

INTERVIEW WITH C. R. SMITH

Interviewer: Thomas H. Baker

Secretary Smith's Office, Department of Commerce, October 24, 1968

B: Do you recall when you first met Mr. Johnson?

S: I don't remember the date; I don't even remember the year. Sam Rayburn was a friend of mine; I knew him before I did Mr. Johnson. I also knew [Vice-] President [John Nance] Garner and his wife. I became acquainted with Mr. Johnson because I knew those two, because they were his friends, I must have met Mr. Johnson while he was in the House.

B: That would have been some time, I imagine, in the late 1930's after you had moved to New York with American Air Lines. Did you have any close personal contact with him then, either social or political?

S: I could not claim I've been an intimate, that would not be descriptive. I've known him for a long time. I've known him well and favorably for a long time and I've been an admirer of his, as have most people in Texas.

B: About when would you say your fairly close relationship with him began?

S: I saw him not frequently but once in a while during the war [World War II]. I was here [Washington] about three and half years in the Army. He went into the Navy for a tour of active duty. I saw him a few times during the war; saw him more often after the War, but my visits with him were not frequent.

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- B: During the war when you were with the Transport Command and he was then back in Congress, did you have any business sort of relationships?
- S: No, very few, only in dealing with Congress on behalf of the Transport Command, these were infrequent. I saw Mr. Johnson probably one or two or three times a year.
- B: Weren't you fairly close to President Eisenhower when Mr. Johnson was Senate Majority Leader?
- S: I was never really close to Mr. Eisenhower. I knew him fairly well. I saw him twice or more during the war; I saw more of him during the war than I did while he was President, although I then saw him a few times.
- B: Have you ever been politically active, sir?
- S: No, not at all. I knew Franklin Delano Roosevelt better than any president I've known other than President Johnson. Mrs. Roosevelt was a friend of mine, a close friend. I was in the airplane business and she traveled quite a lot. I often went on trips with her. She and I became close friends and remained close friends until the end of her life. She was a great woman.
- B: You know, it is said that Mr. Johnson in those days had a pretty close relationship with President Roosevelt. Did you ever see anything of that?
- S: Yes, but from a distance. I did not see them together often. I was at the White House often during the Roosevelt administration,

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principally on account of my friendship with Mrs. Roosevelt. I knew Elliot Roosevelt well. He was in the Army with us; he was a friend of mine. Anna was a friend of mine; I didn't know Jimmy well. But this was more of a family relationship than anything else. There was no business concerned in it, not even military business.

B: Did you get closer to Mr. Johnson after he became president?

S: Yes, but I did not consider myself one of President Johnson's intimate friends.

B: I didn't mean necessarily on a social basis. For example, after he became President did he ever ask you individually or with others for advice on matters relating to business or transportation or anything?

S: Yes, a few times, but not often.

B: I meant before your appointment as Secretary of Commerce.

S: Yes, the president was thoughtful enough to ask my advice on matters of business and transportation, although I wouldn't say that the occasions were frequent.

B: Do you recall what kind of things he would ask for your advice on?

S: No, I don't.

B: Do you remember the circumstances of your appointment as Secretary of Commerce? How Mr. Johnson got in touch with you and offered the position?

S: I was surprised. The President asked if I would come to the White House. He said that my predecessor [Alexander Trowbridge] had been

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afflicted with ill health and he had resigned and he needed a replacement. He of course knew something about me. He said that he had good recommendations, he thought it would be a good thing for me to do if I felt the same way about it. I told him that I was greatly honored; that I thought he could do better; that he could get someone with broader experience. Outside my Army service, I had spent most of my business life, 40 years, in air transportation. My knowledge of business had been confined to one industry and I thought in the job of Secretary of Commerce a broader background of interest might be more appropriate. He said, in effect, that choosing his Cabinet officers was his job and not mine; and that he would be glad to recommend me for the job. I told him if he felt that way, I would be honored and of course, I would be glad to accept.

B: Sir, may I ask -- That would have been early in 1968. Was there any hint at that time of Mr. Johnson's subsequent withdrawal from the race for reelection?

S: No, I believe not. I knew of no one who anticipated that. It was not discussed with me. I don't think it was discussed with many, either in or out of the government. I learned about it the same day it happened. I had been out of town for a week and I came back; the President was going to make an announcement that evening and one of the men from the White House called me and told me about what to expect. That was the first indication I had had of his intention.

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B: I was wondering because of the timing of your appointment if you had gotten the impression that you were sort of signing on with government for what might have been almost a five-year period, assuming Mr. Johnson would run again and be reelected?

S: Well, I don't think I anticipated that. I would of course have served as long as the President felt it necessary. I would have recommended to the President somewhere along the line that he get someone else. I'll be seventy years old next year. Someone of a younger age group would be better to carry on for another four years. I never really thought it out, but that would have been my inclination.

B: Sir, do you find it difficult to take over a department of the size and complexity of Commerce?

S: No, it was not unduly difficult.

B: Do administrative techniques differ between a government department like this and a large private business like American Airlines?

S: I had had quite a lot of comparable experience in the government. First, in the airline business, you deal a lot with government; you deal with regulatory agencies; you deal with Congress; you deal to some extent with the Executive Department. I have been in and out of Washington for 20 or 25 years. I've known many of the Senators; I've known many of the members of the House; I've known every president since Roosevelt. But more directly applicable, I spent three and a half years in the Army which is, of course, a branch of the government. There were many similarities with other government enterprises, in spite of the fact that we were engaged in a war.

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We started out with a very small outfit, a couple of thousand people; we ended up with over 200,000 in the Transport Command. I was in charge of the operations, so having dealt with 200,000 people for a year or two, the Commerce Department didn't seem large or especially difficult.

B: What is your impression of the quality of men in government service in your Department, the career civil servants?

S: There has been a continuing improvement in the quality of people available to the government, beginning in the Roosevelt days. Roosevelt attracted competent people into government service; Eisenhower attracted them; some in Truman's day. I think the President, our present President, President Johnson has made an especial effort to bring young qualified people into government, and he has been successful. I've been very well impressed with the quality of the people at the top of this Department. I haven't had the chance yet to meet the people in the lower echelons, but I believe them good. This is a reasonably efficient department. It can be made more efficient, given time, but we have some outstanding people here. Its efficiency compares favorably with the business enterprises I've seen. The quality of the people in government is usually underrated by the public, due to lack of knowledge more than anything else. You have some exceedingly bright people in the government. I am happy with the people here. We've made few changes.

B: As a cabinet officer, do you have what you feel to be adequate

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access to the President and adequate understanding from him of your problems in Commerce?

S: You're touching upon perhaps the most important aspect of being a member of the Cabinet. I don't think that you can be helpful to the President and I don't think you can do a very good job of fulfilling your own responsibility unless you feel that you have access to the President when you need it. President Johnson has been very generous with me; I've never failed to see him when I wanted to; I've seen him quite a lot of times informally. I would say that our relationship has been quite good.

B: You don't have any difficulty getting past the President's staff to the President himself?

S: None whatever.

B: Do you find Cabinet meetings, the meetings of the entire Cabinet, a useful function?

S: Yes, I don't think, frankly, that very many of the great decisions are made at Cabinet level. Let's say it differently. I think that most of the decisions in government are made at non-Cabinet level, because they involve specific problems which belong to specific groups. There's no need to call in everybody in town to make a decision which is confined to an area for which you have responsibility or for which you share responsibility with the White House. The bulk of the decisions are made on an every-day basis. The principal value of the Cabinet meetings -- and they're useful and they're informative -- is to round up what each of the Departments

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is doing and the problems they have, but more especially to get the view of the President about his general outlook on economics, the world situation, and to try to attune what you are doing to what he'd like to do. I feel strongly that if you can't subscribe with enthusiasm to the objectives of the Administration, then you shouldn't be in the Administration. By that I do not mean that you must say yes when you are asked a question; if you do that, you're of very little value in government or business or anything else. If you have strong viewpoints about specific subjects, you have the right to express them. On the other hand, after you express them, if the President wants to do it a different way, you have the obligation to follow his leadership. You'll find, of course, that most often he's right, because he has a much broader total knowledge of the situation than the usual individual is likely to have. I feel strongly though that if you are to be a member of the Cabinet, you should be loyal to the President's objectives and loyal to his Administration.

B: Sir, what is your feeling toward the relationship of Mr. Johnson's Administration and business generally? There's always talk of hostility or standoffishness between government and business. Do you find that to be the case?

S: President Johnson has improved the government - business relationship. One of the largest and most prestigious groups of businessmen in the country is The Business Council. It started out under Roosevelt as an Advisory Council to the Secretary of Commerce. It later became

an independent agency, available to consult with departments in government. It includes some 75 or 80 -- I don't remember the number -- people representing a very broad section of American business, responsible people, responsible institutions. The President has called on them often to discuss their problems with him and learn from him what his problems are. The rapport between Johnson and business on the whole has been better than it has been for some time.

B: Does Mr. Johnson handle himself well in that kind of personal meeting with businessmen?

S: Yes. Basically, President Johnson has excellent knowledge of what makes the economy go. He has a very good knowledge of how a business runs. When he talks to businessmen, he can talk easily in a language that they understand. He can understand their viewpoints. He does not find it difficult to get along with business people.

B: In connection with the Business Council, do you believe that the Council's current independent relationship is better than the former close relationship that the Business Advisory Council and the Commerce Department had?

S: I don't really see that it makes much difference. The Business Council is too important a group to be restricted to only one department of the government. While it's pleasing to have such a fine group advising a single Cabinet officer, I don't think that's the most effective way. It's quite clear that the Business Council has been more useful in its present role than it was before.

B: What do you consider, as Secretary of Commerce, to be the major

problems the department has now?

S: Well, the major problems of the Department concern the general economy. We want to keep a good economic climate, to get our balance of payments in shape, especially to get our balance of trade in shape -- those are the big problems of the Department of Commerce. We have more to do with encouraging foreign trade than any other department. We're responsible for controlling the Foreign Direct Investment Program. This is a repository of a high percentage of the total economic data in the government.

B: In regard to the economy generally, do you find that it works well to have a situation in which you as Secretary of Commerce, and the Secretary of Treasury, and the Director of the Budget, and the Council of Economic Advisors are involved in this kind of thing?

S: You could rearrange some of those things better, but that's another case where your relationship with the President is of importance. If the President has a Secretary of Commerce in whom he has confidence, he would ask him to sit in on more economic problems than he would if he knew little about him. You could not be an effective Secretary of Commerce unless you had the confidence of the President.

B: Do you sit in with these other advisors on the various meetings on these problems?

S: Yes. I think there has been a growing tendency to include the Commerce Department in more of the economic decisions. The participation of the Department of Commerce has fluctuated up and down for a long time, for a variety of reasons. We've had some Secretaries of Commerce who have had very little business training or business

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experience. I suppose they felt a handicap in dealing with some of the economic problems through lack of experience. You should choose your Secretary of Commerce on the basis of qualification, because business is an important area of our whole national welfare. The business community on the whole generates most of the income we need to support the government. Most of the tax money comes from business, either directly or indirectly; most of the figures shown in the GNP curves are the reflections of success or lack of success of American industry. This department, or rather the people or the groups or the classes that the department is expected to represent, generate most of the income of the country. The Agriculture Department, of course, generates some income, but the high percentage of the money that's available to the government either comes from business or the people who work for business. And unless you can have a strong economy, you can't do the very many things that you'd like to do that require money. If you don't have a strong economy, you can't have a strong defense program; you can't have a NASA program; you can't have the welfare programs. All of these things cost money, and the money on the whole is developed by business and industry and by the people who work for business and industry.

B: And it's the purpose of Commerce to encourage this or to foster a climate in which it can best be done?

S: That's right.

B: Sir, to get to an area of evaluation, what do you feel are Mr. Johnson's greatest strengths as a president and a man?

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S: Well, first he has intelligence. Second, he has another great quality and that's intellectual curiosity. I've found very few things in which he's not interested; very few in which he's not reasonably well-informed.

B: Does this apply to specifically business affairs?

S: No, a much broader range of things. You've seen it in your own life. People with a lively sense of curiosity seem to learn more than people who don't have a lively sense of curiosity. A lively sense of curiosity is one of the great assets that a man or woman can have.

Secondly, I think President Johnson has learned from experience. He probably wouldn't make the same mistake twice, or certainly not the same kind of mistake. His experience in politics, if you want to call it that -- although I think government is a better term -- his experience in government is nearly unequalled around Washington. He has been here a long time; he has served in positions of great responsibility; he has set a very fine record of getting things done. I think his willingness to work at the job and his determination to see them through has been one of his outstanding qualities. He doesn't give up easily.

B: How about weaknesses, sir? What do you feel are his major weaknesses?

S: He has fewer than is usual.

B: Some have said, for example, that in many ways some of his virtues almost become faults; you said that he doesn't give up easily -- some people say that he pushes too hard. Has this kind of thing ever come to your notice?

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S: There's no doubt about that, but I don't think that's a fault. Historically, when you have strong people who are trying to get something done, they inevitably irritate people along the way. They inevitably disappoint people along the way who feel differently. You'll find in Washington, as you go along the road, you make a few friends and you also lose a few. It's inevitable -- if you're the kind of fellow who's trying to get something done, everyone's not going to agree with you. Some people are going to disagree with you violently. Nevertheless, if you think that's the thing that you want to get done, that's the right thing to get done, and you're willing to plug at it, you're going to make some people mad and you're going to have criticism. The easiest way in the world to avoid criticism is to do nothing.

B: We're running close to the time limit here, sir. Is there anything else you would like to say for this historical record?

S: One great asset the President has is Mrs. Johnson. History will probably record that she has been one of the great women of our country. I have known many women; the two greatest I have known have been Mrs. Eleanor Roosevelt and Mrs. Johnson. She has been a tremendous asset to him. She's a woman of high intelligence, good public appearance. She has made a fine First Lady.

B: You feel she is a real and direct help to Mr. Johnson as President?

S: I don't think he'd be the great man he is without her. She has made an immense contribution to his career. You will find that she is generally accepted around the country as one of the outstanding

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women of this country. I've heard many people say fine things about Mrs. Johnson, and few people ever say anything against her. People who have had the pleasure of meeting her are very much impressed.

B: Thank you very much, sir. We certainly appreciate your time.

S: It is a great pleasure.

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By C. R. Smith

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