated. Everything he does himself; he didn't want to have a whole series of conferences with me and everything else and notifying me.

B: Is that not one of the kinds of things that set people off?

H: It all goes back to this basic thing that he must run it himself.

B: Did you by any chance ever discuss exactly this with him?

H: No. You don't.

B: You couldn't?

H: I had one very straightforward situation with him. We had had great difficulty in connection with the Maritime Administration, including this maritime labor mix-up, which was the worst situation. I told him repeatedly that Maritime was the worst job in the whole government which was under me. Well, we waited for months and I picked out a good trained man to take over the directorship. I sent it over to him and waited and waited. I didn't hear a thing until I was called over there with my Maritime man to discuss some phase of it. And he announced a successor in my department at that time. He made a terrible reference, an insulting reference to my general counsel, who was doubling at handling this job, and I resented the President's statements. That is the only time I was ever provoked with him. And I went to him later and said, "Mr. President, you owe an apology to Mr. Robert Giles for what you said in an open meeting. I'm going to ask you to do it." And he hit the ceiling. "If he isn't big enough to take care of himself, he ought not to be here!" I said, "He's a great guy, he's a human being, he was treated badly." And he said, "I'm sorry." This is the kind of thing that he would do.

B: Did he ever publicly apologize?

H: No. I didn't expect that.

B: Well, did he ever talk to Mr. Giles?

H: I doubt it. I told him that I would tell Mr. Giles.

B: Does this kind of thing make it difficult to get people to work in government?

H: Oh, Lord, yes.

B: Did you notice difficulties in getting people in your own department?

H: Well, at times. It was only the last year; we had lost one or two already at that time.

B: Do you feel that Mr. Johnson was sincere in his push for civil rights?

H: Yes, I do.

B: Do you feel that he has done a good job in that area?

H: The average male is a kind of a vain creature. I think he may have felt that it would give him a place in history, but I think fundamentally and sincerely he did introduce it. I think he was proud to do it as a Southerner. And I praise him.

B: Where do you suppose Mr. Johnson went wrong? Where did he lose the public support that he had in '64?

H: Well, it's when you start carrying on the day-to-day activities, making decisions as regards to Cabinet members and all the other decisions, and the meetings with the press, where you just don't--to the contrast of the other man--you just don't come out and say "that's it." I never had an unanswerable question ever arise in a press conference. Someone said, "Aren't you scared?" I said, "No. Tell them the truth even though it hurts and don't try to remember what you said, forget it." It's that simple! The President was always on guard, always defensive. And when he'd get on guard and defensive, he was suspicious. This is the way the philosophy ran.

B: Do you feel that the Viet Nam war may have had a good deal to do with this, his popularity?

H: Well, of course, that added to it. I think the riots were worse.

B: The riots?

H: Were worse. In the minds of the people. I don't know how fundamental they are in their thinking.

B: Do you think Mr. Johnson could have handled the rioting situation differently, or is that something that is just beyond him?

H: I don't think the President basically and actually had as much influence as the public thinks. Mr. [George] Wallace can't do a damned thing about it, but he can make different kinds of statements about it. Mr. Johnson led the whole country to believe that he was just for the Negro. And he wasn't. He didn't say that. And he didn't mean that. That was what the country thought.

B: That was the impression they got?

H: And he also left the impression that he wasn't going to use much force. He didn't have the desire to use the force, but as President, everybody blames or praises the White House, whereas the Congress is really the key on any domestic matters.

B: He's trapped by events?

H: Absolutely. Quite seriously.

B: Sir, one other thing. Would it be fair to say that your major problem while Secretary of Commerce was the balance of payments issue?

H: It was related to the balance of payments issue, if you are thinking rather of problems that the public would be interested in. It's mainly the matter of exports after we got the trade bill through. It was a matter of building up the exports, and that affected the balance of payments. Even with a $6.7 billion trade surplus, we had a $3 billion balance of payments deficit. And I think this was excessive. And I had talked with Kennedy time after time, and Johnson, after he came in. I said, "These things are so simple; you have got to make these other nations do

the same decent, truthful thing that we do in our trade and not have all these hidden taxes and border taxes and things like that."

B: By cutting down on things abroad, you mean foreign aid?

H: I mean foreign aid, in part, and I meant military, even more so.

B: Were they receptive to that?

H: No.

B: Neither one of them?

H: No. They get mesmerized by the State Department and completely overwhelmed by the international situation. That's why the President falls into an almost bottomless pit.

B: At the expense of domestic affairs?

H: At the expense of everything, including good foreign relations, I think. I've talked to just everybody from the President of Korea to the leader of Indonesia. In every case, I've said to them, "We've got a crazy, wonderful country. It's giving away too much money, you folks take advantage of it, and I wish we would stop it. If I had the power, I would stop it and make you get it on your own."

B: What was the foreign reaction to that?

H: Oh, they smiled, respected what I said. And in Tokyo, they had me go on national television and tell the whole thing. I was one of the few who would speak out on it.

B: Failing any cutback in foreign aid, then the answer is more exports?

H: More exports is really the constructive key.

B: Your educational program as Secretary of Commerce encouraging businessmen to export more: do you feel it was effective?

H: Oh, it proved it. I think it's in all history. A thousand men working as export expansion members did a great job. Speaking of education, one of

the best things we did was to start an economic education for businessmen. "Do you know your economic ABC's?" We started a series of reports and pamphlets on the balance of payments and on the profit system and all the rest of them. They had a great effect.

B: Sir, that implies that, before that, businessmen didn't clearly understand it.

H: Very few of them understood what the problems of Commerce were; in fact, all these points of economic situations. Many of them paid very little attention; they are more or less self-sufficient. Some times they would go to their Congressman or to the State Department; didn't use the figures and everything that was there for them. We had everything in Commerce; it was the fountainhead.

B: Did you find much hostility between business and government?

H: Well, there's a natural hostility between business and government. But it's improving all along. Mr. Johnson had them almost in his hands when he first came in, but he lost them in the next two or three years. But business thinks government is against them. I have a simple answer to all my businessmen. I have been in big business all my life. I say to them, "Why do you think the SEC, the FTC, and all the other alphabet agencies were formed? Do you think that somebody thought one time we ought to have one?" It's because somebody in business failed and the public was in part misled. Government is a part of the total system because we are so much better than the other nations of the world along this line.

B: You said Mr. Johnson lost business--for any specific reason?

H: I don't think so. I think the average businessman knows you have to delegate, knows you can't run it by yourself. And they all felt that he

was trying to do everything. This is a fatal weakness.

B: In other words, they disliked his methods rather than disliking what he did?

H: Oh, I think it was mainly his methods. On this civil rights thing, they felt he could have done a better job.

B: You mean the rioting. Do you find that was sectional or nationwide?

H: Nationwide. It's just as strong in New York as it is in Louisiana.

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By Luther H. Hodges

to the

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