INTERVIEWEE: PHILLIP S. HUGHES

INTERVIEWER: DAVID MC COMB

March 7, 1969

M: Let me identify this tape first. This is an interview with Mr. Phillip S. Hughes, who is the Deputy Director of the Bureau of the Budget. The interview is in his office in the Executive Office Building in Washington, D.C. The date is March 7, 1969. The time is 10:08 in the morning and my name is David McComb.

Let me find out something about your background first, Mr. Hughes. Where were you born and when?

H: I was born in Chicago, Illinois, February 26, 1917, and I lived in Chicago until I was thirteen and moved for essentially family reasons to a little town called Sprague, Washington, near the city of Spokane, Washington, and went to high school there. Then upon graduating I went to the University of Washington in Seattle, met my wife, married, lived in Seattle and in Olympia, the state capital, from the time I graduated from the University in 1938 until 1949. In 1949 we came to Washington, D.C. I started working with the Bureau of the Budget at that point and have been in Washington and at the Bureau of the Budget ever since.

M: When did you get into Legislative Reference?

H: Well, my professional path, anyway, is a little bit--I don't know if haphazard is the word--but it's not quite as clear and certainly it wasn't as planned as many careers are. I was a sociology major at the University of Washington with a fairly heavy interest, as I think most people had at that time, in the social and economic problems that surrounded

the Depression. When I came out of the University I had in mind getting involved in the research and the planning process, in some fashion--state or federal government, perhaps even a private agency, in some manner that would enable me and, hopefully, others to better understand the forces that were at play in the Depression and that created the problems that we had.

In some sense, I guess, that's the way life worked out, but the path was fairly long because it focused, first of all, upon the administrative processes in state government--manpower analysis, work-load requirements, and those kind of things. These skills and this experience led toward a line of work and a line of effort that eventually qualified me for work in the Bureau of the Budget when I came here in 1949.

At that point I was working on the World War II G.I. Bill. I found this work both interesting and rewarding. I got fairly heavily involved in it on a wider front really--social programs generally. As I worked my way around and through the Bureau, this led to my becoming Deputy Assistant Director for Legislative Reference which put me in the legislative business on a still broader front. I guess the process was one which brought me out of essentially budget analysis to legislative analysis, and all of this on a career basis in the Bureau.

M: How did you happen to come to Washington in the first place?

H: I concluded in the latter 1940's after I got out of the Navy, that I should either leave the government or that I should come to Washington and stay with the government--Washington, as I see it, being the focal point of government activity. I did a good deal of looking in Seattle because I am fond of the Northwest, but I felt I had more of a--well, my interests were heavily in government. I got a good deal of satisfaction out of the work,

and finally concluded that I should move my wife and four kids to Washington--or at least explore that possibility. I bought a round-trip coach ticket and came here job hunting. I didn't know anybody in the Bureau and knew scarcely anybody in Washington but I was fortunate enough to hit the Bureau at the time when they were looking for a guy with my qualifications, and here I am.

M: Can you define for me and for the record just what Legislative Reference is?

H: Yes, I think I can. The name is a misnomer. It tends to be confused with the Legislative Reference Service in the Library of Congress. Really there is no organizational conncection and there is no basic similarity, I think, in the work going on.

In the Bureau's operations the term Legislative Reference is something of a euphemism for a clearnace, coordination, and control process. I think the office functions more as a clearinghouse than as any other common term that I can pick up. The idea is to, first of all, facilitate communication among the fifty or a hundred agencies, depending on how you divide them up, to make sure each of the, on a given piece of legislation, understands the position of others, has an opportunity to react to it, and come in to an agreement or agree to disagree, as the cae may be. Beyond that, the clearance process, as the Bureau has operated it for twenty years and more, provides an opportunity for the President or his key staff members to reach down into the legislative mill and examine and affect the agency position on a particular piece of legislation.

M: Is the clearinghouse function limited at all just to the Budget matters?

H: No, but it had its origin in purely Budget matters. The first Budget Director, who established the process in its original form, Charles Dawes, found that

the agency people were, in effect, running his ends by getting legislation enacted that compelled expenditures--he, having no control over that process. And then along came the Budget and he had to provide the funds to carry out the legislation. So he got President Harding who probably, as near as the record indicates, may not have known fully what he was doing, to authorize the Director to put out a circular which said all legislation which costs money, all reports on it, all bills, must come through the Bureau, for review. Well, as the years passed, and the nature of the government changed, particularly in the '30's and the war years, policy control and coordination became important for reasons other than the Budget. The process, as it now is carried, extends to such matters as civil rights and monopoly regulation and so on--whether direct expenditures are involved or not.

M: What would you say was the cause for this development for the need for policy control? Is it the growth in government or the complexity or the--?

H: I think it probably is some of both and the accompanying fact that it is important, whoever is President, whatever his policies, that--at least within some limits--the administration's position on important policies and issues and the collection of lesser issues be more or less consistent and that the right and left hands know what one another is doing, and that the Secretary of Agriculture, at least in most cases, not be arguing with the Secretary of Interior. The clearances process is intended to achieve that. Usually it does pretty well.

M: Do you then send representatives from the Bureau of the Budget to meetings with, say, the Secretary of Agriculture when they are working out legislative programs?

H: It usually works a little bit differently. The circular A-19 is the magic

number for us. It says that any draft legislation which originates with an agency must be submitted to the Bureau for what we call "advice" as to its relationship to the President's program. The circular also says that any report from any executive agency on any legislation, no matter where it originates, must be submitted to the Bureau for this same "advice," so that these reports and draft bills will flow in here. We'll review them and refer them to the other agencies concerned; may hold meetings on them if that's required or, if it isn't, maybe handle it by telephone. The process is conducted with a considerable amount of flexibility and informality but I think it is quite effective and can work very fast if the legislative requirements make that necessary.

M: Then you also contact committees in Congress, too.

H: More often they contact us. They will let us know of hearing schedules sometimes. They increasingly ask the Bureau of the Budget itself for views on a particular piece of legislation. They will also needle us to clear reports that they want up there to meet their schedule, and will at times press us as well as the agencies to come up with what they consider the right answers on a particular piece of legislation. But we are in contact with them. We also initiate conversations with them where we have questions as to the committees' plans, or where we are wondering what the lay of the land is on a particular bill and so on.

M: Do the committees contact you directly or do they come through the White House?

H: No, they'll contact us directly. Sometimes me, sometimes the legislative analyst in the Office of Legislative Reference, which incidentally is quite small, sometimes the Budget analyst, the guy down in the bowels of the Bureau's organization who is the specialist in that particular program

area. It depends on the kind of informal and personal relationships that have been established.

M: How far can you go in answering a question, say, to a congressional committee without consulting the White House?

H: It all depends on how clear the policy is. At this point in an administration, there is a lot of contact going on between the Assistant Director for Legislative Reference and his Deputy and other people in the office and the White House staff to say, "hearings are coming up tomorrow or next week on this particular piece of legislation. Agencies are saying this"--whatever it is. "This is a traditional position. It seems to us sound," or, "It doesn't seem to us sound. What do you want done about it?" There is the opportunity, you see, for the new administration to say yea or no or maybe or, "We don't know at this point and we think, therefore, that you ought to advise the agencies that the administration has not yet formulated a position."

M: I had occasion to read some of the letters that you had written to some of the committees, and also at some of the hearings and the question came up, something to the effect, "Do you speak for the President?" and on this particular occasion you said, "Yes." Now, on an occasion like that, does that mean that you have contacted the White House or do you just do their thinking or--?

H: Without knowing the occasion it's a little hard to say. I certainly would have had contact with the White House, may have had contact with the President. But in any event the policy was very clear.

M: Then there are times that you actually do speak for the President?

H: Oh, yes. The Bureau is generally accepted by the committees, staff and members alike, as speaking the administration's views. That is the general

assumption. Very rarely would we be challenged.

M: It would depend, then, on the particular issue at hand as to whether you would take it all the way to the President or not.

H: Yes. If you had to clear a presidential position through a statement or a message of some sort we obviously wouldn't go back. On the other hand, if there were doubt we might well talk with whoever the established person in the chain of contact or communication might be.

M: You might talk to somebody on the White House staff.

H: Yes.

M: If it was a very important policy decision, then what would you do?

H: I might talk to a person on the White House staff. If we thought there was a serious issue we might try and arrange some sort of a White House meeting of the combatants. If it was a really important matter and really controversial it might well involve the President.

M: What if there is disagreement?

H: We might try and make peace here as the Bureau and as the President's spokesman, again, depending on the sharpness of the controversy and the nature of the issue. We might, on the other hand, suggest a White House meeting. Joe Califano in the Johnson Administration had meetings of this sort--or Harry McPherson. Or, again, if we had a real rhubarb, it might involve the President.

M: Another general question about the Bureau of the Budget. To what extent--

H: We might also, incidentally,--an alternative here is simply preparing a memorandum or memorandums, setting forth the two view-points signed off on by whoever were disagreeing [and] going to the President for an answer, asking yes or no, or alternatively perhaps a Bureau or a White House staff memorandum which would go in to the President.

M: This raises another question, sort of in reference to that. You as a professional man working in the Bureau of the Budget a long time, what do you do if a President adopts a policy that you are in disagreement with?

H: That's a recurrent question. I've had relatively little difficulty over the years as a career civil servant with what I consider moral problems rising out of positions. Most political differences, whether they are partisan or not, are just geographic political perhaps or economic political--most of those differences, at least as I look at them, aren't moral differences. They are differences in judgment as to how you deal with a problem. They represent different judgments as to the priorities and as to the relative emphasis which should be given to--to oversimplify--spending versus budget balancing, spending in a given area versus budget balancing. Or they represent differences of view as to how one should attack the problem of pollution.

M: Right.

H: On most of these issues you can get as many shades of opinion as you can get people into a room. One, I suppose, could insist at least once a day and probably oftener that he could withdraw himself from the argument. It seems to me in our system of government some degree of compromise is not only desirable but essential. We end up on most issues with two or three opinions--at the outside. There are obviously more shadings than this possible on almost any issue. I have found myself in almost all circumstances with what I consider to be a defensible and responsible position which I could in good conscience put forward not necessarily as my opinion but as the position of the administration in the issue. Well, that's, in short I think, the situation as I see it.

I think it is very important to keep in mind also that on some very

large percentage of the total public policy issues--90-95 percent, maybe higher--there aren't really any differences between the parties. There are 'way more differences of a geographic nature than there are of a partisan nature on such situations as conservation, public works, water pollution, if you will. The range of opinion within either party is probably wider, far wider--it is far wider, I think I could assert, on pollution questions, welfare questions, trade, than is the difference between, let's say, the average of the two parties.

M: I see what you mean.

H: So we find, if you look through those legislative files, on the part of the iceberg that is below water--that is involving the bills which move through the process--that on these issues, administrations change but the positions--the agency positions, the executive branch position--remains pretty much the same simply because good management, good government leads you to the particular conclusion.

M: What's the extent that the total amount of the budget can be controlled? You can't just simply turn a budget on and off, can you?

H: No, obviously not. It is possible in a technical sense to do that but it isn't possible in either a political or an economic or a social sense to do it.

M: And how much of the budget is controlled?

H: It depends on what you mean--

M: I mean in the short run.

H: Depends on what you mean by controllable. We publish some tables which suggest that in terms of control in the budget year from the time the budget goes forward--that's control starting six months and running to a year-and-a-half ahead, that much lead time--something like half of it is

controllable and half is uncontrollable. But again, one needs to define controllability very carefully. The components of controllability are such things as the nature of the legislation, whether it specifies by formula what you do. Now, one can pass legislation to change legislation and in that sense almost anything is controllable, at least in the long run. But, on the other hand, the chances that we will pass legislation to sharply change veterans' benefits, for instance, the chances of that are small. We classify those benefits as uncontrollable in our rack-up.

Another component of uncontrollability is reflected in the lead time between obligation and expenditure on such things as defense contracts where contracts are entered into today for expenditures which occur years from now--one year, two years, or three years--simply because the lead time for planning, tooling up, and making, is so long.

M: Now, can that sort of thing be stretched out or shortened?

H: Sometimes. It depends on the item, depends on the policy; how much we are willing to pay in either dollar terms or security terms, for instance. Another is flood control. Corps of Engineers areas is another one where expenditures in the short run tend to be relatively uncontrollable simply because contracts were entered into yesterday, or the day before, or six months ago which we are now spending money under. We can stretch those out. We do it at some economic cost.

(telephone interruption)

M: We were talking about the controllability of the budget.

H: Yes. We can tinker with expenditure rates on Corps projects--or defense projects, for that matter--but we do that at some cost probably both in economic terms and in terms of achieving the benefits of whatever the project is. If it's a flood control project, when you stretch it out you

don't get the benefits for another year or two. You run the risk of flooding in the interim and so on. So again, controllability is to some extent a relative term. It depends on how much of a battle you are willing to take on to control; how much price you're willing to pay to control. We've stretched out the highway program, and we've paid a fairly high political price for it. "We"--kind of associating myself still with the Johnson Administration. This administration is probably going to end up doing the same thing, simply because it has to, and will pay the price for it.

M: When you say a political price, what do you mean?

H: Oh, the committee is mad, the Association of State Highway Officials is mad because the state highway program is discombobulated. The highway contractors are mad. All of them regard this as tampering with sort of their rights as citizens. They are entitled to have all that dough spent just as fast as they can possibly spend it. That's an overstatement, oversimplification, but that's the idea.

M: To follow that particular incident a little bit further. Was that a result of the need to cut the budget?

H: Yes. It was associated with both the '68 and '69 cutbacks by congressional direction. The '68 one was an obligation restriction, as I recall it, '69 was the six billion dollar expenditure cut.

M: When the President came up against that budget cut in 1968 in order to get the surtax, did you have anything to do with the decisions about how much should be cut and where and that sort of thing?

H: I guess, in a sense, most of us here in the Bureau had something to do with it. The President, obviously, had a good deal of the say in it and the Budget Director--at that point Charlie Zwick--was the key guy in the

process. I was involved in it.

M: How do you go about deciding where to cut and what to do?

H: You start, obviously, from where you are, with the enacted '68 budget and the pending '69, which was in the process of being worked over and approved or modified by the Appropriations Committees in the Congress. Within the Bureau, as the Ways and Means Committee proceeded on its deliberations, we instituted a review of the '69 budget to see what we could realistically expect to cut below the budget under the duress of Ways and Means and congressional pressure. We went through essentially the same kind of a budget review again that we go through in preparing the budget, this time with a somewhat tighter set of standards and criteria--or a reduction number of the new starts for Corps projects and public buildings; willingness to at least risk the shutdown of projects; taking on some additional political heat in the Impacted Area Education legislation. I don't know if you're familiar with it, but it's a difficult thing to do.

M: That stirs up lots of people.

H: That's right. Just add a new set of somewhat tighter criteria and you go through the budget review process again.

M: This is what got the highway people upset too.

H: Applying the tighter criteria will stretch the highway program.

M: In this particular instance, the '68 cut, did you have much contact with Wilbur Mills?

H: Yes. I didn't personally, but Charlie Zwick and the people in our Office of Budget Review were up there day after day with him and with the committee trying to work out some kind of understanding, both on the surtax and on the expenditure side, as to what were feasible expenditure reductions.

M: Are you impressed with his ability to understand--?

H: Yes, he's a very able guy. I guess we meet him or greet him with mixed emotions because of his ability and because of the fact his grip is on the tax area on the one hand and on the expenditure area on the other. Expenditures, in our judgment, are kind of the wrong place to try and control federal spending. You ought to control it on the appropriation end. To use a rather homely analogy, appropriations are the faucet and the expenditures are the nozzle down at the end of the hose. If you try to control at the nozzle end, you build up all kinds of pressure in the hose which may cuase problems. That is, once the expenditure is authorized, as in the Highway Program through the appropriation process, then efforts to stretch out the program, curtail the expenditure rate and so on, meet a great deal of resistance and there also is a great deal of lag in the process. It's very difficult to manage, given the present federal accounting system, present policies and practice and the nature of the appropriations process--it's difficult to manage expenditures.

M: Did you have anything to do with the budget cut that came shortly after the Kennedy assassination? Johnson came in and the budget was going to be over one hundred billion dollars, and Johnson worked to cut that down. What was your role there?

H: Well, I was still in the legislative business at that point, working with legislative clearance operations, so I wasn't directly involved in that as I was in the later actions as Deputy. The Director at that point was Kermit Gordon. This was part, really, of the Johnson review of the Kennedy budget which was all but put together at the time of President Kennedy's assassination. I think Mr. Gordon would be a better source of that kind of information about that series of actions than I. I have some feel for

it because it was a pretty frantic time, but I wasn't directly involved.

M: To probe a little bit in the area of the changes in the Bureau of the Budget, is there any significance in the fact that directors of the Budget in recent years have generally been economists rather than bankers; such as that started with David Bell?

H: I think it is significant. There have been several eras, if you will, in the Bureau, some of them antedating my presence on the Bureau scene. Let's see, I guess Bob Mayo is my eleventh Budget Director. The first one was Frank Pace who was, I guess, sort of a lawyer and businessman in a sense. The next was Fred Lawton, who was a career civil servant--a relatively brief period. The next one was the first Eisenhower Budget Director, Joe Dodge, banker; the next was Roland Hughes, a banker. We had an accounting era, Percy Brundage, Price-Waterhouse executive senior partner, something like that; and then Maurice Stans, present Secretary of Commerce, who was also an accountant. Then came the economists, although Dave Bell, as I recall his background, was kind of on the border between accounting, political science, and public administration--somewhat more of a generalist than later guys. Each of the directors brings to the institution his own biases and his own interests and tries in some sense to make the government behave as he, with his biases and interests, thinks it should behave.

M: When you bring in economists then instead of bankers, what does this mean?

H: First of all it brought more rapport between the Bureau and the Council of Economic Advisers than there had been in the recent past at least. Secondly, it put more emphasis within the Bureau on the economic impact of budget decisions and at the budget itself than had been the case prior to the economist being on the scene. Thirdly, it, I think partly because of the biases, if you will, of the directors and partly because they are men--we

had a series of guys of extraordinary ability in my judgment--tended to focus more attention, more effort on competent and careful analysis particularly in economic terms but really analysis across-the-board. The whole business of systematic analysis, the PPB system, so-called, is essentially a product of the economists and their history and their biases. I think some ways that the PPB system, the whole systematic analysis process would have been a little better, would have been a little broader-based if it hadn't been so economics-oriented, as it was, because systematic analysis is applicable on a whole range of fields--sociology, politics, public administration, as well as economics. And my efforts, kind of with the benefit of hindsight, is to spread out the analytical process and get it to involve more disciplines and bring in some of these other interests.

M: Does development of the Troika, the so-called Troika and Quadriad, fit in with this same impact of the economists?

H: Well, I think yes although consultations of those types did exist before. They are more formalized now, and I think more effective now, than they were before.

M: But there were informal meetings of those people.

H: It's a little hard here to sort out cause and effect because to some extent you had economists in the Bureau because of a growing awareness--not just U.S.-wide but world-wide--of the significance of some of these considerations on the national economic, social, and political scene. So to some extent we had economists because Keynes twenty years earlier--that's not a long enough time for Keynes--but because over the years the Keynesian doctrine, if you will, acquired more acceptance and because the government as it grew became a more important economic factor in our total

economic situation.

M: I was wondering if--since you have been here since 1949--you could compare on several points the administrations of Truman, Eisenhower, Kennedy, and Johnson, for instance in the amount of work that you had to do. Is there any difference in that? Did you work harder under one President than another?

H: Yes. I think we were kind of on an ascending curve, from the time I entered the Bureau anyway. I'm not sure of all the reasons for this and partly I guess, I need to sort out the fact that I was being promoted as time passed. In government you don't get more free time, you get less free time as you get promoted. So there is that kind of consideration to weigh.

But I think in the postwar period there was a somewhat more relaxed feeling in the government. The social problems--domestic type--and the international problems weren't yet all upon us in the degree they have been in the last decade, for instance. Government was a little more of 40-hour a week business in the late '40's and early '50's.

I think the Eisenhower Administration was basically a very orderly administration but the pace, at least as far as the Bureau was concerned, was picking up. Maurice Stans is a pretty energetic, pretty able guy, and by the late '50's, early 1960, we were working at a somewhat faster pace than we were in the early '50's. Kennedy, who was going to get America moving and the government really moving with him, brought with him a group of young and able guys who were caught up in the enthusiasm of his cause and who essentially inspired others the same way. I put in a lot of hours in the Kennedy years with new legislation and some of the problems that were associated with that. Then the assassination and

President Johnson's assumption of the Presidency brought a whole fall crisis on us that year, as I mentioned, and we really put in a month or two redoing the budget and attempting to do what we could to help President Johnson get his feet under him and understand the nature of the Budget monster and the federal programming. He is obviously a pretty energetic fellow and prepared to absorb all we could dish for him--and a little more besides, probably.

M: Did he absorb that?

H: I think so.

M: He understood what the Budget was all about.

H: Oh yes. I think so. He paid a good deal of attention to it and I think he had a great deal of understanding of budget concepts in the broad sense, and the implications of budget action, both broad and frequently in a fairly narrow sense, off his years of experience on the Hill. In any event he was a pretty energetic, pretty dedicated guy. His life was his work. None of this is news, but it is all the turth. He had a series of energetic and extraordinarily competent Budget directors. He inherited Kermit Gordon, and then Charlie Schultze came on the scene, who was really a very extraordinary guy in terms of the way his mind worked and his capacity to work and to deal with the kind of data and the kinds of problems that we have. The third guy in the series was Charlie Zwick. He was a different guy, personality wise from Charlie Schultze, but in some ways even, certainly an equally good mind, in some ways with a more orderly mind than Charlie Schultz. We had a hard-driving President and a series of hard-working, smart Budget directors and so the pace had accelerated, I'd say, constantly, at least up to the end of Charlie Schultze's tenure as Budget Director. And I'd say we probably hit a plateau at that

point. Charlie Zwick sort of maintained it.

M: Do you have any opinion of the personalities of these various Presidents--say, Truman, Eisenhower, Kennedy, Johnson, as to affecting your work?

H: I have some opinions. I didn't know President Truman in any direct sense. I met him, but he certainly didn't know me. I did a fair amount of business with President Eisenhower, but I doubt he knows me in any personal sense. If you said, "Who is Sam Hughes?" he'd say, "Who?" But I had a pretty direct impression of him. I have hearsay impressions of Truman. President Kennedy, I did get somewhat acquainted with, although the President I got best acquainted with was President Johnson.

M: Of these Presidents, which was the most interested in the working of the Budget?

H: Oh, I think, President Johnson. I didn't know President Truman. Truman, I understand, was very interested in it and very good at it, but I had no firsthand knowledge of that. But of the latter three, I think there is no question that President Johnson was both more interested and had more facility with the data and with the associated overtones, undertones, what have you than the--

M: Who was the easiest to work with?

H: I think a fairly close call between Eisenhower and Kennedy, for different reasons. Eisenhower was orderly, understood line and staff, what staff were there for; therefore you could depend pretty well on what was going to happen. Kennedy, at least in a day-to-day sense with the kind of contacts I had, was just a rather easy-going guy who tended to, I'm sure, expect good staff work, but kind of took it.

M: Which of these Presidents had the more efficient White House staff? Do you have any opinions about that?

H: Well, I think the Kennedy staff was hard to top at the time that Ted Sorensen was there--Lee White, Mike Feldman, very competent guys, the portion I came in contact with. I didn't know Kenny O'Donnell well. Larry O'Brien was another outstanding guy, in my judgment.

M: Why do you think they were so good?

H: They were quite experienced as a group. They knew something about government. They were very bright guys. And personality wise, I found them easy to do business with. I think they were also relatively young guys, most of them. Youth provides a combination of energy and flexibility which you need a lot of experience to make up for. The Eisenhower group, as a group, were older--some of them pretty experienced, but certainly older. The group that evolved in the Johnson Administration I think were--I obviously got along with them all reasonably well, but Larry O'Brien was a hard guy to replace; I am very fond of the guys who were there after, Henry Wilson, Barefoot Sanders, but Larry is an extradordinary fellow.

M: Why do you say that? Just his personality or his--

H: He knew his business, the legislative tactics business--good personality, good mind and he had good rapport with both Presidents--both President Kennedy and President Johnson, as near as I could tell. I'd say the Johnson group was a reasonably close second, but there were a different kind of guys.

M: I have heard that when you talked to a Kennedy staff man you were fairly certain that what he said was what the President would agree to but that when you talked to a Johnson man, you weren't always sure. Is there any truth in that? The idea being that Johnson changed his mind so much and would override his staff decisions.

H: Well, I think there is probably some truth to it. I don't know if I'd put it quite that way. I think President Johnson has a different way of doing his business and that way sometimes involved pitting people against one another, even within his immediate staff, without their knowing it necessarily. This in itself produces friction, obviously, or produces conflict. On the other hand, it can produce stimulation, ideas, new solutions, and what have you. I think, in that context, there is probably some truth to that. I think it is a matter of degree somewhat. I think President Kennedy did that also to some degree; how much I don't know. In the Johnson Administration there was never a guy in quite the same position, vis-a-vis the President, as Sorensen was to Kennedy in that administration.

M: As close to the President?

H: As much an extension of the President as Sorensen was.

M: Which of these Presidents from Truman to Johnson was best able to handle Congress, or is this impossible to compare?

H: Comparisons are so difficult, is why I stumble around in talking about White House staff because the President is different, the situation is different, the Congress is different, I'm different, and so it's very difficult to sort out what's better, what's less. Certainly, you know, in terms of knowledge, background, and so on in the Congress, President Johnson was 'way ahead.

M: There's the current thought that Kennedy, because of his lack of knowledge of workings of Congress, got very little legislation but Johnson, on the other hand, knowing a great deal about Congress was able to get a great deal through. Is that true?

H: If you look at the record you've got to say that is so. But then, having looked at the record and having seen that as a fact, you have to say why?

M: Right.

H: And you have to factor into that such things as the effect of the assassination on the President and the Congress and the public at large; big elements of luck in the broadest sense of the term; the fact that Johnson as a Southerner, sort of conservative, could take positions on civil rights questions and on some welfare legislation, poverty legislation, and could take effective positions that President Kennedy couldn't. I don't know how you feed this into the hopper. You certainly have to assume that President Johnson knew what to do in that post-assassination situation and did it with just extraordinary effectiveness, at least as I look at it. You look at the legislation that was passed and you've got a great--

M: Is there anything of significance in the idea that Johnson vetoed very few bills?

H: You mean in terms of his relations with the Congress?

M: Yes.

H: I don't think so. I know he did. We tried to get him to veto some he wouldn't. But I don't think by-and-large that those bills involved issues of a sort that affected the handling of major legislative questions. I think President Johnson himself regarded the post-assassination period and the post-election period--the post-'64 election period--as opportunities to be seized on and kind of used, after which he was probably through, or relatively through, at least, on the legislative front. He made statements to that effect--public statements. Any President's relationships with the Congress deteriorate as time passes. He had by virtue of the assassination and his overwhelming election in '68[1964] an extraordinary opportunity that comes just at those times, and they were to be used to do what he wanted to do. As I say, he obviously at that point knew exactly what

ought to be done and did it with extraordinary effectiveness.

M: It might be helpful for a record of this kind to take a specific piece of legislation which you personally were deeply involved in and trace it through so as to illustrate the working of the Bureau in relationships to the President and the White House staff and Congress. Is there any particular piece of legislation that comes to mind? I've got some here I can throw out at you but I thought something--

H: I'd have an awful time doing it from memory. If you've got some you want to suggest I can try for some of the highlights.

M: Let me run through a list of these: Medicare, the Elementary Education Act, or the Civil Rights Act in '64, '65, '68, Model Cities, Office of Economic Opportunity, the formation of DOT.

H: I've recollections of chunks of each of those where I was involved in some sense. But I think, from the standpoint of trying to follow the thing through, I'd need to get some files and sit down and try and recollect from the files. Alternatively I think a better solution from your standpoint might be to get the guy who was the responsibile guy within the administration on those bills. On Medicare would be Wilbur Cohen, for instance.

M: We'll be talking to some of these people.

H: (a), his recollection is better. (b), his involvement was greater and more continuous than mine because at that point in time I was running a clearinghouse and this was one of hundreds of pieces of legislation that were going through the mill. It was one which I knew was in extraordinarily good hands--the combination of the President's and Wilbur Cohen's, really. The Assistant Director for Legislative Reference of the Bureau of the Budget in those circumstances needn't pay as much attention as perhaps he

should pay to the part of the iceberg below the water.

M: Was there any type of legislation that was particularly difficult for you--say, education bills or civil rights bills or--?

H: The Medicare Bill was tough and the Civil Rights bills were tough, but they weren't extraordinarily difficult in the substantive sense. Education perhaps was as difficult as any--the Church-State problem and some of the geographic problems. Countless meetings took place within the Executive Branch to try and work out the best formulae, the best techniques for dealing with these kinds of problems so that the basic legislation, the basic bill in the substantive sense, would be as defensible as possible on the Hill. But again many of the problems tend to be the tactical problems that Larry O'Brien, on behalf of the President, or the President himself or Wilbur Cohen were struggling with as any of these proposals got on the Hill.

M: I see. Would they consult with you about what tactics to take in Congress?

H: Generally not. We're not in the tactical business. We're in the program development and coordination control business. The tacticians are the White House legislative tacticians--Larry O'Brien and company and, to a lesser extent, the agency people.

M: What about on reorganization bills, such as the formation of the Department of Transportation?

H: We were heavily involved in that. We set up an effective task force on it to deal with our part of it, an intra-Bureau task force. Charlie Zwick was the guy involved in that.

M: Again, would the Bureau of the Budget serve as a clearinghouse for ideas on something like that?

H: Oh, yes. It did. The Bureau develops its own view, which isn't always

pure and independent. We fussed with Alan Boyd who was then the Undersecretary of Commerce working in the transportation business and agreed and disagreed and fussed and compromised and so on. But the relationship between Alan, who kind of had the action in a Hill relation sense, and Charlie Schultze, first, then Charlie Zwick on Department of Transportation matters--that relationship was very close.

M: I suppose the same sort of thing went into the formation of Housing and Urban Development, partly.

H: Yes.

M: Again you were involved in the organization and the meetings and the--

H: The structure of the department? The combination of kind of public administration considerations and program substance considerations blended together with the Bureau as the moderator on a lot of these. And when it had troubles and it couldn't resolve within its own orbit, we'd deal with the White House Staff.

M: Do you remember any specific difficulties with either the Department of Transportation or HUD?

H: Oh, yes. On Department of Transportation, the Maritime Administration and its status was a principal subject of controversy and pretty obviously was left out finally.

M: What was the trouble with the maritime people?

H: The issue throughout the DOT controversy was the issue of consolidating various modes of transportation in one entity so that a single guy not only sees the whole picture but is in some sense in a position to play off one mode against the other. There was objection on the part of the aviation industry, the highway industry, the maritime industry, to this because each of them have a great deal of strength in their own right. They saw

the name of the game. They understood the game there also and the maritime folks would a whole lot rather deal with a Maritime Administration, in some sense devoted solely to their interests, than they would with a Secretary of Transportation whose power base--whose responsibility base and therefore his power base is broader--includes highways and inland waterways and aviation and railroads and anything else that turns up in transportation--urban mass transportation.

M: Did the formation of the Department of Transportation make sense to you?

H: Sure. It did and does. I think it was a good move. Another area where there is a great deal of controversy is related to the evaluation of navigation projects. I've forgotten the numbers now of that particular section of the bill. It had some words of art in it that suggested to the Corps of Engineers' clientele that there would be a tightening up in the evaluation of navigation projects, of water resource projects in general. This cuased all kinds of fuss and muss and finally was modified substantially before the bill was passed.

M: Now as a civil servant, do you have any difficulty transferring from one administration to the other? What is your position on that?

H: We talked a little bit about this from the policy standpoint back awhile so I won't repeat that. I guess the short answer is probably yes. I'm in the process now of doing it again and I have the feeling every now and then I'm getting pretty old for this sort of business. I'd say probably there are policy problems in doing this. By and large they are not moral problems as I see it. I find it difficult to categorize Republicans or Democrats as more or less moral than the other. But there are differences in the ways that they propose to approach problems. Some of these aren't clear right at this point in time. This administration is still feeling

its way.

I think in a lot of ways the more troublesome aspects of this kind of a transition are the relationships among the people. President Nixon has a different style than President Johnson had. He brings a whole new crowd of folks into the White House, each of whom also has his own style, adapted perhaps to the President's but still hiw own. It's hard to pick counterparts from the two administrations but Bryce Harlow in shorthand terms is a different fellow than Larry O'Brien. Both of them are extraordinarily able guys, incidentally, but they are different.

M: The main problem is in personality then?

H: It's personality with policy. I'm sure that they must look at me rather strangely as a guy who was Deputy Director in the Johnson Administration and is still Deputy Director. This can't but affect, for a while at least, their behavior toward me and probably my behavior toward them. We aren't known quantities to one another in the same sense that I was a known quantity to Charlie Zwick when he became Director or that I was a known quantity to Charlie Schultze when he appointed me Deputy Budget Director. In the same way, while I knew Califano, and McPherson and Lee White and that group of White House guys at the time I became Deputy, most of these guys didn't know me and I didn't know them and we've got to get acquainted with one another. This presents problems. I don't think they are probably vastly different problems than I would have experienced had I been Deputy Director, Eisenhower-type, and carried over as Elmer Staats did who was then Deputy. But they are problems of adjustment and meanwhile we are all trying to feel for policy.

I'm acutely conscious that I shouldn't stick this administration automatically with policies that the last administration had, where it

might want to change them. On the other hand, these guys aren't always ready to come up with answers. They aren't that sure of what they want to do yet. It's a situation which produces problems of communication and policy establishment.

M: Did you do anything in particular to give orientation to the new administration?

H: Yes. We did what we've done now three times. We prepared briefing materials for the new Budget Director for his use in meetings with department heads and the major agency heads. We sat down--we, the Bureau staff, the division chief, and one of his principal gusy, the Director, and usually I, depending on how our time worked out--sat down with each of these fellows for an hour to three hours, depending on the agency and their time and our time. And we kind of reviewed both the agency and the major problems and gave them some material to struggle with. We came out, I think, pretty well. The agency heads, I think, got a little feel, a different perspective of their problems than they would have had otherwise. I think it was a useful thing to do.

In addition, we had sessions with various members of the White House staff usually on a particular subject or on a particular set of problems. "Wilf" [Wilfred H.] Rommel, who has the Job I had as the Assistant Director for Legislative Reference, has been working with Ehrlichman and some of his staff, and Arthur Burns and some of his staff on both the procedures and the substance of the legislative clearance process. We've been trying to backstop that--I've been trying to backstop that. Those kinds of conversations take place. The relationships, I think, are extraordinarily good. I'd agree with the public feeling, and certainly the newspaper reaction, that the transition was a rather smooth one.

M: Fine. Now I've exhausted the questions I have with me. But I want to

leave you with an open-ended question. Is there any statement you wish to make or anything you want to bring out that I haven't touched on?

H: No, I don't. I guess I haven't been looking for gaps or omissions in the conversation.

M: I would like to reserve one right that if we run into a question on specific legislation, and we know that you had some role in this, would you mind if we came back and talked to you?

H: No. No. There is one area that might be worth comment. One of the areas in which the Johnson Administration was extraordinarily productive, I think, was in the general area of resources and conservation. Parks--.

M: This is Stewart Udall.

H: I think, by and large, this was overlooked somewhat--not entirely--but overlooked somewhat in the clamor, and fuss, muss, and bother of city problems, crime, international problems and so on. But one looks at the record of park establishment, wilderness area creation, water pollution even. Really, the accomplishments were extraordinary. Udall's energy entered into this. The Bureau played a part. I'm interested in it personally. Secretary Udall had a guy named Ed Crafts who just resigned recently as head of the Bureau of Outdoor Recreation, who played a major part. I think the conservation organizations will back this--the Sierra Club, Ira Gabrielson's Wildlife Federation. Almost anybody you ask will back it up. But run through the list of parks, North Cascades, the Redwoods, Canyon Lands, a long list of accomplishments, some of them expensive, some of them not so expensive, but all of them very worthwhile. George Hartzog, Director of the Park Service, played a part in this and Orville Freeman, as Secretary of Agriculture, also played a part.

M: How about Mrs. Johnson?

H: Mrs. Johnson was important, I think, as a kind of a--what do you say--living, breathing advertisement for this kind of thing. Her efforts, I think, tended to be a little more focused on beauty as distinguished from the more rugged natural preservation aspect of the thing. But she was involved in both. I remember trips down to Colorado and the Big Bend Park in Texas. She was out on Mount Hood, I know--went out to Redwoods not long before the election and so on.

M: Do you know of any reason for this interest?

H: For her interest, you mean?

M: The administration, Lyndon Johnson?

H: I think the main reason was Udall and some interest on the President's part--and Mrs. Johnson's obviously. But I think Udall was the key figure. He is a guy of vast energy. He gave us all kinds of trouble but had lots of energy and lots of dedication and lots of courage.

M: Well, I thank you for the time.

H: Righto. Thank you.

GENERAL SERVICES ADMINISTRATION
NATIONAL ARCHIVES AND RECORDS SERVICE

Gift of Personal Statement

By Phillip S. Hughes

to the

Lyndon Baines Johnson Library

In accordance with Sec. 507 of the Federal Property and Administrative Services Act of 1949, as amended (44 U.S.C. 397) and regulations issued thereunder (41 CFR 101-10), I, Philip S. Hughes, hereinafter referred to as the donor, hereby give, donate, and convey to the United States of America for deposit in the Lyndon Baines Johnson Library, and for administration therein by the authorities thereof, a tape and transcript of a personal statement approved by me and prepared for the purpose of deposit in the Lyndon Baines Johnson Library. The gift of this material is made subject to the following terms and conditions:

1. Title to the material transferred hereunder, and all literary property rights, will pass to the United States as of the date of the delivery of this material into the physical custody of the Archivist of the United States.

2. It is the donor's wish to make the material donated to the United States of America by terms of this instrument available for research as soon as it has been deposited in the Lyndon Baines Johnson Library.

3. A revision of this stipulation governing access to the material for research may be entered into between the donor and the Archivist of the United States, or his designee, if it appears desirable.

4. The material donated to the United States pursuant to the foregoing shall be kept intact permanently in the Lyndon Baines Johnson Library.

Signed Phillip S. Hughes

Date 11/10/74

Accepted Harry J. Middleton
Director, Lyndon Baines Johnson Library for Archivist of the United States

Date 8/1/74