



INTERVIEW WITH  
JOHN H. STAMBAUGH

by

DR. THOMAS SOAPES  
Archivist

on

July 20, 1976

for

Dwight D. Eisenhower Library  
Abilene, Kansas

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Frank Stangor  
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James B. Rhoads  
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April 28, 1978  
Date

This interview is being conducted with Mr. John Stambaugh at his home in Rancho Santa Fe, California on July 20, 1976. The interviewer is Dr. Thomas Soapes of the Eisenhower Library. Present for the interview are Mr. Stambaugh and Dr. Soapes.



DR. SOAPES: To start with, Mr. Stambaugh, you were born in 1905.

MR. STAMBAUGH: Correct.

DR. SOAPES: Where was that?

MR. STAMBAUGH: Chicago.


DR. SOAPES: And you were telling me just before we got started recording some of your early business interests. Could you just reel those off for us quickly?

MR. STAMBAUGH: Well, you might say, as I said once to the secret service, I did most of the foolish things that all young men do when they get out of college. I got interested in the theater and was invited out to Hollywood with a contract for six months and a renewal at six months, my option, and a round trip ticket if I didn't like it. So I did it, much to the distress of my family. I was out in California for a while and then I got sick and came back to Chicago.

SOAPES: This would have been about the mid-1920s?



STAMBAUGH: Yes. Yes, it was '27, right in through there, '27 - '28. And I came back and tried to think of something to do not to get tired because I couldn't work full time. I had a friend who was in the brokerage business and they invited me in there because I had good contacts. Then the crash came and I thought I wasn't qualified to advise widows on how to invest their money, so I quit and I went out to Sears Roebuck and Company. My father had been an executive of it for years. I went to him and said, "I need a job." And he said, "The employment office is across the street." They're very much opposed to nepotism at Sears. I could not work any place in his area. Because of my modest theatrical experience they put me in a new division called the national display division, which was to design windows and interior displays for the retail stores which they were just really getting going at that time. I ended up in Janesville, Wisconsin, and while there got the idea for a farm store. So we established the first Sears farm store in an old skating rink on the Rock River in Janesville, Wisconsin. Then went to Wausau, Wisconsin. They called me in and said, "You're the



only person, almost, who's had retail experience in the farm supply part of Sears." They had the Bradley factory with big machinery and so forth, not tractors of course at that time. It hadn't been into the retail stores except for harness, fencing and things like that. They had a franchise that they'd tried to get more distribution for their Bradley Plow Works factory, with a chap in Valparaiso, Indiana, called the Spindler Company, Selling Representative of Sears Roebuck and Company. They sent me down there to close him out because they'd made an error in their franchise contract that did not limit him to just the things that went with the farmers like machinery and fencing and oil and tires and things of this sort. They just ordered anything they wanted from the catalog and had a fantastic inventory problem. In fact Sears wanted to close it out. He had three outlets. And they wanted me to see him, close it out, because I just happened to be about the only person that had this kind of experience in the company. And so I went there in 1933, I believe, yes, and was there for a couple of weeks and reported back to General Wood that they shouldn't



close it because Sears needed every outlet it could get in that year of our lord, 1933! Because things were getting pretty rough.

He said, "Well, will you stay down there and work at it?"

And I said, "I will under certain conditions. Make me executive vice-president of the company; keep me on the Sears profit-sharing." And I ended up being the only person not on the Sears payroll who was on Sears profit-sharing. "And I want twenty percent of the stock of the company and fifty percent of all I can get it into the black." It was all family, the rest of it, son-in-law, brother-in-law, running the stores. By 1938 we had, I think it was, seven full size B stores and we were going great. Unfortunately my share was as much as the family's because of the deal I'd made on what I'd get out of the profits, if they made any. It didn't work. So we separated and I got paid for my stock and I decided I liked--I was interested in this whole area of farming and distribution of farm supplies, though I'd had no real background with it; I was just a city kid. And so I thought I'd get a Deere franchise--I'd gotten married in



the meantime and Helen came down from Chicago, lived in a little cottage and she--am I giving you too much?

SOAPES: No, it's fine.

STAMBAUGH: Everybody said it wouldn't last because she was very active in Chicago in charities and things, well known. In fact she ran the theater at the World's Fair where they brought in amateur theater companies from all over the country, did a beautiful job of it, tremendous thing. I decided I'd go in the business myself and I thought I'd get a Deere franchise. John Deere franchise. So I went to Moline and they asked me if I had ten thousand dollars. And I happened to because of the deal that had just been made. So they gave it to me. And I started it in a steel brooder house with a potbelly stove and a desk on a lot next to a man who owned a hatchery. He was glad to have company. Well, this worked out pretty well. I bought a farm, went into debt up to here for my business and the farm because I thought that farm land in that area, northern Indiana, was excellent farm land. At the price it was selling you couldn't miss over the long pull and I was young and willing



to wait it out. Helen and I built a house and lived on the farm. And I had developed a small chain of Deere franchises and Ralston-Purina franchises, the Stambaugh Farm Equipment Company--our motto was "Everything For The Farm."

Then they decided that the farmers around there wanted to start a cooperative locker plant, frozen locker, you know, frozen food--this was a new thing before you had your individual frozen food cabinets. And they couldn't agree. And I said, "Well, I'll build it if two hundred of you will rent lockers in advance before I start." And I did. In the meantime I had bought this property, built a small building for my business, my headquarters. And I had franchises in Valparaiso, Lowell and Crown Point, Indiana and one in Tinley Park, Illinois. It was rather interesting and I was enjoying life. This was the time when the things were pretty tough. Well for instance my salary as executive vice-president of the selling representative for Sears Roebuck and Company was seventy-five dollars a week, before I went into business for myself. I bought the farm mainly as a demonstration outfit for my business. Then I got interested in farming and expanded.





Got into purebred cattle business, Holsteins, particularly and Angus; and Hampshire hogs.

I'll never forget that General Wood called me once and said, "When are you going to be in Chicago?" He was, you know, Chairman of Sears and a great guy.

He said "I'd like to have you come out and have lunch."

"I'd be delighted," I told him. He said, "Your friend, your old friend Spindler wants me to close out all the Sears sources you're doing business with." Because I knew a lot of them in the fencing business and things like that and I was buying from them.

And I said, "What'd you tell him, General?"

He said, "I told him to go to hell! You were doing the same thing I'd do in your position." Well that was that; just a cute little sideline on the General's personality. He was really quite a remarkable man. I never knew a man that could read a P & L [profit and loss] statement as astutely as he could. He had an instinct for the jugular vein.

In the meantime the war came along. In fact I was sitting at home with my father who was retired, on December 7th,







listening to the Chicago Bears football game and BINGO! Pearl Harbor. Father turned around to me and said, "Jack, I know damned well what you're going to want to do. You're going to want to enlist. If you do, I'll come back and run the business for you." He said, "I have no experience at a lot of this, but, I have enough background, so I think I can." He says, "You've got some pretty good fellows. You have some very young men in key positions who are also going to go to war." So we planned to liquidate one or two units to simplify it because these were young men and they did go.

So I applied for a commission in the army and in the navy, both. Well the army came through first in the Ordnance Department with a commission and I thought, "Oh, well, I guess this'll be all right. I suppose I can get a maintenance battalion or something," because I had these farm equipment shops. Well instead my orders came and I was sent to Plumbrook Ordnance Works, TNT plant, Sandusky, Ohio. I was--I cried! So Helen and I took off for Plumbrook. The commanding officer was a reserve officer, a lieutenant colonel who was a DuPont chemical engineer and the rest of the officers were young reserve officers.

I was a little older than the rest of them. And I remember Kallmeyer the commandant, said to me, "Look, I'll make the powder; you keep the people happy." Part of this is the real reason why I got in the White House. These are accidents. I'd like to emphasize this. You'll find this true with a lot of people, men that have had rather varied types of careers. But practically everything that happened to me, getting me to do the things I did, which some people wondered why, (what the devil qualifications does he have?) were accidents. This war and my life was just one accident after another.

So in this job I became the accountable officer. Well the old War Department regulations were set up--and we were still operating under those--this is right in the beginning. The accountable officer was pecuniarily liable for all the property. Well we were having trouble getting people on the production lines and the contractor, I'd found had about fifty men checking property and with them fifty men from the ordnance department checking side-by-side. So I got hold of the contractor and the CO and I said, "I want to turn the property accountable records over to the contractor and we'll keep four of our best property checkers as auditors,





let them keep the records, regular commercial set of records, inventories and so forth, and we'll just spot check it." I thought spot checking was more useful than side-by-side checking because you got to know each other too well and so forth. Well I broke the book doing this, by turning my files and my records over to the contractor and very shortly thereafter a Colonel from the Inspector General's office came to visit us. The CO called me in and said, "The Colonel wants to talk to you."

The Colonel said, "Where are your records?"

I said, "The contractor has them."

He says, "Don't you know that's against the War Department regulations? You are personally accountable."

I said, "Sir, if you're talking about fifty thousand dollars or something like that, I'd be scared to death." I said, "You can't scare me over a seventy million dollar TNT plant." And all the--you know, stainless steel valves and oh, very valuable thing.

And he got angry and he says, "Well, I'm going back to Washington and recommend you be court martialed." He left. And Kallmeyer, bless him, he was a grand guy, said, "I don't know what the hell to do about this." He said, "I guess the



only thing to do is just call the Chief of Ordnance. This is ridiculous from his point of view." We got the men on the production line and told that colonel, said, "If you need anything, we'll find it for you." And everything--it was--working. And so he called the Chief of Ordnance and about a week later down came a major named Charles Meyer, who became one of the greatest friends in my life over a long period of time. He looked the thing over and he says, "Where'd you learn this idea of inventory control?"

I said, "Sears, Roebuck and Company."

He was a reserve officer, he'd been comptroller and vice-president of the First National Bank of Chicago. He knew his way around. He said, "Well, don't worry about it." "Let me go back to Washington and work on this thing up there."

About two weeks later I got a call from him. He said, "How would you like to come to the Pentagon?" You see I was not a field grade officer, and if you weren't field grade you did not have to come to Washington for an assignment because of the cost of living. You see if you were a field grade and they ordered you to Washington, to the Pentagon or something, why you just went. But I had a choice. I said, "Sure, I'll come." So





I took off and finally found a little cottage out in Virginia for my wife and she came. I acted as sort of General [James Dennett] McIntyre's, Jimmie McIntyre was our boss; I was in the fiscal branch. And I was sent around the country to try to straighten out problems like payroll accounting and things of this sort. And really, I wasn't qualified for it, but it was interesting. One example was Detroit Ordnance District. Its legal obligations were out of balance nine billion dollars, and they had CPAs and everything working on the darned thing. And so McIntyre sent me up there. He says, "We've had all the CPAs we need," he says, "we just want some country boy to go and take a look." I found out what had happened was that when the contracting officer would call a contractor and say, "We want a thousand trucks," they would post that and then they'd send out a letter of intent and they'd post that. Then they'd send out a contract and they'd post that. Then they'd send out orders against the contract and they'd post that. So these were all being posted several times and I couldn't figure--I said, "What the hell, let's just have a"--hope you dont mind a little language. [Laughter]



SOAPES: No. No, not at all.



STAMBAUGH: "Let's have them just post it once, the whole thing." And I said, "The first time the contracting officer gets a gleam in his eye, we'll get a form called--we'll call it--a purchase action report--and put a number on it. Then anything that's done in that particular situation has that number. We'll see what happens." It automatically cleaned up the problem in about a year and a half.

Then shortly after that I was sent up--this is where the accidents started coming in. Well of course the whole thing was sort of accidental, and I was basically doing things I had no real background for. My educational background was--I liked the humanities and the arts and I loved the theater and things like this. I really loved them. And oh, I was studying some economics and I was interested in industrial geography, also at the university at that time there were so many great men, so I went way out of the course I was supposed to take to take night courses, four hours on Tuesday night from Forest Ray Moulton, you know the great astrophysicist? And [Albert A.] Michelson was there and Addison W. Moore and Shailer Mathews

and [Thomas W.] Goodspeed and--gosh, it seemed to me that when you have a chance, you know, just to go to classes with men like that, this is what you do. So this is the kind of a crazy education I had. Hell, I'm no physicist. I'm no artist on the Bible, but Goodspeed who wrote a Bible, as you know, the Goodspeed Bible, which is used a great deal, and Shailer Mathews was theologian, and Addison W. Moore was a philosopher. I really had a ball; I enjoyed what I was doing. But it didn't qualify me.

Well I was sent up to New York Ordnance District to take a look at something there and I was sitting in the club car and I ran into a man who had succeeded my father at Sears. He looked at me and said, "Jack, what are you doing in that uniform?" I told him; he laughed, and he said, "I'm acting as a consultant to the Department of Agriculture while they're setting up the War Food Administration." See they brought Marvin Jones from the Court of Claims, he was later chief justice, he was a judge of it then. He'd been chairman of the House Agricultural Committee for years. He was a beautiful man and as a Republican I'll say this: as a Democrat he was beautiful.







[Laughter] And he was setting up The Office of Materials and Facilities which was to act as the claimant for all the things needed for the production and distribution of food, everything but the food itself--steel, chemicals, oil, you name it, containers transportation, all this stuff. "I think that's where you belong."

And I said, "Well, I'm in the army."

About a week later I got a call from him, "I've arranged for you to have lunch with the Secretary and Judge Jones."

So I said, "Good". I did. And they offered me this Materials and Facilities job. Well I went back almost with tears in my eyes; I wanted to do it so badly because it was right. Now I was getting into something that I knew something about, you see.

And so I went and talked with Jimmie McIntyre who was a good guy and he said, "Well, Jack," he said, "I don't blame you." He said, "You've got about three or four months of stuff that you really ought to, you know, take care of. It'll phase out. In the meantime, I'll get hold of [Henry] Stimson and tell him." He was the secretary, you know, then. And so they gave



me orders to go to the War Food Administration. I was still in uniform; I was a captain. I was one of eleven officers on detached duty in Washington who wrote their own orders. I wrote myself an A-1 air priority, because I had to do quite a bit of traveling around. And I'll never forget as long as I live the first requirements committee of the War Production Board I went to. Representing the armed services was a three-star general named Lucius Clay. Representing the maritime commission was a vice-admiral named Admiral Land. Here I was a captain and the rest were civilians, you know, heads of departments and stuff like that.

[Interruption]

STAMBAUGH: We found out that the army had at a staging area up near Boston thousands of containers for eviscerated poultry and we just couldn't find any and the industry was going crazy, just couldn't pack eviscerated poultry. So I asked that they be transferred from the army to the War Food Administration so we could get them sent to the packers. And General Clay said, "No."



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"General," I said, "the army has to eat."

He says, "We'll get ours."

I said, "Well the men that make the guns have to eat."

"That's your problem."

I said to myself, you old so-and-so. And that was it; I couldn't do anything.

So we go down in the elevator afterwards and Clay nudges me--we were on the elevator together. He said, "Stambaugh, where do you want those containers shipped?"

I said, "You had a change of heart, General?"

"Well," he says, "you're new at this racket. If I declared those surplus formally in that meeting the Navy'd have a crack at them for three months and by the time you got them, all the chickens would be roosters. You just have one of your men call so-and-so in my office and we'll get it done." And I did and we got it done. Well as a result of that I'd broken the book and got a chance to see my first Senate committee. I was called before the War Contracts Investigating Committee chaired by the senator from Missouri.





SOAPES: Harry Truman.



STAMBAUGH: Harry Truman, that's correct. I'd never seen a hearing before. I sat down in the seat, in the witness seat, and one senator, I don't remember his name, I wish I did, pointed at me and says, "Captain, what's an army officer doing working for War Food Administration?" Just like that. That's the first words I heard.

"Well, Senator," I said, "I'm just a civilian in a zoot suit and I understood when I went into the army that I was to do as I was ordered to do. And I was ordered to go to the War Food Administration."

And Truman says, "Atta boy, Captain, don't let them push you around." [Laughter]

Then the two of them started arguing. I sat there and listened, and won! So I have a little soft spot in my heart for the old boy, although I think he, with all his homeyness, and "the buck stops here," and everything, I believe that he made almost the most tragic error in our history at Potsdam when he came back saying "Joe is a pretty good fellow," when we had the world by the tail from the standpoint of power and

just turned over a hundred million eastern Europeans to the Iron Curtain without firing a shot or saying no. When they talk about this great folk hero, Truman, this is what I think about, because I got into this part of it later.

Well I saw that this business, really, of being in my uniform wasn't really going to work so I went up to the adjutant general--see I used to write my own orders, I sent them over to him. ~~And then they'd just okay them and away I'd go.~~ And I went over, I said, "This isn't going to work."

And he said, "Well, we can make you a colonel."

I said, "What the devil is a colonel, what good's that going to do me with three-star generals and admirals?" I said, "I want out." I said, "Much better if I walk in these rooms as a civilian." So I got out of the army. And went through the war, with the Requirements Committee of the War Production Board and Program Adjustment Committee and working on trying to get-- oh, I had the darnedest time with Paul McNutt, I'll never forget as long as I live. We were trying to get the wages raised for foundry workers where we needed repair parts for tractors and machinery so badly, and the manufacturers of the shells and



army things were paying wages that were so high that we couldn't get foundry workers and I couldn't get them to move on this wage control, wage and price control. And so I went over to see Governor McNutt who was the head of it. He was a very handsome, white-haired man. I walked into his office and right in the center of the reception office was a pedestal and bust of Paul V. McNutt on it. Went in his office and behind his desk is a full-sized life oil portrait of Paul V. McNutt with the American flag and the flag of the state of Indiana and the Philippine flag--he was governor-general of the Philippines at one time--governor of Indiana--and I thought, oh, boy! I didn't get to first base. We finally, after a lot of--we got some of it done. That was one of our personnel experiences.

When the war was over I went back to my business and expanded it. In the meantime, while I was there at the Department of Agriculture I ate in the executive dining room--see the War Food Administration's offices were in the department. And I got to know a fellow named Roy R. Graves who was chief of the bureau of dairy industry, feeding, breeding, and management. And he was the father of the proven sire, which is proving bulls--





[Interruption]



STAMBAUGH: And so that he was complaining about the things he could do if he didn't have the bureaucrats. I said, "Look, Graves," he had a herd of his own, not just the Bureau herd --he had a little farm out in Maryland and I said, "Bring your herd out to Indiana and we'll put it together with mine. You use your brains, do anything you want, I'll finance it and we'll go fifty-fifty." Well he came up with a process, well the thing worked marvelously, we ended up with a Holstein herd that, for purebred herds milking over a hundred cows had the best production average in the country. And he came up with the invention for sterilizing milk so it lost none of its flavor, you know condensed milk has a caramelized flavor. And this was successful. It got to the point where I couldn't handle it myself so I called Continental Can and got them involved. They brought a staff of technicians down, and homogenizers and all these big machines and everything, and we got it done. And so we started the International Milk Processors. And we bought a plant, we started our first plant at East Stanwood, Washington because we could ship this canned milk to Alaska, which was a

very high-priced market. We could ship it by boat instead of milk going up in an airplane by being packed in dry ice at eighty cents a quart, we could cut that in half. We started the first one out there aimed at that kind of market. Then we bought a plant at Richland, Wisconsin where the milk washed down the streets in the spring like water and we packed thousands of cans of it when it was cheap and then ship it to areas that didn't have milk. We sent milk to most all the battalion messes overseas, embassy commissaries, and the navy bought a lot of it. We found out during the war that when the boys would get back from the war, get home on a leave or something, that they wouldn't head for a saloon, they'd head for a soda fountain and drink a couple of gallons of milk. Well this worked, and we also developed a plant of our own, Real Fresh Milk, which we still operate. The rest of them we sold to Foremost Dairy.

Well, while this was all going on Korea had started and Charlie Wyman of Deere and Company, whom I knew, and Jack McCaffrey, who was chairman of International Harvester, got hold of me, and they wanted to work out a deal where they could put me in the Department of Agriculture as assistant to the



Secretary for defense requirements, taking the whole food thing for the Korean war. And I said to Wyman, I said, "Wyman, I can't do this because I'm caught." I said, "I have conflicts of interest problems."

He said, "You've got it all now, you're farming sixteen hundred acres," he said, "You've got your farm supply distribution." He says, "You're in the processing business."

I said, "I just can't" I said, "Now, the milk thing, that's a little different because it's so specialized and so-- but," I said, "the implement business," I said, "no, I can't. I'd just have to get out of it." And I said, "I don't know how I can sell it because the average dealer couldn't afford to buy a chain of them."

He says, "We'll buy it from you and we'll find the dealers, if we work this out."

Well they worked it out and I was appointed to this job after they'd bought it from me at book value, which I insisted upon because I didn't want any monkey business. Nobody could say a word. I just couldn't stand that idea; I didn't give a darn if I went broke. So they put me in this job, Charlie





Brannan was Secretary then. Of course Charlie was over here as far as philosophy was concerned, and Stambaugh right of McKinley maybe, I don't know. So that's how I got back into another tour of government. I didn't set up another separate administration I used the facilities of the department as it was structured to do this, because we had a skeleton so that if it developed into a big blast we could--but we never had to.

Well the Korean war came to an end and Eisenhower became a candidate and I was asked to act as a consultant to the National Republican Farm Council which was set up over the country to sort of counteract the AAA. You know what the AAA was? That was the Agricultural Adjustment Agency which had been set up during the New Deal and I watched it, I used it doing my work, you know to get the word out. And I want to tell you if somebody said something that was a political action at the top-- the Democrats had had it for so long; bango this went right, bing, down through the AAA. So we set up an organization made up of a farmer and a farmer's wife as the chairman and co-chairman of each state and each congressional district and each county and



each township. Our job was to counteract this, and my job was to keep an eye on Charlie Brannan and what he said, because he had an awful lot to do with whipping Dewey the time before. He did an artistic job in his speeches and so forth out in the farm--. And they had it in Chicago and, of course, I was about sixty-five miles from Chicago and I'd go in there about once a week, spend a day. It worked. These fellows did a fine job, and we won. Well, of course, Eisenhower being the war hero wasn't exactly a handicap either.



SOAPES: Let me interject one question here. Had you worked much in politics during--

STAMBAUGH: I had worked in it but I had never run for any office. I worked to help Charlie Halleck; he was in my congressional district. When this was over, the Farm Council-- a couple of days before election we closed up shop. I drove back to Indiana and we went out and helped get people to the polls in our precincts. We've always been very interested in this. My wife is, too. And we've always both felt that if you didn't like the way things were going and hadn't worked to get your guy nominated as a congressman or something, shut up.

We've always felt very strongly about this. Some of our friends have gotten mad at us sometimes because they start complaining, you know, and this is our standard answer to them. "Have you done so-and-so or did you ever do this?" "No, no." "Well then, shut up." You get what you deserve. And so we've always been very much involved this way, but never ran for any office.

Then Eisenhower came in and I was asked down to Washington to act as director of Point-Four, Technical Cooperation Administration, for this reorganization because the underdeveloped countries in which we had the technical assistance contracts were ninety per cent agrarian. A lot of things we had to do was to find ways to, if you could do it, oh, just better methods of farming and all this sort of thing. So I went into that. And of course [Harold] Stassen was the Mutual Security director and he was my boss and we worked on putting the Mutual Security Agency and the Technical Cooperation Agency into Foreign Operations. Well I can tell you a lot of very interesting stories about this because of the problem we had with the people we'd inherited and the FBI, things like this, the reports we got on some of them. But I doubt if that would be of any value. I was a great fan of the FBI for this reason although it made me walk





the floor at nights until I got rid of some of these people we inherited, who'd made the mistake of not staying under civil service protection and gone into jobs that were exempt.

SOAPES: Yes.



Mr. John Stambaugh, 7-20-76

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This was my staff! Then as we got working this thing together, why, Stassen, I remember sitting with Harold in the conference room with stacks of dossiers spread out over the table and a coffee samovar for hours going through

these people that we had all over the country finding out about them and so forth and qualifications. I saved Bill Warren's job in Iran. He had an excellent rapport with General Zahedi and people like that who were very helpful to us when the Shah fled to Rome. I got involved in that one later-- I'll tell you the story. I think that was in '54. I don't want to get ahead of myself--I can't remember exact dates. That isn't necessary. Not really. Well, we put it together and then I stayed with it as an assistant to Harold Stassen, and Stassen would use me for odd jobs, like there was an ad hoc committee that Gabriel Hauge chaired--by the way have you seen him?

SOAPES: He was interviewed by the Columbia project.

STAMBAUGH: Oh. Well he's one of the finest minds I've ever run into in my life. It was an interagency committee, had a member from agriculture, a member from foreign operations-- I was the one, and one from commerce and, you know, so forth and treasury. We would take the recommendation of the tariff commission and then we'd go over it and then we'd say what we





thought from our point of view, how it would effect this department or that department--agriculture or state or commerce or whatever. Then Gabe, who was at that time--well he really was Eisenhower's personal economist. And we settled on a recommendation and Gabe would take it to the President. Invariably this is what was done, whether it was for or against what the Tariff Commission did. Because Eisenhower had some, I think, well he just had tremendous faith in Hauge. Hauge was invited to be dean of Harvard School of Business, you know. And Eisenhower told him, he said, "You can't do that. You just stick with me." Wouldn't let him go; just like that. No, Gabe was a great guy.

Of course this was very close to [Clarence] Randall. The Randall Commission had just finished up, and he'd be involved once in a while in these things. And that summer, about this time, I was going out to the Bohemian Grove (I belong to a Bohemian Club in San Francisco; I don't know if you know what it is, the Bohemian Grove).

SOAPES: I've heard of it, but I don't know very much about it.



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STAMBAUGH: Well, it's very interesting. It's the most interesting mens' club in the world; I'm leaving for there Thursday morning. And Randall said, "How would you like to come over to the White House?" He said, "I'm still pretty well tied up with Inland Steel." He was chairman of the board; his title was Special Consultant to the President. "And you run this damn thing. It's got a staff set up to carry out the recommendations of the commission that the President's accepted." He said, "When you get out to San Francisco, think it over while you're at the Grove, go on, see all those good friends and everything and let me know when you come back." Well I got out to the Bohemian Club in San Francisco and picked up the phone and told him, "Yes". So that's how I got into the White House.

SOAPES: I'd like to stop there for just a second and pose a few questions on TCA. You did work under Harold Stassen--

STAMBAUGH: Yes, he was the Mutual Security Director. TCA technically was part of the State Department, but this idea of merging it into Mutual Security so the economic and the technical were put together. Of course the Mutual Security Director was

a much more powerful figure than a Point Four man. He was the boss for Foreign Operations when we put it together, yes.

SOAPES: How was he to work with?



STAMBAUGH: I got along very well with him except once in a while he'd make a unilateral decision that involved something that I felt it was my job to at least make a recommendation to him. He'd make these decisions, oh, almost off the cuff. They weren't always wrong, but this could be a little irritating. He didn't do this very often.

I got bawled out by John L. Lewis once because of this. Stassen ordered some coal shipped to some place--this was my bailiwick--I can't remember the country--from mines in southern Illinois. I guess he had some political problems down there or something and Lewis wanted it shipped from West Virginia, where some miners were out of work. He came in to see me and just bawled the hell out of me and had more damn fun. He was wonderful--we started laughing, you know--he was quite a personality.

Harold had a mind that was, well, it was just exactly like a dictionary or a Book of Knowledge. It was unbelievable. I



can remember when we programmed the country programs for a year. I'd sit there with him at the conference table and he'd put the regional directors for each region across from him and then the country desk officers would come and sit down for each country. They'd present their program and budget requirements. And Harold, so help me, knew as much about each program as the country desk officer, and like this--not a piece of paper. He had a weird, weird personality. I've known one other person that had that kind of recall--Richard Nixon. I've seen it performed in the White House mess. Weird!



SOAPES: So Stassen was a man who had firm command of his--

STAMBAUGH: Oh, Lord, there's no question about it. You had to respect him because he was a hard worker; he had this wonderful mind; he had this wonderful knowledge of what was going on. As I said, he had this one weakness. I remember after I'd gone over to the White House I met him in the hall of the Executive Office Building one day and he put his arm around me and said, "Well, Jack," he said "you've got a knack for this government business." Some day you ought to really be Secretary of Agriculture

Assuming that if he became President, I'd work under him. Of course that's a lot of bull, but these are cuties that happened. But as far as Point Four itself is concerned, I think you'd like a little more about--

SOAPES: Yes, I would like to, as to what the thrust of the program was.

STAMBAUGH: Well the thrust of the program was technical cooperation to under-developed countries. And we had three regions. We had Middle East, Africa, Southeast Asia--went from Greece to Burma, all of Africa. Of course Africa was not so much of an individual country problem as it was dealing with the Metropol in Europe, because most of them were colonies, except for Egypt.

SOAPES: So your dealings with Africa would be mainly through the Europeans.

STAMBAUGH: Yes, because most of these were colonies. Now India was a different story. We had a mission chief for India, and we had a mission chief in Iran, and we had a mission chief in



Lebanon, and we worked with the AUB, the American University in Beirut. In fact I sent them a bull once. The Mennonites were collecting heifers; they sent a boatload of heifers over there, so I sent them a Holstein bull.

He was about this big when I sent him; I got a picture a couple of years later with an Arab on the halter of this great big Holstein bull. Penrose was the head of AUB and quite a guy.



Well of course we'd support something like AUB and the students to go to AUB. We'd support students to come to this country. We would work on reclamation projects like the Helmand Valley in Afghanistan; we'd work on things like Karnaphuli Dam and the Karaj Dam, and we found out several very interesting things. And here's another case where the accidents of my life come along because of some of these things. For instance I got to know Bob Garner, who was a vice president of the World Bank, later president of the International Finance Corporation, which was the private enterprise segment of the World Bank. And we worked together to set up an industrial bank in India. And we got bankers in the United States and England who would invest sterling



and dollars. One of the reasons I got to know Bob so very well. We got to be very dear friends because we had a clear understanding that this would be run by either an Englishman or an American because of just ability, that's all. The Indians just didn't have this kind of ability and this was--see, a bank to stimulate the growth of industry throughout India because on the first hand we were working to help agriculture. As we made agriculture more efficient, more people would go into the cities and these were the mobs of unemployed. And so we had to find a balance; a way to get industry going at the same time. We never got it done. We had a lot of very peculiar things happen and in this case the Indians demanded that they have a veto on the board of this bank, and we had made arrangements with a bank in the United States and in England--they could have a member of the board but no veto. It was our money. The notes we had in our agreements, we had a veto on the use, the United States did, on the use of counterpart funds, which--you understand what they are, don't you?

SOAPES: You might want to define it for the tape.



STAMBAUGH: Well, when you ship something to a country like India and it's sold for rupees, the rupees are counterpart funds. And we can say how they should be used, whether for industry or for agriculture or building a port. Of course we work out agreements, we tried not to fight about it. But this is a hassle because they insisted on this veto in the bank. I think we put up between the banks of the United States and England, about fifty million dollars if I remember and then we agreed to put a hundred million dollars worth of counterpart rupees into the bank with the understanding that they would be in a junior position. So it still would be a free enterprise, capitalistic bank, you see. And these bankers would actually own the stock and so on. Well, with the Indians insisting upon this veto and so forth, Bob and I were in a fix. And then I went over to the White House--this was while I was still with Stassen--and Stassen very shortly after this made an agreement to give in to the Indian government. Bob called me on the phone and said, "Jack, I know you're out of this at the moment in your new job. But," he said, "will you back me up because I am going to tell our banker friends to quit, because



they're breaking the rules."

I says, "Of course I will, Bob." And I did.

And that stopped the Indians from breaking the rules. But Harold, Harold was the kind of a guy you never knew whether he forgave you or not, but we were pretty damned sore at him for that.

Now another thing, there's two other very interesting parts of the Point Four program. We had a great difficulty hiring first-class people to go to some of these countries. I'd have executives of companies come back, come into my office and complain they'd been to India or to Burma or something, "We had the worst so-and-so there you ever saw."

I said, "How about letting me have Joe Smith," who is one of their vice presidents bright as hell.

"Oh, no, he's going to be an executive vice president in two years. He--"

I said, "Well, shut up."

So we figured this is one of our problems; we'd get our fourth, fifth, sixth choices. Once in a while we'd have a stroke of luck, like getting a county agent from Oklahoma who





taught the Indians a new variety of wheat and he had to do it with one row at a time because they're on the verge of starvation. They were afraid to take a chance on a new variety which eventually doubled their yield. And a fellow that came into my office from Arkansas, was a retired cotton planter; he made his money and his sons were running his business. He said, "I want to do something."

I said, "How would you like to go to Kabul?" :



He says, "Where's that?" Because they were trying to get a cotton culture started there in the Helmand Valley and we needed him. And he said, "Sure, I'll go." He just volunteered, perfectly able guy, about fifty-five, something like that. And, I'll never forget, he hadn't been gone a month before we got a cable, "For God's sakes, send me a hoe." They were still scratching the ground with sticks. So we sent him a hoe with a red, white and blue ribbon around it. Then he wrote us and told us he wanted a certain quantity of metal which was the specification for hoe blades, and he started a little business over there for the Afghanistans, their business, making their hoes, you see. This is common sense instead of trying to jump from a

stick in the ground to a Caterpillar tractor with ten bottoms behind it. Once in a while we'd get one like this, but this was rare. So we got the idea of contracting with American institutions, consulting firms, engineering firms, agricultural colleges, land grant colleges, and have them send some of their faculty over, and the men with the firms still had their station back home, you know, their position. Then they could rotate people in, and, in the meantime, why they could do a much better job. For instance, from the agricultural colleges we'd send them from areas in this country that had the same kind of climatic situations that they had in their particular country. And it worked very well. Ethiopia was the first one we did this with. And--

[Interruption]

STAMBAUGH: Now where were we? Oh, I was talking about these contracts. About sixty percent of our work was done by American contracts with universities and engineering firms and consulting firms like this. And we thought it had a dual purpose; not only would it be able to work better, but it also, would familiarize



them with American institutions, and it could go on indefinitely. And a lot of them are still going on now where there's no program, no official program.

Well another peculiarity was, one of the toughest things we had to do; village development. Because these village development programs were just filthy situations. Awful! Bare babies so covered with flies, you couldn't see their skin. And about the only people we could get into this really were religious groups, churches, mission secretariat of the National Council of Churches and so forth. But these sons-of-guns were proselyting on Uncle Sam's payroll. And this is a no-no. It's not separation of state and church. So I called a meeting of the heads of these organizations and I said, "We're going to have to change the contracts. No proselyting on the job." I said, "You have somebody at your house for dinner or something, okay. But not on the job while you're working on Uncle Sam's payroll."

And boy they bucked me except for Monsignor LaGutti who saved my life. He was head of the Catholic Rural Life Development Program. He called himself the Pope's county agent. He says, "This is no problem. Stambaugh," he says,





"we found out that the best way to make Catholics out of Buddhists is to run the best damned hospital or the best damned school you can and the rest will take care of itself." And then he broke the ice and the rest of them had to give in. So he's always been one of my favorite people.



Does that give you an idea of what the Point Four thing was about?

SOAPES: Right. ....

STAMBAUGH: Now let's get right in the White House.

SOAPES: I did want to pose one other question. One of the debates over the whole foreign aid operation has been, is the purpose of it aid to people or is it a game of international politics?

STAMBAUGH: I think Point Four was designed for the people because we had absolutely no relation with the military. Foreign Operations did because when you had a big military program, you see, in a country like South Korea where you were supporting the ROKs [Republic of Korea] or in Turkey, a country economically poor like this, or Spain where we were

building air bases--if you didn't inject something into the economy in the way of consumer goods and things like that, the payrolls and so forth for these jobs for development or the army and everything would blow the top right off the country's economy. So a very large share of the economic aid went for this purpose. A lot of people don't realize it. In other words, the theory being we'd rather have twenty thousand tough ROKs or tough Turks there than we would have twenty thousand Americans there--cost a hell of a lot less. Also that it gave us a better defense posture. So I'd say, I don't know what per cent, maybe seventy, seventy-five per cent of foreign aid of that type was to countries that had big military programs. So you could say that here there was a political connotation.

Now there were other cases, too, little different, like the--and there was good reason for these. Take the Aswan High Dam--I was one of those that turned it down. And we weren't the only ones--the British, French--all our engineers said it was not viable. And we made several demands upon Nasser. At first we felt that it was not viable because--well there are several reasons. One was it would blow the top off



the economy because the money that would be spent, this is this thing I just mentioned before. Number two, in irrigating another two million acres of the Nile Valley you would increase the incidence of schistosomiasis which is this disease that's carried by the snail. It propagates in the irrigation ditches and it's debilitating. The peasant who worked around these places would get this, he'd work for a couple of hours and he'd be out of gas. This is all through the Middle East, you see. Israeli, being smart and intelligent, cleaned it up themselves. So when they fought the Egyptian or something, here you had tough, intelligent, well-equipped men fighting sick soldiers really. In fact in the Seven Day War I was at a meeting with a bunch of bankers in Nashville, Tennessee and they were betting that, oh, my God, this little country, they're crazy to go after Egypt and all this stuff. I said, "I'll give them two weeks." And somebody said to me, "Why?" And I gave them the reason. Sitting with me was a Professor from the university, a Professor of nutrition, Bill Darby, one of the best in the country. He said, "Jack's absolutely right." He'd been over there, tried to work. And we made a demand of Nasser, that he let up put public health people in there to





clean this up. Also we made a demand of Nasser that he pledge a hundred million dollars of their cotton exports to the project. In other words we felt they should have a piece of it. This he said he wouldn't do. And then we told him he'd have to put on some economic controls because of this spending would blow the top off. And he said, "If this is the way you feel about it, I'll just seize Suez and we'll pay for it by the earning of Suez," knowing damn well that there wasn't that kind of earnings. Then he finally said if we wouldn't do it for him, the Russians would. And the Russians did. And you know what's happened to the Russians in Egypt. We were right in the long run; there was no question about it. But this was a political decision. Had a lot of politics involved in it, and the dam is silting. Oh, also we told him he had to make a deal with the Sudan because this would back up thousands of acre feet of water on the Sudan. Not that it would hurt the Sudan, but the Sudan wouldn't agree to it at that time. They weren't that intelligent. And after all they were a sovereign nation, member of the United Nations, and so forth, and we just--he said, "Well, mañana. I can take care of that any time." So those are the kinds you



could say had some politics involved. Like the Karnaphuli Dam in Iran, ~~Teheran's the only city in the world of that~~ size that had no sanitary water supply. They want to build this dam, would be tri-purpose. It would provide a sanitary water supply to Teheran; it would provide irrigation; it would provide power. They had oil jumping out of the ground; they could provide the power cheaper. This dam would be very expensive to build and with low barrages they could take care of the irrigation problem, and then also with a smaller dam they could take care of their water problem for the city. But the Shah wanted it; the politicians in the Iran wanted it; and we spent that money on what we thought was actually a useless program, but we wanted Iran on our team, you see.

And in Korea, Syngman Rhee, oh, what a so-and-so he was! After the war, why, all the boxcars were ruined. They chopped them up for kindling and stuff like that and so we made a deal to provide them with, oh, a couple thousand boxcars. And he found out that some place in Spain they were making a wheel for a railroad train--it had some sort of a special steel rim on the outside of it--that was much better than our cast wheels. And our cast wheels would last a lot longer, with the





use they get in the United States, long after Korea had been gone, maybe, you see. And they cost a lot more. But we gave in because at that particular moment in history, he was on our side. The one thing we couldn't give up on--he wanted us to support the hwan at a certain price, perpetually. There's no way! You just couldn't do it, but these--sure these were political, some of these. But I would say that the Point Four program itself, the technical assistance program, really was not. It was out to really help develop what's now the Third World people. Well the green revolution came out as a result of it, which, you know brought more food to all those people. I think sometimes we were meeting ourselves coming around the block. We'd go in and clean up the malaria in an area and we'd get them better feed, more food, and then the population would just explode and explode and explode. And they lived longer. And that's probably the most dangerous thing in the world today. These were gray-areas, I'll tell you this.

SOAPES: Why don't we move on now to the White House period and your work with the Randall Commission.





STAMBAUGH: All right. Randall asked me to set up a staff and I got one economist who was an excellent fellow and a couple of very good girls to do secretarial work. And he wanted me to particularly handle the job of, well, lobbying the tariff legislation, the trade legislation through the Congress. The reason was, two reasons; one was legitimate, one wasn't. Randall's a wonderful individual. He still was the chairman of the board of Inland Steel and he'd have to come down from time to time, part-time on the thing, and also to serve on certain inter-agency committees. And the other reason he wanted someone to do this was because Senator [Harry] Byrd, I think it was--see the commission was made up of five senators, five congressmen, and five public men, led him down the primrose path on a few little things, in his political astuteness, and Randall was gun-shy as all hell about the Congress. He didn't want to go near them after he'd gone through this. So I just started out from scratch and started lobbying. And my instructions from the President were to get it early on the docket, because we knew it was going to take the whole darn session. And I got HR-1.



SOAPES: That's early!

STAMBAUGH: Then the next thing he wanted, he wanted Republican majorities on the House Ways and Means Committee, on the Senate Finance Committee and on both floors, and this had never happened on free trade legislation. It never had. And we got them. And I could really tell you some stories about the lobbying and the things we had to do. There was one case where I won't name the senator on the finance committee, I could have gotten his vote--he was a dyed-in-the-wool protectionist--by making a trade. There was going to be a military installation built--it was in a western state, been identified really, it was going in a state that was adjacent to his and it really didn't make too much difference. He said, "You get that installation for me, I'll vote for it." So I go rushing in to the oval office and "Mr. President, I've got so-and-so's vote."

He said, "How?" Said, "You did?"

I said, "Yup," I said, "here's the setup."

And I told him and he said, "Young man"--he got red behind the ears--he said, "Stambaugh, don't you ever suggest I make a deal with anybody."



I thought, "Oh, my God, I should have counted ten before I got into this one."

And then that big smile came over his face and, "Now," he says, "if you've got something that'll stand on its own feet, that's different." [Laughter]

And I went home that night, and I'm not a very religious guy, and I said a little prayer thanking God he was President of the United States. He would not, he would not deal. He would not trade. And he could do this because he was politically impregnable, personally.

SOAPES: What was the thrust of the argument that you would use to try to sell this legislation?

STAMBAUGH: Well, of course, I got into all sorts of protectionist arguments. Basically the theory was this, that the world was becoming very inter-dependent and getting smaller every day, and that, in the long run, the law of comparative advantage was bound to work. And if you put a wall around any industry, it would shrivel. These were the kinds of arguments I used. Also they would worry about the labor force





in it, and I got all the figures on the mobility of the labor force. See our labor force is so mobile, it's unbelievable. Just drive through the country and see the cars that have little trailers, little U-hauls behind them. And I'd make speeches in their districts and so forth. And I remember one state chamber of commerce meeting where I made a speech, about two hundred men, and one fellow--I'm not as long-winded as you think--I'm a fifteen minute speaker and then I try to open it up, see what they really want to know--got up and said, "Look," he said, "our people around here, we've lived here, our fathers have lived here, our grandfathers lived here and been in these businesses. There are very indigenous industries and so forth."

And I said, "Okay, everyone in this room who's doing the same thing his father did, raise his hand." Ten out of the two hundred. See, there was an awful lot of false thinking.

Then I got the Junior Chamber on my side. Boy if you ever want help, and they say they'll do it, they are the greatest. We had a congressman in Evansville who we couldn't get. He was a Republican, and he was dyed-in-the-wool. And



one of these kids in Evansville got an idea. I said, "I know there's got to be a big percentage of Evansville industry that goes into export, distributors and certain manufacturers and so forth."



"Now," he says, "I'll know how to find out and let them really know." He says, "Let's get them to make their payroll in silver dollars, that part of the payroll earned from export." So they didn't use silver dollars and there was no law, so these companies got a bunch of silver dollars and all of the sudden all over Evansville silver dollars showed up and everybody said, "Where'd they come from?" Here's where they came from. "I earned this because this product I made, or one out of three of them that I made, went abroad." And we got his vote. Well these are the kind you need. It's interesting.

SOAPES: You had to educate the members of the Congress as to what they were doing.

STAMBAUGH: Yes. And also getting the right people to testify before the House Ways and Means Committee and getting this thing started was quite a trick. The best witness I ever had

was Chuck Percy. He was a young president of Bell and Howell at that time, and he was for free trade. Reciprocal trade was what we wanted. We wanted to give and take. And actually we were not the highest tariff country in the world by a damned sight, but ever since Smoot-Hawley and all those years, why, they--. Matter of fact, a little piece of history for you. Clarence Randall wrote a book called The Foreign Economic Policy of the United States; he dictated it to his secretary on one of their ore boats while they cruised up the lake and sent it to me to check it to make sure the decimals were in the right places, you know, things like this. And it was perfect. He could make a speech and come off that tape and it would be perfect, without a note. One of the very rare people in this respect. I called him and I said, "Clarence," I said, "you made two mistakes. You got one decimal in the wrong place and also you have a statement that is historically incorrect. You talk about those right of McKinley." I said, "You've done a disservice to the father of reciprocal trade."

He said, "I thought Cordell Hull was the fath--".

I said, "Oh, no. You go back in your history and you'll find that William McKinley was the man that conceived reciprocal





trade." This is true. Even men as well educated as Clarence, we all--Good Lord, nobody can know everything.

SOAPES: You were dealing with a very obscure subject for many people, and a technical one.

STAMBAUGH: Yes, sure, yes, but nevertheless here was the book and here was a guy who was, well whose name was up at the top of this whole idea of what we were doing. --

SOAPES: I was wondering about the cooperation of the Republican congressional leadership. Did you deal much with them or did you go to the members?

STAMBAUGH: No, I had no real problem, because at that time, see, we had the Congress. That was in the first--

SOAPES: You had Joe Martin, Taft, and then Bill Knowland.

STAMBAUGH: Well, we had Charlie Halleck and Ev Dirksen. I knew Charlie intimately. No, we got along--and also the President had quite a lot of clout with the leadership, he really did.



SOAPES: Did you feel that Eisenhower was knowledgeable in this issue?



STAMBAUGH: I think he understood this one as well as many. You see, as I sized him up, and I think I'm right about this, he thought he had two primary jobs as President of the United States. They were the common defense and foreign policy. He spent more time, I'm sure, probably with John Foster Dulles than any member of his cabinet. And then he would pretty much let the other cabinet members, it was their job--secretary of agriculture, it was his job; and secretary of commerce, his job; and he didn't build any little cadre around him to tell him how to behave or anything like that. As a result I got good cooperation from them generally. I remember once I went to Sherman Adams because I was having a hard time with Sinny [Sinclair] Weeks. Sinny's a wonderful, nice guy but he was New England, in textiles, you know, and dyed-in-the-wool protectionist, and I wanted him to testify as the secretary of commerce. I thought it would be a big help. Here's this Republican ex-Senator, well-known as a protectionist, testifying in favor of this particular legislation. And I said,

"Sherm, can't you twist his arm?"

"No way," he says, "I just work here. They are the President's official family, the cabinet." And he'd never, this was a no-no. He said, "Now if you want to go over and talk to Sinclair Weeks, that's your problem. But," he says, "as far as I am concerned in my job as assistant to the President--". And he was right. He said, "My job is to keep people off the President's back, that's about all."

So Eisenhower spent a lot of time on this sort of thing. He wasn't any fool. And don't forget that, in dealing in the war, he saw an awful lot of what went on with these economies and with these people and their problems and he was a tremendous international politician, during the war. Tremendous.

SOAPES: His gut reaction to the issue of trade was essentially in line with the Randall Commission?

STAMBAUGH: Oh, absolutely. Absolutely. He just backed it up a hundred per cent. Oh, yes. Oh, yes. He was the one that said, "I want it early on the docket because it's going to take a long time fighting it through, and I want Republican majorities in all these different places," and that had never happened before.





So he really wanted it.

SOAPES: As I recall, the Randall Commission report was not a unanimous report from the committee.

STAMBAUGH: No. No, no. There never is one.



SOAPES: I've seen some--

STAMBAUGH: A good example, Nixon's Commission on International Trade and Investment policy. You can't get those unanimous. This had no politicians on it, but we had industry, we had bankers, we had agricultural representatives, and we had union leaders. And you just try to get a--

SOAPES: I have seen some material that Randall wrote later on to Ben Fairless when Fairless had his committee, and he was bemoaning the fact that he had not been able to bring in a unanimous report. Did that cause you difficulty in working with the Congress at all?

STAMBAUGH: What they do is you have the report and then you have, at the tail end of it, dissents, individual dissents on individual items. Minority. They call them minority reports.

The one on international trade and investment policy was loaded with them. But Nixon took it lock, stock, and barrel the way we recommended.



SOAPES: So this dissent on the Randall Commission was not something that was of any real significance?

STAMBAUGH: No. Frankly I can't recall--I told you about my forgetting problem--but I don't think I can recall a case where that was actually thrown in my face. I'm very proud I've got the pen that Eisenhower signed that bill with, HR 1.

Well I tried to tell you about getting witnesses; it's very difficult. You've got a captain of industry up there that you knew was philosophically a free trader himself, very intelligent, but who would not come clean because he had pressures from people in his industry. Now Chuck Percy, we got him to come down and testify, came into my office--he'd never testified before--and said, "What do I do?"

I said, "First, you write a paper which should take about twenty minutes for the congressmen to read, put about two hundred copies on the press desk for the staffs and so forth, and then read it to the committee."

He said, "Well, I've done that. I heard about that."  
He said, "I've got that ready."



I said, "Well, I've heard, Percy, that you are extremely fast on your feet. So why don't you hand the document to Mr. Cooper," he was the chairman, "and ask for them and their staffs to read it at their leisure, if you could just have a few minutes of their time just to discuss it just a little more depth."

"Because after all," he says, "I'm in a business that's really right up against the gun in imports, camera business?"

And so Cooper said yes. They took him for three hours. He had them absolutely fascinated. He said, "We started making a camera like the Leica. Good camera, but," he said, "we forgot the Germans were going to get back into business." And he said, "The question was, do I go to my government and ask them to force the Germans to charge \$395 for this camera when they can sell it for \$295?"--I don't remember the numbers right off the top of my head. He said, "In good conscience I couldn't do that. So we got our engineers and designers together to figure out what in the devil to do." And he says, "We came up with this." He reached under the



table and he picked up a \$49.95 movie camera and he said, "We've made a bundle." He says, "This is the American answer." The Japs had him and the Germans had him and here was an industry that just was right in the middle of it.

And I'll never forget, some congressman from Illinois, I can't remember his name, never sat at his desk, paced up and down all through a hearing. Finally toward the tail end of Percy's testimony he turned around to Percy, he said, "Mr. Percy, thou has almost made a Christian out of me, but not quite." Oh, but Chuck was fantastic. Some of these things I'll never forget, fascinating.

[Interruption]

STAMBAUGH: Bob Garner whom I mentioned before of the World Bank said to me once, "Look, Stambaugh, you're not a professional bureaucrat, why don't you come over--you like this international stuff--why don't you come over to the World Bank?" He says, "You'd enjoy it and the salary's tax exempt," you know, international organization.

I said, "No, Bob, I've always had a bee in my bonnet. When I got through with this sort of thing that I'd like to



get with some good private college or university and help them with their fiscal and management problems."

He said, "I'm a trustee at Vanderbilt University and we're looking for someone--we need someone so badly you can't believe it." And so we went down and took a look; we liked what we saw very much. There was no pom-pom girls, no enormous marching band, and I liked the faculty I met; I liked the administrators I met; I liked the trustees I met. And I told Chancellor Branscomb, I said, "I'll think it over." I said, "I'm very impressed. I like the way you live here." I came back to Washington and I started analyzing where I was, and I saw that I had another six months that I just had to stay with.

SOAPES: Now this was about what year?

STAMBAUGH: Well this is 1955. And so one night I was walking the floor and Helen says, "I know what your trouble is. You wish you'd gone down to that school at Nashville."

I said, "How did you guess." I said, "They've probably filled the job by now anyway."

She said, "Well why don't you call them up and find out."



So I called up Harvie Branscomb who was the chancellor, and asked him, "Have you filled that job?" I said, "I think I've things pretty well cleaned up that I can do here."

He says, "How fast can you get here?"

So there's another accident, you see?

So I went down there, January 1st, '56. Well in '57 Eisenhower made his speech to the governor's conference and suggested the setup for the federal-state joint action committee to analyze the programs in the states that were being performed primarily by the federal government that would be better performed by state and local governments. And also if the state and local governments thought them necessary, the federal government to divest itself of the sources of revenue it was using to get these jobs done. For instance, oh, there are a lot of things that the federal government has taken over because of war. We're going way back to World War I, vocational agriculture with vocational education was started to advance skills that were necessary to produce for the war. We never stopped these; the government kept its hand in the till all the time. Vocational agriculture has long changed in its whole attitude because of





the technology, development in agriculture. Most of the boys who were taking vocational agriculture ended up working in a factory or something like that. And by this time, why, industry was in vocational education. The motto was no longer, "Join the Navy and See the World", it was "Join the Navy and Learn a Trade". The armed forces were in it in a big way. It was a multimillion dollar business. And the federal government was injecting into it, oh, about a hundred and seventy-five million a year and calling the shots and couldn't be that sensitive to the local situations. And so I got this call to come to the White House and they told me they wanted me to come back and set up a Federal staff, the governor's conference had a staff, set up a staff for the federal element for the cabinet members. And I said to them, "I'm not a political scientist."

And he said, "Look," (this is the second round and he had had a stroke) and he said, "I don't want any new faces around." He said, "You can hire all the political scientists you need. But," he says, "I know that you'll do your level best to try to accomplish what I want." And he said, "I want to try to turn back to the states anything they'll take except



the common defense and foreign policy." Just that simple. That's being over-simplified, I'm sorry, but just matter of fact. This is the only President in history, you know, who ever tried to do this, to my knowledge. Now you ought to check that out. Be interesting to find out.

I had a deal where I had that summer--Harvie Branscomb and I were supposed to trade summers off. And we were going to Europe, to England to see Helen's sister. We had our reservations on the ship and everything. I went back to the Army-Navy Club, looking up at the ceiling, finally I called up Helen and I said, "Helen, here's the score." I said, "I can't do it full-time, I told them that."

"Well," he said, "the appointment will be special consultant to the President of the United States, presidential appointment, and it will be on a consulting basis. You can still, you know, commute and we'll set up an office for you and all that, get the staff and--."

So I called up on the phone and I said, "Honey, here's what's happened." I said, "I'll go over with you on the ship; I'll fly back, get this thing started; and you spend a couple of months with your sister and her husband, do whatever you want to do," and I said, "I'll fly back over and come back



with you on the ship."

She said, "You'll do nothing of the kind. You tell the travel group in the White House to get all our money back and no commissions for our tickets and our travel, and we'll spend our vacation on the Potomac." She's great this way, ready any time. So this is what we did.



I asked for a young man who had been my assistant in Foreign Operations and a couple of other things who was just superb. He was a graduate of the Wharton School. You wanted something, he'd find it regardless. I don't know how but he just got it done. Doug Price. I asked him to be my assistant, sitting there all the time. And so we started developing the-- what the devil was his name, Frank, head of the Council of State Government. Gosh, here I go again. You can find that out.

SOAPES: Right. We can insert that in the transcript later.

STAMBAUGH: Yes. Who was really my counterpart in this. And so we started working on it, and the first meeting we had at Hershey, Pennsylvania and I remember flying down and--oh, Bob Anderson, secretary of the treasury, was the chairman of the



cabinet element.

[Interruption]



STAMBAUGH: Meeting at Hershey, Pennsylvania. Bob Anderson who was Secretary of the Treasury--by the way a very intellectual human being, very bright--and I prepared the papers for the cabinet, or my staff did. I worked on them a little. I remember flying down in the Treasury plane to Hershey--Bob had just been made Secretary of the Treasury for about two or three weeks--and he said, "You know, Jack, I was just thinking I've got a hell of a job." He said, "You know, from nine o'clock Monday morning till five o'clock Friday afternoon I have to find nine billion dollars every week."

Well we got started and we got off to a very nice sort of a start. Everybody was very polite and courteous. The Council of State Government's people were working with us very cooperatively, and this was sort of a get to know and get the idea over of what the President really wants. They'd heard him make his speech, but they knew what they were there for and Lane Dwinell was chairman of the governors' group. And it was at that meeting that we decided that

college campuses were good, neutral spots, and he invited us up to Dartmouth, where we met. And we went through this and we got several very interesting agreements. One of the biggest problems was the tax problem, the lack of uniformity in the different tax systems and the fact that really the property tax was nothing but, oh, just a something--a deficiency tax--and different types and what would be compatible with the federal taxes from the standpoint of making it easier for the people to do it and what taxes would the federal government divest itself of and let the states do it if they wished. We found one very simple one right away--the tax on telephone calls which had been picked up by the federal government during the war. And easy to collect for the states, one check from the telephone company to the state, that was all. And they talked about different little things like natural disaster relief, you know, like floods and tornados, et cetera. And got on the subjects that I've mentioned such as vocational education. School lunch program was another. Basically, well-established, and actually these people knew better what they wanted to eat than some bureaucrat in Washington did, except for one thing.



We did inject surpluses into it, which we all felt made some sense, surplus commodities. Because the taxpayer was paying for it and a lot of it was deteriorating in storage, and we'd inherited this, you know, this agricultural support program from our predecessors. Things were going pretty well. And we had an agreement on several of these items, with the governors that were members of the committee. Oh, every now and then one of them made a little political speech, something like that. Didn't, no, it's very, very nice. And finally they had a meeting of the governors' conference down at Miami Beach where they were going to put it up to the whole governors' conference, and according to them, this would be their proposal which we had all agreed upon, certain items like vocational education and some other little things like getting the states to put up a certain amount of their own money in case of a natural disaster before the federal government came in; when Mississippi would put up two hundred and fifty thousand, New York would put up five million. It had gotten so bad that they were going to the federal government for five thousand dollars to fix a culvert that had been washed out in a rain storm. It was really





ridiculous, and they saw it. And we were invited to go down there, some of us, as staff, and several of the members and Bob Anderson to make a talk. And everything seemed very compatible, the rest of the governors and everybody seemed to think everything was okay. Then for the first time in history they went into executive session and asked everybody else to leave the room, including those of us who were there. And we did. And we lost. They voted it down.



Well, we had other meetings, we kept working on it. The only thing we were able to really accomplish was, I believe we had some influence on the direction of some of these items like vocational education, getting the federal government away from telling them what to do. But the real problem was that some of those who screamed states rights the most had their hands the deepest in the federal till. And it's so much easier for the taxes to be applied by some s.o.b. two thousand miles away from home than by your neighbor, that they just couldn't do it, they just couldn't--didn't have the guts. And the only thing we really did was by executive order. We checked and we found we could do it and that was the natural disaster

relief, and we got that through. Because we just did it, and put this scale of states--. I think they're still probably discussing in the Council of State Government and so forth, some of the tax problems--oh, the estate tax is so complicated. States are so different from the central government on these things that some things where actually you should get together on--it would make it easier for everybody--but they just could not buy it.

I made a speech on this subject at the Bohemian Grove-- I was invited as a guest--this was 1958. I'd been there as a guest of this Charlie Meyer who I mentioned, this officer that got me out of trouble and into Washington when he went back to the bank. You could go as a guest three times every other year, but the waiting list for a non-resident member was about fifteen or twenty years. It took Eddie Rickenbacker sixteen years. I was invited this time by the board to make a speech at the lakeside. Every day in the Bohemian Grove they have a lakeside talk. You get ambassadors, finance ministers from other governments, cabinet members, so forth and so on. And I made one off the cuff, on how democracies



die. They pick a speech each year to go in the archives of the club--I made it off the cuff--and by the way, don't, you should edit this out, but my camp captain--the name of my camp was "The Better 'ole", named after a Bruce Bairnsfather cartoon in World War I. This old Limey--he was an Englishman--a young rookie with him in the shell hole and shells going and his eyes popping and he says, "If you know of a better 'ole, go to it." And he was a guest once and he gave them a picture to put on the wall. Our camp captain was a real wit, a devil, and he introduced me, and this is no kidding, the greatest introduction in history. "Bohemians and guests, may I present to you one of the more distinguished hemorrhoids from 'The Better 'ole'". And sat down. There I was. And I'd had no notice or anything. I got off to a good start because of that. [Laughter] But they picked my speech to go in the archives of the club and I got an immediate invitation to the club. That speech became a rather interesting thing with me. I suppose it's been reprinted. I wrote it up then and gave it for the historian and the librarian at the club, which is in San Francisco. And I suppose I gave that speech





by invitation so many times, and it's been reprinted in so many periodicals and things around the country. And I've had so many questions about tag lines and so forth, where I ended up saying that the historical cycle of the body politic indicates that man progresses, "From bondage to spiritual faith, from spiritual faith to freedom, from freedom to abundance, and then comes the warning. From abundance to selfishness, from selfishness to apathy, and from apathy to dependency, and from dependency right back into bondage again." Aristotle or somebody, says something of this type and I could never really find it. I'm a very good plagiarist. Well this was based on this whole theory of dependence on a central government, and it was really my tag line on all this work. And I've got a drawer full in the file of reprints of different publications and so forth and questions about certain things in it whether I was quoted correctly or not. But what it was really all about was that, philosophically, no democracy of continental size ever survived more than two centuries other than as a federation or as an autocracy. You can't have a pure democracy. We're not well enough educated for that. I



use the word federation instead of republic. You know there's some indications that right now it's two centuries for some of these things we really--a man my age begins to really worry. And Eisenhower wanted it so badly to really get into it and have the states take over some of the responsibilities that the federal government was--of course the "Great Society", they made it even worse.

SOAPES: You felt though that the biggest obstacle to accomplishing this was the unwillingness of state governors, state politicians, to accept--

STAMBAUGH: The tax responsibility. They'd much rather have the taxing done away from home and then get the money handed to them. They've come up with this revenue sharing. This isn't what we had in mind at all. We had in mind actually divesting the federal government of certain resources of taxes and letting the states apply the taxes if they wanted



to collect them.—If they felt the project was worth it, you see. Revenue sharing is entirely different. The taxes are still collected back in Washington and then they hand them out so many dollars to a state and let them do pretty well what they want with it. So when they came up with revenue sharing somebody said, "Oh, my gosh, they got your program going." I said, "Oh, no. That isn't what Eisenhower had in mind at all." He believed strongly in state, in federation--he felt very strongly in the separation of powers and the federal government really had only two real ones.



SOAPES: You had worked of course with the Congress--

STAMBAUGH: That's all I can tell you about this one, because it really, we really didn't get it done.

SOAPES: What about congressional attitudes toward turning things back to the states? Did you ever have any contact with congressional people; seeing if it would have been feasible to get this program through the Congress?



STAMBAUGH: Well, yes, a few of them that I knew pretty well. Most of them told me it wouldn't work, because they'd been out there digging for votes themselves.

SOAPES: Wouldn't work in the sense that the states wouldn't do it?

STAMBAUGH: Well the local politicians didn't want the responsibility; they'd much rather have the hand-out, even though their people were taxed for it. But they'd much rather have somebody else do the taxing. And this was the real key to it. When I took it on, I was--the President knew this. He said, "I think it's practically impossible." He said, "I just want to--by golly, I'm going to make a try."

SOAPES: He was not being idealistic about--

STAMBAUGH: Oh, no. He wanted this very much, he meant it. But he knew, he was astute enough. He said, "If you get anything done, it will be a miracle." He says, "I'm going to give a try." So that's the story, really that's the story of the Federal-State Action Committee. It's not much of a story, is it?



SOAPES: I do have a couple more questions on that subject that I want to pose. You mentioned Douglas Price. Could you give some detail as to exactly what his responsibilities were.

STAMBAUGH: Well he was my assistant on this and he ran the shop. I'd commute from Vanderbilt to Washington about once a week. I had another little ad hoc committee made of somebody from the state department, somebody from agriculture, somebody from commerce, you know, treasury, to help as a sort of little ad hoc committee. We'd go through things and see--you know the interesting thing about bureaucrats, these were all professional bureaucrats, is oh how they would try to make the first draft of a new document. If they made the first draft, they had the rest of you on the defensive. It was really-- we learned this rather quickly.

SOAPES: This is how you prepared agendas and working papers.

STAMBAUGH: Yes, that's right, work our working papers and the program and agenda for the programs we were going to try to attack and get something done.

SOAPES: And you dealt in this directly yourself.



STAMBAUGH: Oh, yes, I chaired every one of those ad hoc meetings. Oh, sure.

SOAPES: And Price was reasonable for handling the mechanics?

STAMBAUGH: That's right. And a wonder. He was a great guy. Our staff operation was relatively simple and we got it quite smoothly operated. And Andy Goodpaster called me up one day and he said, "Jack, you've got that thing running pretty smoothly over there from the staff standpoint." He says, "How about letting Doug help me in some of my other problems about staffing a special project and so forth." I says, "Sure, Andy." I came back to the office about two weeks later and before I went over to the Army-Navy Club I'd always stop by and see how things were going. I stuck my head in Price's office and gosh, he had two telephones going, papers all over the desk and I said, "Doug," I said, "that's a hell of a way for an executive to behave." I said, "Look at my desk, there's never a piece of paper on it except the piece I'm working on." He looked up at me, he kept talking and so forth, and so I left, came back the next morning. The next morning





I found on my desk, my desk was polished, beautiful, clean, nothing on it but a sign about that big, printed in letters about so big, saying "Nothing is Impossible for the Man Who has a Brilliant Young Assistant." This is the kind of guy Price was. He was a doll. I mean this guy was really clever. And I think that's one of the best things that I ever saw. He really had a wit, you see.



I also found out in my experiences with these things that in war production board, in the committees, inter-departmental committees and things, that humor was the most effective weapon possible. I mean you could let people come in and give their side of something with all sorts of charts and backed up by all the brains and everything else. You'd find, sit there and just try to find some little hole that you could take a crack at it. Well it was like the one with Charlie Wilson on the watches, when they said there wasn't anything the watch industry could do that General Motors can't do, you see. That won the case.

Also another thing about the--well this is just a little philosophy about government--is that the three kinds of men

came into government that weren't professionals and took over certain assignments. And a lot of them extremely able, very successful. One type would be so frustrated he'd pick up his marbles and go home; another that became absolutely captive of the bureaucrats; and there was a rare guy came along who had all the skill and empathy and everything to get them to do what he wanted done and knew it would be done. I think more than anything else this is what I got out of the whole thing was these three kinds of people that come into government. One of the observations I've made about it, yet it was so true.



Well, gosh, that's about all I can say except there are things that happened that were rather amazing like the Iranian revolution when the Shah fled to Rome and which I was intimately involved in. Things of this type and the tricks we used to get him back and Eisenhower's instruction to us. "You know how much money's available and you have so much from my contingency fund; I have one simple instruction, don't let them pull the Persian rug out from under the Shah." So we got [Dr. Mohammed] Mossadegh out and the Shah back and not a shot was fired and the Russians never got a hold of it.

[Interruption]

SOAPES: There was one brief question again on the Federal-State Action Committee and then I want to explore the Mossadegh episode. There were a series of commissions: there was the Commission on Intergovernmental Relations, the Joint Federal-State Action Committee, which was followed by an Advisory Commission on Intergovernmental Relations. Can you shed any light on why there were those three?



STAMBAUGH: I had no relationship with anything but the one.

SOAPES: The last one I think was congressionally authorized.

STAMBAUGH: I think that's typical of congressional gesture.

SOAPES: Something just to formalize, say we did something?

STAMBAUGH: Yes, that's right. That would be the only answer I could have.

SOAPES: I was curious as to why there were those three different--

STAMBAUGH: This is rather typical.



SOAPES: On the end of the last tape you were talking about the Mossadegh incident and your role in it, and I'll just let you loose to relate what your position was.

STAMBAUGH: I'll relate my role. Well this was just before I came to the White House. In the reorganization of foreign operations, put them together by regions, I put together the Near East-Africa-South Asia region, which had in it Iran. And my mission chief would be appointed, would be both economic and technical. And in these countries we had three missions. One was the diplomatic, with the ambassador who was chief of mission; then there was a military advisory group, MAG group; and there was the economic-technical man. Depending upon the country's situation, MAG or economic was number two, presumably. Now, as you know, Mossadegh got to be prime minister of Iran and he was a nut. You know he had tantrums, stuff like that, and he was basically communist in his thinking. And it got so bad that--of course it's a constitutional monarchy. And the Shah had to get out. All the foreign missions in the country like ours sent most all their people home, families and everything, and those who did stay were



restricted to a--I can't remember exactly--twenty-five mile radius of the coast or something like that. And it looked like Iran was gone. Abadan was rusting, the refineries, the greatest oil fields in the world, you can stick your finger in the ground, you get a gusher. It was out of commission, it wasn't working, wasn't operating. It was a mess, the whole thing. Just perfect thing for the Communists--a thousand miles of undefended border with Russia, the Soviet Union. And it looked pretty tough. We got into it with this policy that we were going to try to get the Shah back and maneuver some way, peacefully, to help them straighten it out.



SOAPES: Do you remember anything about the origin of the decision to make this move?

STAMBAUGH: Oh, the President, National Security Council. He brought in the, all the intelligence he could get, CIA, British, French, you name it. Naval intelligence, all of it.

SOAPES: Did you meet with the NSC at any time on this?

STAMBAUGH: No, I didn't. No, I just got it thrown at me



because of my particular situation. And the instructions were very simple. So we had a problem. First we had to get the thing calmed down. We found out the national gendarmerie, which they have in those countries, like a national police which we don't have, you see. And they also had an army, pretty good army, but no, it couldn't handle the Russian army. It could handle internal situations. These people hadn't been paid for about nine months. And there was rioting in the streets and you know, all sorts of stuff, mess. There was one contact we had, Zahedi who was chief of staff, was a real constitutional monarchist, and he hated the British. And one of the things that started it was Anglo-Iranian Petroleum and a fellow named Fraser. They had control of it. They were really stealing the Iranians blind for the oil. So we figured what in the devil are we going to do. Well the first thing was by gosh we ought to get Zahedi's soldiers paid fast and how do we get money in there. Because we couldn't pay them in dollars, had to pay them in reáls. So tried to figure out how do we get a lot of reáls generated fast that can be used for this purpose. So we decided that sugar was something they imported in large





quantities--but we couldn't get it there fast enough to do any good. By the time we got it from Louisiana or from Hawaii or from Cuba, at that time, it would be too late. So we arranged with the importers to put up fifty percent of the reals when they got the import license. Of course now we had a couple friends like Zahedi, we had a fellow named Ebdahaj, who was head of the Iranian planning organization who was first-class. And so this is what we did. And they took those reals and went bingo, paid the soldiers and paid the police. And also we supported the real at the Bank, Melli, which is the central bank. It had just gone crazy, you know, inflation and everything, and we threw away, you'd think, several millions of dollars for this purpose. It was a political purpose and helped save their face and things of this sort. And actually it was paradoxical because the Shah had been a very beneficent monarch. He'd turned over a lot of the imperial lands to the peasants. You know, he was really a pretty good fellow. Finally they got the thing under control and the Shah came back.

Then we did another thing which I think some of these



people that want to break up the big oil industry ought to think about. We got a consortium, the Aramco consortium, you know who they are, to buy a share of Anglo-Iranian Petroleum and insisted that they sell it to them. We just told the English--bingo! This is it, and that the Iranians get a bigger take and get those darned refineries going again and get the economy going. And those oil companies put up that money so fast you couldn't believe it. It was statesmanship of the highest degree, hundreds of millions of dollars.



Things were beginning to calm down a little bit, and another interesting--I'm just giving you some highlights that were rather interesting--who would be the first people we'd send back. You see most of our official people had left. And so we finally decided on two men we'd send over there. One was Herbert Hoover, Jr., who also knew something about the oil industry, petroleum industry, and also his father's name was like a god. His father had saved the lives of thousands and thousands of children in Iran. And also we got hold of a public health service officer who had led the team that cleaned up malaria in the Caspian area. Now see these people were impeccable, we didn't send back a four-star general or



a cabinet member or a vice-president or anything, we sent these two people. And it worked. They were the first two Americans off the plane. Now these are the kinds of things I think are really of interest because you can find the mass of detail in history. I mean it's there. But the real statesmanship of the oil industry, the big oil, just bingo, right now. And they got Abadan going again, and you know how rich Iran is now. I can't remember what the deal was. I think at that time we got them so that we took forty percent, the Aramco boys, and Anglo Petroleum forty percent, gave the Iranians twenty percent. And the Iranians were getting only I think something like five percent from Anglo-Iranian. Of course now they have control of it. But these were the kind of things we had to do.

Zahedi was an interesting case. His family was one of the families that were custodians of the Shah's jewels and his family cared for the Shah's sword and one of the Queen's necklaces, or something like that. The reason he hated the British--. He got his training in a German military school and the British thought he was a Nazi, which he was not at all. And one night he was sitting in his study and the french doors





opened and some masked men came in and tied him up and hauled him away and put him in internment, shut him up for several months. That didn't bother him so much but during this period the King's sword and the Queen's necklace disappeared. And so we had a real ally in Zahedi to help on getting the American oil industry in and to help us put some umph on Anglo Petroleum to come through and behave a little. Fraser not only wanted the stuff paid for, but he wanted the income from now on. But those were the, these were really some of the key things. Now we did things that the do-gooders today would, oh, just damn us for. We got a whole bunch of gold sovereigns; we were prepared to bribe the Bedouin chieftains if necessary. We never had to do it, but we'd have done it.

SOAPES: The main concerns of the administration about Iran were one, Mossadegh's affinity for the communists and the concern about the oil industry.

STAMBAUGH: Yes. And frankly getting the Shah and getting the monarchy, getting the government settled down because he was a beneficent--he was like--he's stronger than the Queen of England. But it is a constitutional monarchy, and he was a



pretty intelligent, thoughtful guy. On basic strategy they were in the middle of the crescent of the, of Islam. On one end of the crescent was Pakistan with about seventy million Moslems; on the other end of the horn was Turkey with about thirty or forty million Moslems, and both fighting people. They believe that when they get killed fighting for Allah, they ended up in paradise with a harem of beautiful girls. And here was Iran, which was not entirely Moslem, they had a lot of Nestorian Christians and all that, but nevertheless here this was. Now you stop and think about it from the strategic standpoint. Right? Undefined right there in the middle of it, this very rich country, basically defenseless, which the Russians really wanted to move in and take. The idea was to get it stabilized without fighting. That's generally a few of the kind of interesting things that were done. But you can find the details out I'm sure in history. I'm sure it's well documented.

SOAPES: Right. I'm sure that the records are there and eventually I'm sure they'll be declassified.





STAMBAUGH: I was just one of the boys that was doing the scheming you know, figuring an angle here and an angle there.

SOAPES: I'd like to turn now to some discussion of some of the personalities that you worked with.

[Interruption]



SOAPES: You were just telling me a couple of stories about Jerry Persons.

STAMBAUGH: Well, I mean he did so much, as I mentioned before, you win so many things with humor. And we'd get in these sessions with Jerry, they'd be informal ones, three or four of us that had something we had to get done, and he'd start taking off on something that was frustrating to him. And he had a little Indian on his desk and as he'd reach over and grab it and the top of the head would blow off and he said, "Boy," he said, "I can't help it." He said, "I don't want to blow my own top." And then he had an eight-ball on his desk. He said he was always behind the eight-ball so he just had to remind himself of it.



SOAPES: You knew both Sherm Adams and Jerry Persons.

STAMBAUGH: Oh, yes.

SOAPES: Could you contrast the styles?

STAMBAUGH: Well you couldn't find two men more, really, different, except for one thing. You see Persons succeeded Adams when the tragedy hit, which was undeserved. Except for one thing, they were both pixies. Adams with his basically rigid, New England, you know, conservative, sort of tight philosophy, and Persons with his flair. But Adams also had humor, but in a different way. Just hit it once in a while, while Jerry was quite flamboyant, really. It was hard for a lot of us when this happened to Sherm, because every one of us thought it was a personal tragedy. We worried a little bit about Jerry taking this job because it was a job that had some parts of it where you had to be kind of tough, mean, to protect the President. Then someone, I can't remember who it was, said, "Well, don't worry about Jerry. Any fellow that's able to handle Congress with those senators, stuff like he can, I think he'll get it done in his way." Of course I was



really out of there, from being there a lot when that happened.

SOAPES: From what you could observe though, did you notice any difference in terms of the tone of the staff when persons took over or the way in which work was done?

STAMBAUGH: Well it's very difficult for me to say this because this happened after we had the Joint Federal-State Action Committee well under way.



SOAPES: 1958 was the change.

STAMBAUGH: Yes, yes. And I was spending most of my time at Vanderbilt. In fact, Adams, I can remember when I had this Joint Federal-State Action Committee setup, why he'd send me these notes. He was still there, "You're doing a great job but watch the money." And so I really never had a chance, honestly, to observe Jerry really in the job to any great extent.

SOAPES: You did say something earlier on the tape, I think at the very beginning, about Gabe Hauge. I think he's probably the one you worked with most closely, wasn't it?



STAMBAUGH: Well I don't know. I worked with Harlow an awful lot because of this congressional situation.

SOAPES: What were the principal traits of Bryce Harlow that stand out in your mind?

STAMBAUGH: Wit, dry wit. Beautiful command of the English language. Very economical command of the English language. You'd get a quick answer. He was very, very alert, very quick mind. He had a dry sort of humor, but very effective.

SOAPES: Did this tendency for quick answer serve in any way to his detriment?

STAMBAUGH: No. No, he was extremely able. I can't remember anything Bryce ever suggested to me which didn't end up being right. He was really quite a beautiful mind. I really worked more tightly with him and then with Jerry, but more day-to-day with Bryce because we were going after this guy and this guy and this guy, and then we'd get together with Jerry about so-and-so. I was more involved with Gabe when I was in the foreign economic policy committee. In fact I got to know him quite well; he used to come over to the house for dinner when his wife





would be up visiting her folks or something. I was always extremely fond of him and thought he was very bright.

SOAPES: Harlow very effective with the Congress when he would work with it.

STAMBAUGH: Oh, yes. He could get into any door. In the first place I think that Congress, particularly the pros up there, knew that he was very practical, that when he come to them to ask them to do something he would have found out first what their problem back home might have been to make it impossible. In other words, he was so astute that he wouldn't try to pressure for something he was pretty sure he couldn't get, you see. So I think he had probably as open a door as anybody in my experience had up there. And I'm quite sure that some young congressman said, "Who the devil is this guy Harlow that wants to talk?"-- to some older congressman. He'd say, "You'll see."

SOAPES: You mentioned over--

STAMBAUGH: He'd write, wrote well, too.

SOAPES: Well of course he had speech-writing responsibilities.



STAMBAUGH: Oh, yes.

SOAPES: You mentioned over lunch that you had a great deal of contact with Gerry Morgan.

STAMBAUGH: Well, not as much as with Bryce, but once in a while we'd run into some problem where somebody would buck us a legal question and of course we had to get it answered. And Gerry was the one that was assigned to this part of it. During that part of my experience he was not the general counsel. What was his name? Who was it first--came from New Jersey? I can't think at the moment.

SOAPES: Shanley?

STAMBAUGH: Yes, Bernie Shanley. And he was Bernie's assistant. Then he became general counsel. Gee, this is a few years ago, my friend.

SOAPES: Oh, only about twenty-two, twenty-three years!

STAMBAUGH: But another thing that impressed me when I went there that last time with Bryce in 1970 and saw all this action, you could walk through the halls of the White House





in our time and you might run into some fellow you knew with a piece of paper in his hand,

. There was no rushing, jamming around. It was a nice, very relaxed but do-it atmosphere. The best possible--

SOAPES: Business atmosphere.

STAMBAUGH: Very, yes, and, but very--

SOAPES: And economy of motion.

STAMBAUGH: Economy of motion but still friendly. I can't remember any real nasty conflicts that I got involved in.

SOAPES: One of the questions that's frequently come up about Eisenhower is how much leadership he gave to his White House staff or whether they were leading him.

STAMBAUGH: Well, let me put it this way. He was the boss, don't you ever forget. I think when he once got to know you and got confidence in you, nine out of ten times he'd take your advice. But he's changed things many times that have been recommended. For instance his main speech writer was





this fellow, president of Defiance College--



SOAPES: Kevin McCann.

STAMBAUGH: Kevin McCann, lovely guy. And after Eisenhower began to have this little difficulty with his speech, you know after he'd had his stroke and so forth. He didn't like to make speeches after that, and we'd work with McCann, if he was going to make a speech where our subject was involved. And we'd burn the midnight oil. And Kevin McCann was a damned good writer and Bryce was a good one, but, we'd put it on the President's desk, he'd red-pencil the hell out of it. They all expected it; they knew he would. He'd say, "I can't say that." And so he was the boss. Nobody led him around by the nose. As far as influence on him is concerned, I just don't know but what maybe, I don't know--[John Foster] Dulles may have had more influence than anyone else. But I think they were so close together in their philosophy, the brinkmanship that the press complained about--it worked, didn't it? You know darned well Dulles couldn't have done this without Eisenhower's okay. No way!



SOAPES: What about the influence of George Humphrey?

STAMBAUGH: Oh, I think George Humphrey was an influential man. I think the President had a lot of respect for him as a very able Secretary of the Treasury, which he was. But nobody twisted his tail or his arm, no one. And we'd get our lessons once in a while, like I told you about this business about making a deal. And you develop respect--it grows, you know.

SOAPES: Did you attend cabinet meetings?

STAMBAUGH: Only when a subject in which I was involved was concerned. Now you could go and sit back and listen sometimes if you wished, but very seldom anyone did that, unless there was something that they felt that they might learn from it.

SOAPES: Did you see the cabinet, from what observations you did have, as a decision-making body?

STAMBAUGH: Yes, but as a--let's look at this way--the chairman of the board was the President of the United States.

Let's get this one clear. But most of these men, he developed





respect for them, mutual respect. And he had too much to do to say to the Secretary of Agriculture, "This is what you must do about corn." That was the secretary's job. Or the Secretary of Treasury, "How are you going to refinance the debt tomorrow?" That was his job. He was pretty much that way, and he'd back them. I wasn't in every one of these sessions, just a fraction, but my whole feeling because of the attitude of people around was that, sure he was the boss, but he respected most of these people he had around him and he would pretty well take their advice on their specialties. He couldn't be all things to all people.

SOAPES: He made use of staff and cabinet, seeing these as the specialists.

STAMBAUGH: Yes, sure. "You're the Secretary of Agriculture; you're the Secretary of Treasury; you're the Secretary of Commerce." I think the only one that he probably worked with really intimately in this respect was Dulles. And of course the Secretary of Defense was just [finger snap], anything he wanted, just bingo, because he was a military man. I mean there's no question, there was no [Robert] McNamara around, let's put it this way.





SOAPES: You told me a story earlier about Richard Nixon at the time of the heart attack. Would you tell that story for the tape?



STAMBAUGH: I can't see anything wrong with it, my gosh. Well it was when Eisenhower had his first attack out in Colorado. Nixon presided at a meeting that they had at the National Security Council for the first time because Eisenhower always presided at the National Security Council, to my knowledge. And that day, after the meeting, some of us were sitting at lunch in the White House mess, all of us sort of specialists in our field--Clare [Clarence] Francis who was food, and you know, and Randall was foreign economic policy and, oh, every one of us with something special to do. And Nixon came in and said, "Do you mind if I sit down, gentlemen?" And sat down, didn't even order his lunch, and started going around the table asking us questions about our particular fields. It was obvious that he was not trying to be Mr. Big Shot, but was trying to make sure that, doing whatever he had to do, he would be doing precisely what the President wanted. He amazed us with his intimate knowledge of each one of the fields.

His mind has a tremendous capacity to absorb and hold things.

SOAPES: One of the questions, of course, that's been raised about his actions at that time was: Was he bending over backwards to not look like he was being pushy or trying to take over--



STAMBAUGH: Oh, that's being snide. Dammit. No, really that makes me mad, kind of. Oh, no. No way.

SOAPES: You felt that his department was wholly proper.

STAMBAUGH: Oh, yes. He was really asking us. To my knowledge he didn't do one darned thing when Eisenhower was sick that was questionable. As a matter of fact, I'll tell you who can tell you more about him than most anybody would be Allen Wallis, because he was executive director of that commission that Nixon was head of--I believe it was Wages, Prices and Productivity. And he worked with him quite intimately on this. No, he wasn't around very much. We didn't see an awful lot of him in the mess, just once every three or four weeks he'd drop by.



SOAPES: Did you get the feeling that Eisenhower made much use of Nixon in the administration in terms of the programs in which you were involved?

STAMBAUGH: In my program?

SOAPES: Yes.

STAMBAUGH: No. I don't see how he could have, really. Trying to think. He didn't make use of anybody, really. Except when he made the appointments to the members of the cabinet who were going to be on the Joint Federal-State Action Committee. And those were logical appointments based on the job at hand. No, I just don't recall. In my work, no, I didn't have any real contact with Nixon.

SOAPES: Well, I see we're getting close to the end of a tape and we've gone on for some time, and we've covered an awful lot of ground.

STAMBAUGH: Yes, I'm afraid maybe too much.

SOAPES: No, it's been very enlightening.

