

The
PRESIDENTIAL
RECORDINGS

JOHN F. KENNEDY

➔➔➔➔ *THE GREAT CRISES, VOLUME ONE* ➔➔➔➔

JULY 30–AUGUST 1962

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and gold problem was to the administration and how willing the United States was to accept fundamental reform of the global payments system.⁵⁴ Not surprisingly, Dillon thought Kaysen's strategy was far too risky. "A statement by you that we are prepared to study new ideas and welcome new initiatives would in all probability be misinterpreted . . . as indicating a lack of confidence on your part in our ability to handle our balance of payments problem within the framework of the existing monetary system. This could have dangerous and immediate effects this fall."⁵⁵ Perhaps because the Johnson-Leddy mission had not produced a specific European plan, the President followed Dillon's advice and avoided a public discussion of proposals aimed at dramatically reforming the global payments system.⁵⁶ By the time of the Cuban missile crisis, when an unexpected Soviet challenge brought the Western alliance closer together, President Kennedy had taken no further steps toward a special agreement on gold.

Kennedy had a couple of other meetings scheduled on August 20. Before heading to the White House theater for a brief screening, Kennedy met with Secretary of Commerce Luther Hodges, George Ball, Jack Behrman, Larry O'Brien, and Theodore Sorensen to discuss Congress and foreign trade. This was not recorded. Before his predinner swim, the President again met with Sorensen, this time alone, for another unrecorded talk. Kennedy's official day ended at 7:25 P.M.

Tuesday, August 21, 1962

This was to be a better week for the President's legislative agenda. While the House remained in virtual recess, the Senate was moving ahead on some Kennedy initiatives. Senate Majority Leader Mike Mansfield had told reporters on Sunday that he believed a farm bill

54. Memo, Kaysen to the President, 18 September 1962, *FRUS*, 9: 149.

55. Memo, Dillon to the President, 18 September 1962, *FRUS*, 9: 152.

56. Kennedy did suggest that less formal arrangements negotiated by Roosa "contain within themselves the possibility of wider and more general application," and the United States was receptive to suggestions for expanding and improving these arrangements. "Remarks to the Board of Governors of the World Bank and International Monetary Fund," 20 September 1962, *Public Papers of the Presidents, John F. Kennedy, 1962* (Washington, DC: U.S. Government Printing Office, 1963), pp. 691-94.

could clear the Senate by midweek, at which time the Senate would consider a bill to strengthen the Food and Drug Administration's control over the drug industry and a bill to reimburse the Philippines for World War II damage.¹

The President had breakfast with the Democratic leadership to discuss how Mansfield's predictions were holding up. Following the breakfast in the Executive Mansion, the President entered the Oval Office, where he first made some telephone calls.

9:30 A.M.

And I can assure you that '64 dances in front of my eyes every minute on it.

Conversation with Orville Freeman²

The President calls the Secretary of Agriculture to discuss the farm bill, which is still in the Senate.³ The House had killed the bill; but it was hoped that with positive action from the Senate, a stopgap measure would come from the House.

At the beginning of 1962, Freeman had announced that net farm income had increased 9 percent in 1961 and that the government had cut its feed grain stocks for the first time since 1952. This claim and the administration's legislative agenda for agriculture inspired harsh attacks from Republicans. In conjunction with the American Farm Bureau, they succeeded in defeating the administration's plan for mandatory acreage limitations for feed grains. The plan had been controversial because of its implications for the cattle, poultry, and dairy industries, all of which were large consumers of grain. The lobby also succeeded in defeating a plank that would have imposed sales quotas and penalties on dairy products. Congress did pass the administration's plan to allow the Secretary of Agriculture to set wheat acreage allotments as low as he thought nec-

1. "Senate to Renew Farm Bill Fight; Wheat Key Issue," *New York Times*, 20 August 1962.

2. Including Theodore Sorensen. Dictabelt 44.1, Cassette L, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

3. The Agriculture Act of 1962, or H.R. 12891 Public Law 87-703, was approved on 27 September 1962.

essary for domestic and export purposes. The bill also gave the Secretary the authority to conduct periodic polls of wheat farmers to see what type of price support system they preferred.

Orville Freeman: How are you?

President Kennedy: Very good.

Freeman: You look real good coming out of that ocean down there.⁴

President Kennedy: Covered with photos.

Freeman: That picture in the paper last night was worth a million. I hope that got that one all over the country—it was damn good!

President Kennedy: Ah, thank you.

Freeman: That was real good.

President Kennedy: Yeah.

Freeman: I wanted to check with you quickly. The Farm Bill up today in the Senate.

President Kennedy: Right.

Freeman: [The Democratic] Leadership, as you probably reviewed this morning, made a decision that it was too risky to go for the mandatory Feed Grain Program.⁵

President Kennedy: All right.

Freeman: It was by way of alternative my first choice that we repeal the '58 act altogether. . . .

President Kennedy: Right.

Freeman: And extend the present one. I was with [Senator Allen J.] Ellender until late last night.⁶ It was his judgment—although he'll do that if I wish—that this would be extremely difficult and have some political hazard 'cause they'd accuse us of being vindictive where corn is concerned because soybeans and the other feed grains would be under a 0 to 90 percent provision in the law of 1949. His proposal is, and he has entered an amendment to that effect, that we repeal the '58 act—which gets this monstrosity off our back—provide a 0 to 90 percent discretion,

4. Front pages of many newspapers on 21 August carried a photograph of President Kennedy in a bathing suit at Santa Monica beach.

5. At the legislative leadership breakfast, 8:45 to 9:20 A.M., Senator Mansfield had told the *New York Times* that the prospects for the farm bill would brighten if the feed grains control provisions were dropped. See "Senate to Renew Farm Bill Fight; Wheat Key Issue," *New York Times*, 20 August 1962.

6. Senator Allen J. Ellender, a Democrat from Louisiana, was the chair of the Senate Agriculture and Forestry Committee.

as the other feed grains and soybeans have, subject to the proviso that the Secretary could not set supports, so as to add to the surplus. Now this has some dangers that I want to alert you to.

President Kennedy: Well it seems to me that it makes us then responsible, where if we don't have 90 percent support price, everybody can accuse us of saying, "We could but we won't."

Freeman: Well, this of course is the danger—this of course is the danger. Now the alternatives here are that we can start . . . and this act would also mandate the Secretary to submit a program next January. As a part of that we could make it very clear that in the absence of some legislation that we would have to set supports according to that proviso. We got a year—two years almost to bring this home around the country. . . .

President Kennedy: Yeah.

Freeman: It is the judgment of a number of people, who I have checked with, that our most effective opponent, which is the cattlemen on this, will begin to get shaken up when they realize that this kind of corn is gonna knock hell out of their prices. We could get some kind of accommodation and get some kind of a program through, all the time protecting ourselves from the [*unclear*] by pointing out this is a law; this is what we'll have to do. Further, we believe here now—I've set all this down in a memorandum that's on its way to you—we believe here now that if the feed grain program continues as successful as it has been that we will have the surplus on feed grains, which was 85 million tons when we came in, down to about 50 to 55 million by the end of '63.

President Kennedy: Yeah.

Freeman: If this is correct, and we need to do so, the determination . . . I mean, adequate stabilization and security reserves is something we would decide. And if in '64 that's . . . we can decide accordingly.

President Kennedy: Yeah.

Freeman: So on balance it would be my judgment, that rather than take it here all together, which would mean not even an extension, which would mean next January, we would be exactly where we were . . . [*skip in tape*] . . . that we'd probably ought to follow this course of action.

President Kennedy: Well, I know, you know, on agriculture that I . . . I'm prepared to . . . whatever your judgment and Ellender's judgment would be, I'm just, I, I just have two or three things [*unclear*]: one, that we don't break ourselves with this goddamned bill, and two, that we have a . . . try to get as much as we can in the way of . . . [*unclear word*] . . . bill out of the books. Now, how you put all that together, I don't really know.

Freeman: Well, as you know, it's a bitch. And we came so—and it

just makes me sick every time I think of it because we came so god-damned close—

President Kennedy: Yeah.

Freeman: —to something no one thought had a prayer. Well, of course, when you do, do that it's almost better to lose big, you know. . . .

President Kennedy: Yeah.

Freeman: Than what . . . I think, the, the Republicans, the Farm Bureau, the chamber, the business groups, and all now are in a "no bill" posture.⁷ Now this is what they want to do is pass nothing.

President Kennedy: Yeah.

Freeman: And if we're not careful we could end up with nothing.

President Kennedy: And then what would happen?

Freeman: And then we'd just go back to the, to the '58 law and we'd come back here next January and we'd really have our tit in the ring.

President Kennedy: Why would we?

Freeman: Well, because we'd then go back to, to a minimum 65 percent under the law, the same thing we're fighting in dairy, and we'd never move 'em. See with 0 to 90 at least I can say to these guys and that we'd have a whole year to dramatize: if you don't do something they're going to have 70 cent corn. And . . .

President Kennedy: Right.

Freeman: And to say this to every farmer in the country . . . and then we've got something [*unclear*].

President Kennedy: Oh, no, he'll say we'll put the support price up to 90, won't he?

Freeman: Well, he, you couldn't do that, you see, because the law would provide that you could not put it at a level that would add to surpluses, you see.

President Kennedy: Yeah.

Freeman: See that's got that, that . . .

President Kennedy: Yeah, but I . . . of course when it happened in the case of milk they all took it out on us when we had to drop the support price, didn't they?

Freeman: I don't think so. The milk thing has not had as adverse an effect . . .

President Kennedy: I saw some poll out there, taken by some Wisconsin thing, which showed that only 29 or 30 percent of the farmers . . . or 38 percent . . . as opposed to a year ago, 49 percent approved of us.

7. The chamber is the U.S. Chamber of Commerce.

Freeman: That's me not you.

President Kennedy: No, no. Me. Me. Me. [*Chuckles.*]

Freeman: No. I looked at this last night—you go back and look—I think that one . . . No, you were much higher than that. Same thing in Iowa; you've held up very well . . .

President Kennedy: Yeah.

Freeman: Which is the way we've tried to play it. And I'm not very popular now but we expected this when we didn't get that control program through early—

President Kennedy: Yeah.

Freeman: —and dragged this out and gave these bastards—this regimentation club—why you're bound to bleed.

President Kennedy: Yeah.

Freeman: And I'm bleeding.

President Kennedy: Well, you'd, Orville you've watched it enough as I say. All I'm . . . we want to . . . we don't want to gut ourselves politically in '64, number one. [*Freeman agrees.*] We don't want to . . . on the other hand we don't want to break ourselves by having this bill go out of sight. So whatever you think is the best bet.

Freeman: All right. Well, I wanted to . . . I don't think as a practical matter we have any alternative. And I can assure you that '64 dances in front of my eyes every minute on it.

President Kennedy: Right.

Freeman: But if we . . . it's a question of choosing between some tough alternatives and . . .

President Kennedy: Right. Okay. Well, why . . . okay, well you do what you think best and Ted Sorensen wants to talk to you about the problem we've got in the trade bill on cotton—wait a second.⁸

Freeman: Yeah.

Theodore Sorensen: Hello, Orville.

Freeman: Good morning, Ted.

Sorensen: I don't want to take up your time when you're working on your bill, but if you could have someone just prepare a memorandum for me on the [Senator Herman] Talmadge approach to cotton—produc-

8. Because they hurt domestic textile manufacturers, U.S. cotton subsidies were a controversial aspect of the administration's Trade Expansion Act, which was formally presented on 25 January 1962 and finally made law on 11 October 1962. There was great domestic and international protest against the subsidies, but they were highly valued in cotton-producing southern states [see Thomas Zeiler, "Free-Trade Politics and Diplomacy: John F. Kennedy and Textiles," *Diplomatic History* 2, no. 2 (Spring 1987): 127–42].

tion payments and so on.⁹ You see, on the trade bill we're getting into a problem with all these textile people —

Freeman: I know.

Sorensen: —about the equalization fee.¹⁰ If the equalization fee is turned down, what can we tell them we will do to . . . you know, if it's, say, all right in our domestic mills . . . they're going to have a fair, equal break on the price of cotton?

Freeman: Ted, here, I'll send that right over. We've been . . . I've been working on this 'cause I've seen this coming—the night before the trade bill this week. Here's the situation, I think both economically and politically, the compensatory payment thing à la Talmadge, I think, is politically impossible. It'd be my guess [*unclear*]—

Sorensen: Yeah, well, one of the things we'd need, by the way, the President would like to have, would be just a list of, who'd be for it and who'd be against it in terms of senators, congressmen, and interest groups.

Freeman: Yeah, well, the . . . I can certainly do it. It has been discussed: A kind of a middle ground on this, which kind of covers it over a bit, by the means of making payments to some of the mills through the shippers who don't object [to] doing it. I think we could sell this. I think we could sell this and get by with it, and . . . I think it's highly desirable also. One of the things—

Sorensen: Oh how . . . well, I don't know how . . . well, why don't you send it over and let me take a look at it and then I'll call either you or . . . [*unclear name*]? Since you'll be busy why don't you tell me who you can call.

Freeman: Tell you what: you're busy now Ted. I'm gonna be here this morning. When you have finished reviewing with the President, will you give me a ring?

Sorensen: OK.

Freeman: Then we'll have a little more time. Then I'll send something over and then maybe we can discuss it a minute 'cause there's some ramifications—

9. Herman E. Talmadge was a Democratic senator from Georgia and member of the Agriculture and Forestry Committee. He would succeed Ellender as its chair on Ellender's death. Because of the large textile industry in Georgia, Talmadge was a leader in the fight for cotton textile import quotas and, in this case, the 8½ cent equalization fee.

10. Bowing to intense congressional and industry pressure, on 2 May 1961, the President proposed an 8½ cent per pound fee on cotton textile imports to help textile manufacturers compensate for the higher price of cotton produced by domestic subsidies.

Sorensen: OK.

Freeman: —that I should put down on paper.

Sorensen: Well, all right do them. You wouldn't want to send it over now so then I'd . . . by the time I'm through here I'd have it on my desk?

Freeman: What I have here, 'cause you just asked, this is the economic analysis of cost and effect, not the political.

Sorensen: Yeah, well why don't you send that over anyway.

Freeman: All right.

Sorensen: Just so I'll know what proposal it is we're talking about.

Freeman: I'll get that up here—I've got it on the way up here now—and I'll send it right over, and, then you call me.

Sorensen: Very good.

Freeman: Very good.

Sorensen: Thanks.

Freeman: Thanks.

The President next taped a telephone conversation with Dean Rusk to discuss the situation in Berlin. An attempt to work out a quadripartite approach to the rising tension in the city had failed on August 20. The acting Soviet commander in East Berlin, Colonel P. V. Siganov, turned down a request from the U.S. commander, Major General Albert Watson II, for a four-power meeting. Over the course of the day, the situation had worsened. There were riots along the Western side of the Wall. West Berlin police had turned water cannons on residents, and the buses carrying Soviet guards to the War Memorial were still being stoned.¹¹ At 8:45 P.M., Rusk had sent a telegram to the U.S. mission in Berlin authorizing, in the name of the President, the use of U.S. forces if the West Berlin police could not control the crowds. A long-standing U.S. fear was that the Soviets would capitalize on civil unrest in West Berlin as a pretext to move in force into West Berlin.¹²

With the use of U.S. troops a live option, the President had to pay special attention to the behavior of the German crowds. Apparently he found the information he had received about the riots contradictory.

11. The attacks occurred on 18, 19, and 20 August. For a description of the West Berliners' reaction to the death of Peter Fechter, see Transcript of Conversation Between Frank E. Cash, Jr., and Arthur R. Day, 19 August 1962, *FRUS*, 15: 272–73; "West Berliners Fight Own Police in Riots at Wall," *New York Times*, 21 August 1962.

12. Rusk to Hulick, 20 August 1962, *FRUS*, 15: 274.

10:00 A.M.

I think we just have to ride through this one.

Conversation with Dean Rusk¹³

The conversation begins with Rusk reporting on some movement toward four-power talks with the Soviets.

Dean Rusk: Now the Soviet side has been nibbling a little by sending a deputy commandant without a prior appointment over to call on Watson and, um, so we think we might be able to push them into an actual meeting.¹⁴

President Kennedy: Yeah.

Rusk: But if we could get these commandants together and talk about this Wall business—and the incidents along it—it might help. But, I will try to take a little initiative here to throw responsibility on their side, too, so that they won't be in such a good position to beat us over the head for the stoning of those buses and so forth.¹⁵

President Kennedy: Did those . . . I just sent a memorandum over—did those stonings take place over a period of three days?¹⁶ Or just one day?

Rusk: I think, well, the stoning of the buses was chiefly in one day.

President Kennedy: I see. 'Cause I'd said that the impression that I had from the paper is that it took place . . . I thought we might check into it . . . over three days.

Rusk: Right.

President Kennedy: And if so, I was wondering why the West Berlin police didn't do anything about it and I was wondering on what . . .

Rusk: Yes, well we've . . . The British did provide an escort on this, I think, the third day, at the request of the Soviets. The Soviets refused escorts before that.

President Kennedy: Yeah.

Rusk: But I talked to Berlin last night and made it very clear that first we wanted the West Berlin police to take this very seriously, indeed,

13. Dictabelt 44.2, Cassette L, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

14. Major General Albert H. Watson had been commandant in Berlin since May 1961.

15. Rusk was scheduled to meet Soviet ambassador Anatoly Dobrynin in an hour to discuss Berlin. For that conversation, see Memcon, 21 August 1962, *FRUS*, 15: 278–79.

16. Memorandum not found.

and deal with the situation. But that if it got to the point that the . . . allied forces would have to assist in maintaining law and order.

President Kennedy: Yeah. Yeah. They're meeting today are they?

Rusk: Yes, they're meeting in about an hour.

President Kennedy: They, they're gonna put out some statement?

Rusk: Yes sir, Mayor [Willy] Brandt, as you saw, made a pretty good statement.¹⁷

President Kennedy: Yeah. Yeah.

Rusk: Calling on people to be quiet.

President Kennedy: Yeah. The . . . On this refugee . . . I sent over my memorandum also just to find out how long it . . . on what . . . whether they had had any contingency planning for that sort of an incident. Cause there'd been so many ones that have been close to that whether we ever had any . . .

Rusk: Well, we have some for larger episodes. In other words—

President Kennedy: What about a single episode like this though?

Rusk: But not . . . but not, because, you see, these fellows they, no one case is like another.¹⁸ I mean . . . and the canals are . . . for example, our people don't fish them out of the canals. That's handled on the eastern side. I think perhaps the mistake that was made locally was not offering some medical care.¹⁹

President Kennedy: Yeah.

Rusk: But I'll check. . . . We are checking.

President Kennedy: Well, what we'd like to do . . . this memorandum anyway is but . . . just to see what the time schedule was . . .

Rusk: Right.

President Kennedy: [Of] course the West Berliners are not very generous but . . . either to us but . . . that's all right. I think we just have to ride through this one.

Rusk: All right. Thank you, sir.

President Kennedy: All right.

Kennedy's next telephone call involved a different Soviet challenge, the space race.

17. Willy Brandt was the mayor of West Berlin and an important figure in the Social Democratic Party in the Federal Republic of Germany.

18. Eastern Germans trying to cross into West Berlin.

19. For U.S. policy toward escapees from East Berlin, see Norstad to McNamara, 21 August 1962, *FRUS*, 15: 274–75.

10:14 A.M.

This is just an Air Force effort to get in, isn't it?

Conversation with Robert McNamara²⁰

The recent Soviet achievement of launching two space missions within 24 hours had reignited controversy over the conduct of the U.S. space program.²¹ The Soviet space craft, piloted by Major Andrian G. Nikolayev and Lieutenant Colonel Pavel R. Popovich, climbed to adjacent orbits, allowing the cosmonauts to radio and wave to each other. Kennedy publicly acknowledged that the United States trailed the Soviet Union in the space race but refused to launch a crash program to catch up.

Top Air Force officials, long jealous of NASA's funding, complained that their military space programs were underfunded. Kennedy started taping as McNamara explained his annoyance at Air Force carping.

Robert McNamara: Yes, I met with him at 7:30 this morning—made me so goddamned mad!²² And I pointed out to Cannon that you presented, in your first budget supplement last year, about a 170 million increment to the Eisenhower program and in the second budget supplement about a 70 million increment for a 240 increase in the Eisenhower program and that today we're spending a billion and a half dollars on military space, which is three times the expenditures in 1960 and double the expenditures in '61.²³ And to the best of my knowledge we're doing everything that the Air Force has asked for on any major systems' program. And then I went over the major items [*unclear*].

20. Dictabelts 44.3, 47.1, Cassette L, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

21. On 11 August 1962, the Soviet Union launched a Vostok rocket into space. While the capsule orbited 17 times around the Earth, nothing seemed out of the ordinary, until the Vostok IV took off to join Vostok III in space. While the ships did not dock, the joint flights of cosmonauts Popovich and Nikolayev captured the world's attention. The United States would not undertake such a task for two more years ("Two Soviet Space Craft Circling Earth in Adjacent Orbits after New Launching; Pilots Keep in Touch by Sight and Radio," *New York Times*, 13 August 1962).

22. It is not clear whom he met at 7:30 A.M.

23. McNamara met with Howard Cannon, Democratic senator from Utah and member of both the Armed Services and Aeronautical and Space Committees, at 9:15 A.M. Cannon was also a brigadier general in the Air Force Reserve with a keen interest in space issues.

President Kennedy: And what did [he] say then?

McNamara: Well, he's been talking to the . . . he's a brigadier general in the Air Force Reserve.

President Kennedy: Yeah.

McNamara: He just came from an Air Force Reserve meeting; they meet at eight o'clock, the congressional unit, and he'd been up there for an hour and a quarter when I saw him at a quarter after nine. And, and, this is just pumped into them week, after week, after week. So I've asked [Secretary of the Air Force Eugene] Zuckert to try to throttle it back; I don't know what the result will be. I'm going to talk to Senator [Richard] Russell later today, my objective is to avoid a congressional investigation on this if I possibly can.

President Kennedy: Is that what they're thinking about having?

McNamara: Well, that's what Cannon would like to have.

President Kennedy: An analysis of what we're doing in space? What do they recommend that the budget . . . the Air Force?

McNamara: Well, the . . . we have about a billion and a half now and for fiscal '63 there is no, to the best of my knowledge, no substantial amount, I mean in excess of a million or two here and there, that the Air Force wants that hasn't been provided for them.

President Kennedy: Yeah. Yeah.

McNamara: And I just talked to Zuckert, as I said this morning, on that exact point.

President Kennedy: What does he say?

McNamara: Well, he said that there is no major Air Force systems project for space that is being delayed in any way that he knows of.

President Kennedy: Yeah.

McNamara: There are, I think, some differences on a million here—and I mean literally a million dollars for, an investigation of some particular kind of a sensor or something like that they may want that we haven't seen yet that will come up.

President Kennedy: Yeah. Yeah. This is just an Air Force effort to get in, isn't it?

McNamara: This is just an Air Force effort to get in. What they really are upset about is the assignment to NASA of the major part of the space program—the civilian space program. This has been a burr under their saddle since it happened in 1958 and '9. But I have told them that that's the national policy and that's the way we're organized to work and that's the way we're going to work.

President Kennedy: Yeah. Yeah.

McNamara: But that is one of the subjects that they hope to get discussed publicly. I think it would be a serious mistake to have such an investigation at the present time.

President Kennedy: Yeah. Yeah. Yeah. And especially when there's really nothing that they . . . any particular great system that they want us to appropriate the money for.

McNamara: No, certainly not. Now I think that they are probably also smarting under some of the controls we've put into effect here that require that they put down on paper what they want before we proceed to give it to them.

President Kennedy: Yeah.

McNamara: And, and we just canceled, Mr. President, this Navy . . . *There is a gap in the recorded conversation. Dictabelt 47.1 begins at this point. The President and the Secretary of Defense have apparently moved on to discuss the provisions of the Communications Satellite Act of 1962, which had just gotten through the Senate after a long filibuster by a few liberal Democrats. This bill created a private communications satellite corporation for profit but subject to government regulation to operate a worldwide commercial communications satellite system. They then return to the question of Air Force requests for appropriations.*

McNamara: After spending 150 million dollars we have nothing in the sky; AT&T spent 40 million dollars and has Telstar up there.²⁴

President Kennedy: Yeah.

McNamara: Now, it's the mismanagement of projects like this that we must avoid for the future. So, we have put into effect a set of financial controls that requires that they lay out what they want the money for before we proceed. We just approved on August 11 this Titan 3 program—it's 808 million dollars for Titan 3. I think we . . .

President Kennedy: Is this Martin-Marietta [Corporation]?

McNamara: Yeah—Martin-Marietta.

President Kennedy: How'd that fellow Dominick get it, do you figure?²⁵

McNamara: Oh, hell, somebody in the Air Force undoubtedly gave it to him.

President Kennedy: Yeah. Yeah.

24. The Telstar satellite.

25. Peter Dominick was a Republican representative from Connecticut and a lieutenant colonel in the Air Force Reserve.

McNamara: Colorado's full of Air Force people and there's a very close relationship with some of the Republicans out there and I suspect that's what happened. I don't know this for a fact and I really shouldn't make the accusation.

President Kennedy: I wonder if there's any speculation in the stock as a result, I wonder?

McNamara: Kenny . . . Kenny O'Donnell told me yesterday—

President Kennedy: Yeah.

McNamara: —he thought there had been. I haven't been able to—

President Kennedy: [*Unclear.*] Look at it.

McNamara: —to ever spend a moment [*unclear*].

President Kennedy: Well, I tell you what I'd like to do, Bob is I'll . . . I'm going to have this press conference tomorrow.

McNamara: Yeah.

President Kennedy: We're going to get in on this; we'll get into this. I wonder if you could send me over or have somebody over there prepare a memorandum of what we're doing—

McNamara: Surely. Surely.

President Kennedy: —about the military aspect of space—and how we've stepped up the program. Of course part of this is due to what I think was the unwise press conference of [James] Webb in which they tried to pooh-pooh too much what the Russians were doing instead of just saying, "Yeah, we're behind; here's what we're doing."²⁶

McNamara: Yes.

President Kennedy: But, but, however that, but I think if we can get into this question of what we are doing in space militarily, what the requests are, and whatever else I might need for even—

McNamara: I . . .

President Kennedy: —an opening statement or a request. Now do you have any objection if I call . . . talk to Zuckert and just say that I think . . . ?²⁷

McNamara: Oh, no, I'd be delighted to have you do that.

26. James Webb was the administrator of the National Aeronautics and Space Administration (NASA). According to Robert Kennedy, the President had little use for Webb, whom he considered a blabbermouth. Webb was also seen as a Lyndon Johnson man. The Vice President was head of the Space Council [Edwin O. Guthman and Jeffrey Shulman, eds., *Robert F. Kennedy In His Own Words: The Unpublished Recollections of the Kennedy Years* (New York: Bantam Books, 1988), p. 341].

27. Robert McNamara had brought Eugene Zuckert into the Kennedy administration. The two were old friends who had gone to Harvard Business School together [Deborah Shapley, *Promise and Power: The Life and Times of Robert McNamara* (Boston: Little, Brown, 1992), p. 39].

President Kennedy: OK. Good. Righto.

McNamara: Thank you very much, Mr. President.

President Kennedy: OK.

The President next called the Secretary of the Air Force to continue the discussion of the U.S. commitment to space.

10:20 A.M.

[T]hey may be able to force us to do something that we don't think is wise by doing it this way, but we'll just take it away from the Air Force . . . and then . . . someplace else.

Conversation with Eugene Zuckert²⁸

The recording begins in midconversation with the President's describing Air Force pressures to spend more money on the military space program.

President Kennedy: Get out of it that way. I mean we may . . . they may be able to force us to do something that we don't think is wise by doing it this way, [*unclear interjection by Eugene Zuckert*] but we'll just take it away from the Air Force . . . and then . . . someplace else.

Eugene Zuckert: I know it.

President Kennedy: So I think that's . . . but I find that tendency in those fellows over there all the time. We have more trouble with them than we do all the . . . both the other services together; because they're so used to playing this game that they just don't understand that it's very self defeating and that, you know, you're running it and Bob McNamara's running it, and that their attempts to try to club us, we can, they can win and get something more out of us on this area and then we'll take it out of them some other place. If they could just understand that.

Zuckert: I know. You're just incurring a hell of a lot of resentment, that's all.

President Kennedy: Yeah. OK. Good. Fine. Right.

28. Dictabelt 47.2, Cassette L, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

The Soviets were not the only challengers to the status quo. In the United States, Kennedy faced contradictory pressures on the future of civil rights policy. On this day, a member of the Kennedy civil rights team was preparing to resign. Robert Troutman, who served on the President's Committee on Equal Employment Opportunity (PCEEO), arrived at the White House for a 10:20 A.M. meeting. The President kept him waiting while he called the Vice President, who chaired the PCEEO, for some advice.

10:25 A.M.

It seems to me we'd be better off not to have Troutman resigning and appoint this Negro the same day. . . . [I]t will then . . . sort of look like we'd gotten a southerner and sort of accentuate our problem.

Conversation with Lyndon B. Johnson²⁹

On March 6, 1961, President Kennedy issued Executive Order 10925, which established the President's Committee on Equal Employment Opportunity (PCEEO). Its aim was to "ensure that Americans of all colors and beliefs have equal access to employment within the government." Lyndon Johnson was chosen to chair the committee. At its first meeting, Kennedy told the committee that "federal money should not be spent in any way which encourages discrimination, but rather should be spent in such a way that it encourages the national goal of equal opportunity." The following month, government departments and agencies were ordered to report to the committee their plans to end discrimination in employment.

In 1962, Robert (Bobby) Troutman, a PCEEO member from Atlanta, became embroiled in difficulties that flowed from the PCEEO's mandate to help end discrimination in government employment. Troutman had attended Harvard Law School with the President's brother, Joseph P.

29. Dictabelt 47.3, Cassette L, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

Kennedy, Jr., and been an early supporter of John Kennedy. He was responsible for promoting an idea, the Plans for Progress program, which encouraged voluntary cooperation to end discrimination on the part of employers, specifically those holding government contracts. Under this voluntary plan, contractors would survey their employment practices and, if necessary, make improvements. The first employer to do so was Lockheed Aircraft of Marietta, Georgia, in a highly publicized announcement made in late May 1961.

Tensions developed within the committee, between its executive director, John Feild, who supported compulsory compliance, and Troutman, who, often acting as an independent agent, worked to foster a more voluntary approach. On June 18, 1962, the internal tensions became public when the *New York Times* published a story revealing the rift. Feild, apparently, had leaked his distress to the newspaper about Troutman's influence. The Vice President wrote to the paper, denied the existence of the disagreement, and claimed both approaches were necessary and would be pursued. Ultimately, Troutman became a political liability to Kennedy, and at the end of June, he tendered his resignation.

The Troutman resignation raised an additional problem for the President. The PCEEEO had another important vacancy to fill. Earlier in the year Jerry Holleman, the assistant secretary of labor and the executive vice chairman of the PCEEEO, had had to resign for accepting a gift of \$1,000 from Billie Sol Estes, a Texas wheeler-dealer. Johnson was eager to fill that position with his executive assistant Hobart Taylor, Jr., a lawyer who for the past year had been the PCEEEO's special counsel, and planned to announce Taylor's appointment that week, before leaving on a 19-day tour of southern Europe and the Middle East. Kennedy, however, worried about the timing of the new appointment. He did not want to create the impression that Troutman, a white southerner, had been removed in favor of an African American. The President called the Vice President for suggestions as to how handle the matter.

President Kennedy: Oh, Lyndon?

Vice President Johnson: Yes, sir.

President Kennedy: Evidently, Troutman's in the other room. He's resigning today. It seems to me we'd be better off not to have Troutman resigning and appoint this Negro the same day.³⁰ 'Cause it will then, I

30. The appointee was Hobart Taylor, Jr.

would think, sort of look like we'd gotten rid of a southerner and sort of accentuate our problem. Wouldn't we be, is it possible, therefore, that we announce Troutman today and this other fellow next week?

Vice President Johnson: Well, you're going to have all kinds of heat every day you wait. Now . . .

President Kennedy: Well, it's all right with me. The only thing is that it seemed to me that Troutman has become such a figure of controversy that when we put him out, that when he resigns and . . .

Vice President Johnson: What do you think about doing it tomorrow?

President Kennedy: Well, as long as there's an interval.

Vice President Johnson: That's right. Do it. Do it—

President Kennedy: How about Friday?

Vice President Johnson: —in the morning and let him do it tomorrow.

President Kennedy: Well, we can do Troutman . . .

Vice President Johnson: We've got a big committee meeting, see, and I want this fellow, uh, Ken assured me it would be done Monday.³¹

President Kennedy: Well, you see . . .

Vice President Johnson: So we called the committee for Wednesday.³²

President Kennedy: I see. Well, Troutman has evidently been more difficult than . . . now why don't we just put Troutman out today and this other fellow then tomorrow?

Vice President Johnson: That's good.

President Kennedy: At least there's a 24-hour difference.

Vice President Johnson: Put Troutman out for the afternoon papers.

President Kennedy: Right.

Vice President Johnson: Now, incidentally, Troutman's report is a good one.³³

President Kennedy: That's right.

Vice President Johnson: Troutman's a pure victim of hate Atlanta.

President Kennedy: Right.

Vice President Johnson: That's all.

President Kennedy: That's right.

Vice President Johnson: He's done a good job.

President Kennedy: Right.

31. The Vice President may be referring to Kenneth O'Donnell, who handled President Kennedy's appointments.

32. On Wednesday the Vice President was scheduled to go abroad.

33. On 22 August 1962, Troutman submitted a report to the President on the Plans for Progress program. The report, which impressed Kennedy, asserted that the voluntary program had been responsible for a significant degree of economic progress for African Americans.

Vice President Johnson: He talked a little bit, uh, peculiar at times and, you know, that problem.

President Kennedy: Yeah.

Vice President Johnson: But we all have that sometime.

President Kennedy: Yeah.

Vice President Johnson: But he, I read his report last night and he's done a hell of a good report.

President Kennedy: Right.

Vice President Johnson: And I think that you can sincerely tell him that you think so.

President Kennedy: Can we . . . do you have any objection to that report being put out?

Vice President Johnson: No-no. No-no.

President Kennedy: Right. OK.

Vice President Johnson: It ought to be.

President Kennedy: OK.

Vice President Johnson: We're going to take it up tomorrow and I'm going to commend him at the committee.

President Kennedy: Right.

Vice President Johnson: But I'm going to have this Negro there and, after all, the southerner is not going to get mad at the Negro. The Negro is from Wayne County, Detroit—

President Kennedy: Yeah.

Vice President Johnson: —but he was born in the South and he's the ablest man they got and he deals with all of them satisfactorily.³⁴

President Kennedy: Good. OK. Fine.

The President had a ten-minute meeting with Troutman, who, as expected, tendered his formal resignation. This meeting was not taped. Kennedy decided not to take Johnson's advice to appoint Hobart Taylor promptly. The White House only announced Taylor's appointment on September 10, 1962.³⁵

34. Taylor was born in Texarkana, Texas. After attending the University of Michigan Law School, where he was editor of the *Law Review*, he became a law clerk for the chief justice of the Michigan Supreme Court. Later he went into private practice and served as chief legal and financial adviser in Wayne County (Detroit). In 1961, Taylor came to Washington and helped draft the executive order that established PCEEO.

35. *New York Times*, 11 September 1962.

Just before a scheduled talk with the chairman of the Senate Finance Committee, Robert Kerr, the President did some other congressional business.

10:30 A.M.

You're a man of your word.

Conversation with James Eastland³⁶

The President called James Eastland, senator from Mississippi and chairman of the Senate Judiciary Committee, to thank him for moving the administration's drug safety bill to the floor of the Senate. Originally proposed by Senator Estes Kefauver of Tennessee to regulate the drug industry, the bill had been substantially watered down by Eastland's committee earlier in the summer. But in the wake of national concern about thalidomide, an antinausea drug tested on some pregnant women in the United States, the administration reopened discussion of the bill in July, proposing a series of amendments that gave it back some teeth. This is the bill that Eastland's committee had just sent to the Senate floor.

Unidentified: He'll be with you in just a moment, Senator.

James Eastland: Thank you, ma'am.

Unidentified: Thank you.

Pause.

President Kennedy: Hello?

Eastland: Mr. President, how are you, sir?

President Kennedy: You're a man of your word.

Eastland: Well, thank you, sir.

President Kennedy: You got that bill out there in great shape.

Eastland: Well, thank you, sir.

President Kennedy: I wanted to tell you that I appreciated it very much.

Eastland: Ah, we'd a gotten it . . .

36. Dictabelt 47.4, Cassette L, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

End of conversation. A brief recording begins made by the Dictabelt machine of a conversation picked up in the Oval Office. A voice can be heard in the background saying, "[Unclear] switch will go on and then any conversation in the room will be recorded, [unclear]."

Robert Kerr, the senior senator from Oklahoma, was one of the wealthiest men in Congress. His company, Kerr-McGee Oil Industries, controlled about 25 percent of all known uranium reserves in the United States. He also had one of the best senses of humor on Capitol Hill. Caught once saying that Dwight Eisenhower was brainless, Kerr remarked on the floor, "I do not say that the President has no brains at all. I reserve that broad and sweeping accusation for some of my cherished colleagues." Although Kerr played a central role in the defeat of the administration's Medicare proposal and in general voted with the President only 59 percent of the time, he liked John Kennedy and was a key player in the drive to pass foreign trade and tax reform legislation.³⁷

After a lengthy meeting with Kerr, the President stopped by a meeting already in progress in the Cabinet Room, chaired by the Vice President, on foreign aid. He was tightly scheduled this morning. Next he saw a group of administrators from the State Department followed by the foreign minister of Rwanda, Callixte Habimenshi. Another ten minutes were devoted to the Health Advisory Committee before Robert Troutman returned for his second meeting of the day in the White House.

The President did not tape any of these meetings. The next time he flipped the switch came after his customarily long midday break.

5:05–5:15 P.M.

What about Berlin?

Meeting on U.N. Strategy³⁸

President Kennedy was committed to strengthening the United Nations as an international instrument of law and order. He also regarded it as a

37. "Oklahoma's Kerr: Man of Confidence," *Time*, 27 July 1962.

38. Including President Kennedy, McGeorge Bundy, Harlan Cleveland, Dean Rusk, Adlai

possible third force to prevent any need for unilateral intervention from either the East or West in the developing countries. The U.N. General Assembly was scheduled to convene on September 20, and the President called a meeting to discuss strategy for the 17th session of the General Assembly. A week before, an extensive strategy paper had been circulated within the Department of State and at the U.S. Mission to the United Nations.³⁹

Although the United States intended to focus on the issues of international dispute resolution and international development, there was concern that Nikita Khrushchev would use the start of a new U.N. session to call on that organization to oversee a separate peace treaty between the Soviet Union and the German Democratic Republic (G.D.R.). Besides Berlin, Washington expected three main topics of discussion in the U.N. General Assembly: U.N. finance, colonial issues, and disarmament and nuclear issues.

The finances of the United Nations were a major challenge confronting the organization. The Congo crisis, which had become the litmus test of U.N. effectiveness, was draining the organization's coffers. The United States was paying the lion's share of the cost of the U.N. peacekeeping forces. On September 13, the U.S. Senate was to debate a U.N. bond issue and decide whether to authorize up to \$100 million in assistance. On August 2, in a report on U.S. participation in the United Nations, President Kennedy had appealed to Congress to authorize the bond.

A host of colonial issues would also likely dominate the General Assembly debate. The Kennedy administration believed the U.N. Committee of 17, which was mandated to resolve those issues, had been acting irresponsibly. The list of problem areas was long, including Angola, East Africa, South Africa, the Congo, West New Guinea, and British Guyana. The President sought a reconstitution of the committee along moderate lines without Soviet participation. In the meantime, Kennedy wanted to discuss with his advisers whether the United States should continue to participate on the Committee of 17.

Kennedy's advisers also anticipated that disarmament and nuclear issues would come up in the General Assembly debate. The United Nations had created the Eighteen-Nation Disarmament Committee in

Stevenson, and Jerome Wiesner. Tape 15, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection. Given the poor sound quality of this meeting, the bracketed "unclears" are often more than one word.

39. George Ball, Memorandum for the President, 16 August 1962, "United Nations" folder, President's Office Files, Box 109, John F. Kennedy Library.

Geneva as a forum for disarmament negotiations. The record of its activity, however, was not encouraging. In the face of the stalemate in the Dean-Zorin talks in Geneva, U.N. resolutions calling for a moratorium on nuclear testing were also expected.

The President began taping in midsentence as he discussed the current U.S. nuclear test series. The tape is of very poor quality. As a result, long segments of conversation are unintelligible.

President Kennedy: . . . test [*unclear*] could be carried out. One is the Atomic Energy Commission's test, which is a very high altitude test. One is, less—a third—which is possible, so I'd say it is either two or three that have been earmarked. Now this was before this [Van Allen] belt that came so . . . You remember when that pad blew up, and that test never took place. We monitored the test to be rescheduled at a later date.⁴⁰ There are two launches that they are very anxious to make. And then we did one high altitude test over two others, and now we're trying to take a look at what the radiation effect would be and whether we could change the megatonage or the kilotonage and drop it to such a percent that it would not have any effect.⁴¹ Quite obviously if it's going to be a repetition of this one, we're not going to do it. We may cancel one of those tests and do the other at a much lower level with much less yield.

Jerome Wiesner: The future test we conduct [*unclear*]. The question is [*unclear*] do we want. The Russians, of course, are the great testers and we believe this would phase out most of their tests.

President Kennedy: That's right. I mean, it is just so unfortunate that the pad blew up. We had two difficulties with those other ones—the radio.⁴² So that slowed us up by two months. But anyway we're repairing the pad, but now, we're going to get a group working now and see

40. On 4 June 1962, BLUEGILL, a high-altitude nuclear test, was aborted because the missile tracking system failed to operate. The BLUEGILL PRIME test was a more dramatic failure. On 4 July the Thor rocket that was to carry the nuclear device into space burst into flames, destroying the launchpad and causing widespread plutonium contamination. Glenn T. Seaborg, with Benjamin S. Loeb, *Kennedy, Khrushchev and the Test Ban* (Berkeley: University of California Press, 1981), pp. 155–56. The device would have provided information about the Van Allen radiation belt.

41. One megaton is equivalent to approximately 1 million tons of TNT, or 50 times more powerful than the atomic bomb dropped on Hiroshima.

42. Another high-altitude test, STARFISH, had to be postponed from 20 June to 9 July because of technical difficulties. Seaborg, *Kennedy, Khrushchev and the Test Ban*, pp. 155–56.

whether this new—will give assurances that we're not going to have any repetition of that.

Wiesner: We anticipate the Russians are going to begin testing at higher and higher altitudes.

President Kennedy: Well, they detonated; they had the one high-altitude [test] with a much lighter yield. Ours was megatonage; theirs was kilotonage. We ought to know within a reasonably short time how they can cancel these tests at very high altitudes that Los Alamos is very interested in. But I think we might be able to cancel that one. And then there would be the question of the other one which I think is regarded as essential. Really, what might be the most impressive test was the day before the testing began. We ought to make sure that the yield will be such that you won't have a repetition.

Wiesner: Sir, somebody told me that the Russian test will be very serious this time.

President Kennedy: Certainly not yet.

McGeorge Bundy: The fact that they haven't exploited last weekend's is a problem.⁴³ Dean said that their own astronauts didn't have any separate radioactive effects [*unclear*] as their heating latch opened since they tested it.⁴⁴ Seems like that's—⁴⁵

President Kennedy: We'll have to see about that. But anyway, we'll get onto this in the departmental committee, which will set our position on this.⁴⁶

Bundy: Right.

President Kennedy: On the colonial issues, what about this getting off the Committee of 17?

Adlai Stevenson: Well, this committee is behaving rather irresponsibly, and [*unclear*] Soviet [*unclear*].

43. Bundy may have been referring to the fact that the Soviets did not publicize the AEC's admission that the STARFISH test had added radiation to the Earth's magnetic field. Before Soviet astronauts Major Andrian G. Nikolayev and Lieutenant Colonel Pavel R. Popovich went into space, the Soviets had requested that the United States postpone any high-altitude tests. Although the United States hadn't any tests planned for mid-August, the Soviet request was treated coolly.

44. Arthur Dean, chairman of the U.S. Delegation to the Eighteen-Nation Disarmament Committee at Geneva.

45. The United States assured the Kremlin that it would refrain from nuclear testing while Nikolayev and Popovich were in orbit. They were launched on 11 and 12 August, respectively, and returned safely to Earth on 15 August.

46. The President set the policy on 5 September. See Volume 2, "Meeting on the DOMINIC Test Series," 5 September 1962.

President Kennedy: Do we get off if they get off?

Stevenson: They won't get off voluntarily. We'll have to lubricate them off.

Dean Rusk: —get someone to throw them off. [*Unclear*] embarrassing [*unclear*].

Bundy: [*Unclear*] the thing is to get off and get them off.

Rusk: [*Unclear.*] The chairman [*unclear*] very much [*unclear*] isn't there. [*Unclear*] going out of town yesterday.

President Kennedy: Who's the chairman?

Rusk: [*Unclear.*] He's no longer the [*unclear*]. [*Inaudible exchange.*]

President Kennedy: [*Unclear*] won't be back, I suppose?

Rusk: Apparently so.

Bundy: The British are in favor of linking this—

Rusk: Also, [we're bringing] the new French ambassador in [*unclear*] Morocco [*unclear*] Tunisia. This is very very—[*Inaudible exchange.*]

Bundy: This is very embarrassing to [*unclear*]. The French, as you know, they want no part of the U.N. [*Unclear*] whether the French say they are going to do that.

Harlan Cleveland: They haven't. It's put him on somewhat of a longer leash apparently—partly because they have to do that in order to curry favor with their French Africans who are very enthusiastic about the U.N. They can't be too reluctant about the U.N. to keep that bilateral relationship maintained.

President Kennedy: What about Berlin?

Bundy: Now, Mr. President, do we have a conclusion on this or . . . Are we in favor of having . . . of trying to get off the—

President Kennedy: No, as I understand that, the Governor [Stevenson] will try to maneuver in going into that.

Stevenson: Yeah.

Rusk: I have something in [*unclear*] for that.

President Kennedy: Berlin—

Rusk: I don't think we can answer the question yet, Mr. President, whether Simpson has put it on the agenda [*unclear*].⁴⁷ We'll handle that. [*Unclear.*] We'll have British, the British are going along [*unclear*].

Cleveland: Khrushchev is counting, of course, on the constitution [*unclear*].

Rusk: We're not too concerned about it, in some ways, the issue is perhaps quite clear [*unclear*].

47. Simpson is unidentified.

President Kennedy: Well, maybe he can talk to you about your difficulty of [unclear]. [Rustling of papers.]

Rusk: Well, I'll go ahead and take up this copy [unclear].

Ball: Well, I only asked . . . Let me speak to Charlie Yost next week.⁴⁸

Rusk: Yeah.

Cleveland: Mr. President, are you inclined to say something about the bonds?⁴⁹

President Kennedy: Well, I am at the right time. I've got to say something about the trade bill.⁵⁰ It may not—

Cleveland: It's going to be your last press conference before it comes out.

President Kennedy: When is it supposed to come out now?

Cleveland: It's coming out Wednesday.

President Kennedy: You'll give me a statement tomorrow?

Cleveland: Yeah. I have a draft here.

President Kennedy: OK, why don't you give that to me.

A rustling of papers is heard as the meeting breaks up. As the participants depart, the following exchanges are heard.

Unidentified: I was wondering about that.

Rusk: You want a ride over?

Cleveland: Yes, sir.

Unidentified: Thank you, sir.

Unidentified: OK, Harlan.

Unidentified: See you.

The tape continued to run for several more minutes before someone slipped in and turned off the machine. The U.S. ambassador to the United Nations, Adlai Stevenson, remained behind to speak to Kennedy alone.

48. Charles Yost was deputy representative to the U.N. Security Council and representative to the U.N. General Assembly.

49. President Kennedy was scheduled to hold a press conference on 22 August 1962 from 4:00 to 4:30 P.M.

50. Kennedy is referring to his proposed Trade Expansion Act, which if passed by Congress, would give the President the authority to negotiate reciprocal tariff cuts up to 50 percent. On numerous occasions, the President spoke of the Trade Expansion Act as the most important piece of legislation before Congress in 1962. On 28 June 1962, the House of Representatives passed it by a vote of 298 to 125. It was presently under consideration in the Senate.

5:15–5:55 P.M.

I can understand their wanting to get us out of Berlin. The problem is that our getting out of Berlin would be disastrous to us. That's why I think we have so much trouble.

Meeting with Adlai Stevenson⁵¹

As the chief spokesman of U.S. interests in the United Nations, Adlai Stevenson wished to speak alone with the President about strategy for the upcoming session of the General Assembly. Kennedy began to record at least ten minutes into the meeting as he and Stevenson discussed the themes of development and peace settlement. At the opening of the 16th session of the U.N. General Assembly the year before, Kennedy proclaimed his hope for a U.N. Development Decade. The President also wished to see improvements in U.N. peacekeeping operations.

Many related issues were on Stevenson's mind that interested the President. Stevenson had recently returned from a five-week holiday in Europe. He shared his impressions of meetings with various leaders. On July 24, during a brief stopover in Rome, he paid a courtesy call on Italian prime minister Amintore Fanfani. On August 3, through a meeting set up by the U.S. ambassador in Rome, Stevenson met with Yugoslav president Josip Broz Tito. Two days later, Stevenson arrived in Madrid for a three-day visit that included talks with Spanish foreign minister Fernando María Castiella y Maíz and vice premier Muñoz Grandes.

Berlin was not far from the President's mind. Although most of the President's taped meetings on Berlin dealt with immediate problems involving contingency plans and access rights, in this discussion Kennedy put the protracted Berlin crisis within the broader question of European security.

In a highly discursive conversation, Stevenson returned to a host of

51. Tape 15, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection. The sound quality of this meeting is extremely poor. Both speakers, especially Stevenson, are frequently inaudible. Due to the fact that significant clusters of words could not be deciphered, the length of the unclear sections is indicated in the text. The "unclears" range from a word to a sentence. When possible, an approximation of the number of words is noted in the bracketed "unclear." Given the extraordinarily bad sound quality of this tape, the reader is encouraged to refer to "United States Strategy at the 17th General Assembly," "United Nations" folder, President's Office Files, Box 109, John F. Kennedy Library.

regional problems on the U.N. agenda. Those range from U.S.-Bulgarian relations to the newly granted independence of Trinidad. The quality of this recording is very poor.

Adlai Stevenson: I may have mentioned the importance of trying to get a better status for the economic and social programs of the United Nations and the [unclear: several words]. This is becoming very hard to . . . Most of these small [unclear: one word] have no hope of application in the [unclear: several words] raised some concern. But they are extremely anxious and even frightened about the rigidity of the Soviet and about the notification of weapons threat [unclear] tests and so on. But I do see, they hope things like [unclear: several words]. I think we could probably at this time—I don't know just how to do it, opportunities that you have to speak, to talk about national security in terms of the improvement of equality in the world, [unclear: many words] describe for the World Trade Conference, could cause us some embarrassment. On the other hand, we might convert it to our advantage if we could manage [unclear: two words]. The Russians would try to take this—

President Kennedy: I'd like to see—

Stevenson: —as a common reaction to the Common Market.

President Kennedy: It would put some heat on the Common Market, anyway.⁵²

Stevenson: We may have, I think, Mr. President, some changes that will emerge to make our own operation more efficient. The aid organization felt that, it was recommended in the package, [unclear: several words] gave you that after the election in 1960, is a step in that direction. It hasn't gone all the way. We still have a multiplicity of activities. Whereas we're calling upon everybody else to coordinate, clean up their shops . . . I'm just not sure. What we've got is so many activities in the economic field going on over development, which obviously leads to suspicion of competition between each other. I do see ambition in organization, administration and [unclear phrase]. I'm not sure of the answer. [Unclear sentence.]

President Kennedy: Yeah.

52. President Kennedy was irked that the European nations were allowing the United States to carry most of the burden of the developmental policies in the developing countries. According to the 22-page paper, "United States Strategy at the 17th General Assembly," the administration wished to see "a reinvigorated European group in the United Nations, willing to take greater leadership in the Assembly and to step up its activities with the Latin Americans, Africans, and Asians."

Stevenson: Maybe for a while [*unclear: a couple of words*] discussion just to see if we both can't [*unclear: several words*] especially more reasonable. I think we're also [*unclear*], when you have missions abroad, especially in the military field, are overstaffed. Just crawling all over each other.

President Kennedy: Are you sure of that? Why is everything overstaffed?

Stevenson: I wish there were some way we could, I was telling the secretary, foreign service involved [*unclear phrase*] making the people have these so-called [*unclear: several words*] suspected [*unclear phrase*].

President Kennedy: This would be? What missions are you thinking about?

Stevenson: Well, I'm thinking mostly of our military missions and our overseas programs of various kinds. I think the answer [*unclear phrase*]. It's pretty hard to do more than generalize. As you know, it's—

President Kennedy: I didn't know whether in your trip, you had been any place or talked to any people that gave any—

Stevenson: I saw [*unclear: several words*]. He's an honest man [*unclear*] about the timing of programs [*unclear phrase*]. Generally, I just think it's something on the order of economic [*unclear phrase*].

I had a very interesting talk with [Italian prime minister Amintore] Fanfani.⁵³ He said he thought that Khrushchev was feeling more confident, although he found it very grave that he keeps [*unclear word*] calculations to himself. And he thought that Khrushchev had nowhere near as much freedom of action as we in the West generally think he has within the Soviet scheme. In the Soviet Union, he points out, there's no outlet for an opposition party, which makes possible a chance to express these different points of view and that Khrushchev continues under very great pressure.

And again, this type of organization can't always take that. This is a conversation, a performance within the Communist family. He says this is very serious, and he must continually prove that he's tough and also, for the sake of this conversation, because of the various differences with the Chinese Communists. And this creates a distortion within which his real intentions . . .

And Fanfani thinks that time is working against the Communists, and that we should continue to negotiate with them. He strongly urged him that contacts be made more and more with dramatic representation rather than, I mean through diplomatic representation, rather than through

53. For a memorandum of the conversation of 24 July 1962, see "Italy" folder, National Security Files, Box 120, John F. Kennedy Library.

diplomatic agents. He used the phrase [*unclear: several words*] you know how good a diplomat is if he's concealing information [*unclear: several words*] long time [*unclear word*] Soviet attitude establishing some sort of a contact with Khrushchev [*unclear: several words*] can do [*unclear phrase*] and also to talk with the Russians. You won't accomplish this [*unclear phrase*] about ten hours—hours and hours and hours. [*Unclear phrase*] curious the account he based such a thing, he volunteered to me strong representation [*unclear: several words*] diplomatic agents. He says it's clear to him that on his part Khrushchev treats anything with contempt. It's an attitude he has [*unclear: several words*] importance [*unclear phrase*].

He felt there was little hope for disarmament because of the Soviet spy station and, of course, the problem of the refusal of the Chinese to cooperate, and he said the Soviets did not want to expose themselves [*unclear: several words*] Chinese. [*Unclear: couple of words*] twice as hard as the [*unclear word*] Khrushchev's successor.

The greatest single difficulty is, of course, the fear of Germany and he suggested that one of the only things we could do, when I asked him, [*unclear: couple of words*] nonaggression pacts and the kind of assurances for the Berlin situation. It's not for the purpose of exploiting a united Germany concept. He made it clear that no [*unclear: couple of words*] unification of Germany is going to deprive us of the security [*unclear phrase*]. And then—

President Kennedy: Did he say we should say this?

Stevenson: Yes.

President Kennedy: Come with that again.

Stevenson: He said we should say—make it clear to the Russians that we are no longer exploiting the reunification of Germany. It's a constant point of—

President Kennedy: I think they have. . . . Of course, whether that is true or not we have not really discussed it for quite awhile.

Stevenson: As you can see, no one wants the reunification of Germany. He says himself, "It's not worth it. We are utterly against the reunification of Germany." And he said, "When the chips are down, the point at which—"

President Kennedy: Why don't any of the Europeans ever say that?

Stevenson: Hmm?

President Kennedy: Why don't any of the Europeans ever say that?

Stevenson: Maybe they do. They do on their own—say so.

President Kennedy: Privately.

Stevenson: Privately. I think you see it's a long strand we should be talking about sometimes. It goes back to the early days of the last admin-

istration. [*Unclear: two words*] clearly is at the bottom there. I think Dean—I always had highest esteem, respect, for Dean Acheson and it appears to me [*unclear phrase*] success at reuniting Germany.⁵⁴ Very badly [*unclear: several words*] capable in the end, this appeared to be a challenge to the Russians. We were trying to extend, to pass the olive branch as they were extending the peace branch—

President Kennedy: You mean this was after Vienna?⁵⁵

Stevenson: Yeah.

President Kennedy: There wasn't any olive branch at Vienna. That was the difficulty there. It was really very [*unclear word*].

Stevenson: Well, we . . . a series of dealing with Khrushchev in comparison [*unclear phrase*] [President Dwight D.] Eisenhower.

President Kennedy: Eisenhower.

Stevenson: [*Unclear: couple of words.*]

President Kennedy: But in any case . . . As I say, I think the fact that we both worked up to this point about Laos has been useful. It's just the problem's been in Berlin. I don't blame him for wanting to get us out of Berlin. It's quite obvious it just makes their whole situation. . . . They have the Wall; they have this country that's always disturbed as long as there's Berlin. They have the difficulty, the problem with the reunification. I can understand their wanting to get us out of Berlin. The problem is that our getting out of Berlin would be disastrous to us. That's why I think we have so much trouble.

Stevenson: Well, I think, we never talked in terms of the whole matter of Europe with the Russians. You know that part of Berlin is isolated; it is a separate problem. Maybe we've got to be interested in solutions in terms of the whole problem. The whole problem on the basis of establishing [*unclear: several words*] seeds [*unclear: several words*] eventual reunification of Germany and turning the state of our position on Berlin and the existence East Germany would have to recognize that certain positions formally [*unclear: couple of words*] continue to insist on the specific contribution to the security of Western Europe contribution of German strength [*unclear phrase*]. One of these days, sooner or later we're going to have to deal with that.

President Kennedy: Well, you know, we're having a pretty good fight with the French. There's just so much we can take on. We're having a pretty good fight with the French about the nuclear problem. We've made

54. Acheson was secretary of state under President Harry S. Truman.

55. The Kennedy-Khrushchev summit of June 1961.

it pretty clear . . . We've gone quite a long way really from our position in '59 about the question of East Germany. There isn't any doubt that we'd certainly be willing to go further than we were going before in regard to its status. But, of course, the position which we're now in disagreement about which is the troops in West Berlin is pretty hard for us to give up.

Stevenson: Well, I don't think you have to. That's the point. France and Germany—four other nations [*unclear: couple of words*] on the reunification [*unclear: couple of words*] East Germany, and we won't have the same problem. If the emphasis remains on Khrushchev we'll reassure him on the points where he's weakest. I'm not . . . I mean where he's most sensitive. I'm not sure we know quite clearly where they are. Until the talks have taken place [*unclear: couple of words*] that's kind of calculating this whatever we don't know. Maybe they wouldn't come back to that. At least I thought it was best.

President Kennedy: [*Mumbles.*]

Stevenson: I made one more point. I suggested to him that he would be a good, fair person to negotiate between us and the Soviet Union. He asked to please be excused from that. [*President Kennedy laughs.*] He wouldn't budge.

President Kennedy: How's he feel about the French?

Stevenson: Well, he thinks they're impossible.

President Kennedy: Really?

Stevenson: Because of this situation [*unclear phrase*] pressures on Algeria, in particular, subside. He [de Gaulle] wouldn't be able to address himself to any of these other considerations.

And he [Fanfani] doesn't think the test ban treaty will help very much to erase Soviet fear of Germany, which the Russians are convinced is going to be in effective control of NATO in two or three years.

President Kennedy: They think that what?

Stevenson: Germany's going to be in effective control of NATO in a few years. And this is going to [*unclear phrase*] their nuclear ambition.

And he thinks that the Polish leaders have a very moderating influence on Khrushchev. That our program—our policy—with respect to Yugoslavia [*unclear phrase*].⁵⁶ He suggested we try to use [*unclear phrase*].

President Kennedy: I think that's a good point.

Stevenson: We discussed at length the [*unclear: several words*] situation given the strikes and the nationalization [*unclear: couple of words*] of elec-

56. According to Stevenson's memorandum of his conversation with Fanfani, the Italian prime minister praised the Kennedy administration for its policy toward Yugoslavia.

tric power [*unclear: couple of words*] conquests [*unclear: couple of words*]. I must say he was [*unclear phrase*] much better than that nation's attitude toward France [*unclear: several words*] in relation to [*unclear phrase*].

He also revealed that this curious exchange of letters between [*unclear word*] and Khrushchev in which [*unclear phrase*]. [*Unclear word*] sat down and wrote a letter back to Khrushchev, which he never informed his [*unclear word*] ministry. Khrushchev returned the letter unopened. I must say if [*unclear: several words*], I think it would [*unclear phrase*] Soviet attitudes, which did not always leave the impression of seeking peaceful coexistence, and the interpretation of [*unclear phrase*].

He cautioned Khrushchev against any actions, which would lead to counteractions on the other side. Extremely good letter [*unclear phrase and unclear sentence*].

[*Unclear phrase.*] And only one possible fight. This is Bulgaria and talks about Bulgarian relations. They're very firm about cutting off their [*unclear phrase*]—

President Kennedy: Support?

Stevenson:—price support [*unclear: several words*] psychological reason [*unclear: couple of words*].

President Kennedy: Well, the only thing . . . You know, they don't have to give defense support because they don't carry that much anymore—because we've put—you know—we've been emphasizing the economic in last year's foreign aid bill.

Stevenson: I know. If we can face it down rather than cutting it off altogether.

President Kennedy: I'll find out a little more about it. But I know they've been very upset about it.

Stevenson: I sent a message back from Europe telling them—the Department—urging them to take up the . . . to deal with you—

President Kennedy: He's such a good fellow, [*unclear: two words*].

Stevenson:—and see if we couldn't [*unclear: couple of words*] rather than cut them off altogether.

President Kennedy: Just look at it again. How's the . . . We what?

Stevenson: [*Unclear: couple of words*]. Maybe cut it to [*unclear word*].

President Kennedy: Yeah. [*Unclear*] cut much. Let me find out about it.

Stevenson: [*Unclear: two words*] next year.

President Kennedy: What is your . . . How is [Henry] Labouisse getting along? Have you seen him?⁵⁷

57. Henry Labouisse was ambassador to Greece from March 1962.

Stevenson: He's getting along all right. His health hasn't been very good. [*Unclear: several words*] but he's happy—happy as a lark. And he's just—he's delighted to be there. Under the circumstances, he's OK and when asked, his health seems to be forgotten and so forth and so on. [*Unclear: several words*]. As to [*unclear: several words*] more effective than [*unclear: several words, followed by several unclear sentences*].

I had a very interesting time with Tito. I hadn't met him since [*unclear phrase*] come back from [*unclear phrase*]. He had heard I was coming in with the ambassador from Rome [*unclear: couple of words*] sent me a telegram asking to see me, and he sent his plane down. [*Unclear: several words*] which is [*unclear: couple of words*] beach house [*unclear: couple of words*] beach house and the wine cellar [*unclear word*].

President Kennedy: Very luxurious?

Stevenson: Good, yes [*unclear phrase, followed by unclear sentence*]. [*Kennedy laughs.*]⁵⁸ [*Unclear sentence.*] It was a curious sort of meeting. He was extremely affable, extremely affable—backpacking and throwing rocks and doing all those sorts of stuff and [*unclear phrase*] and so on.

Very closed with [U.S. ambassador George F.] Kennan. Four hours—I talked to him for over four hours, and he never asked me once whether or not [*unclear: several words*] the struggle to replace Kennan.

President Kennedy: I would have thought that the effort Kennan made coming back here about the—make sure this [trade expansion] bill turned out all right would have . . .⁵⁹

Stevenson: You know I came at a time which was just after that and I'm not sure he fully appreciates that gesture. I mentioned that. I talked about that in statements with [*unclear: several words*] tried to build it up.

President Kennedy: I think, you know, he saw it coming with Kennan [*unclear phrase*] after that speech because I think Kennan thought that he was misled by them as to what Tito was going to say, and I think that Kennan was quite critical of him so this may be the hangover and he might not realize that Kennan really worked awfully hard back here.

58. It is possible that Kennedy is laughing at Stevenson's report of Tito driving him and U.S. ambassador to Yugoslavia George F. Kennan 100 yards somewhat erratically in a brand-new golf cart.

59. On 1 July 1962 U.S. ambassador to Yugoslavia, George F. Kennan, returned to Washington to lobby the U.S. Congress against amendments to the foreign aid and trade expansion bills that would have barred aid to Yugoslavia and withdrawn its most-favored-nation trade status. Kennan failed. Later he wrote: "The experience . . . showed me, as nothing else ever had, the enormous gap in understanding and outlook that separated a person like myself from the likes of these I was talking with" [George F. Kennan, *Memoirs, 1950–1963* (New York: Pantheon, 1972), pp. 299–300].

Stevenson: I think that's all true. Plus one other thing, that is, I think he suspects Kennan had leaked the [*unclear: several words*]. I can say this about him, though.

President Kennedy: How was Popovic?⁶⁰

Stevenson: He showed no disposition to discuss U.S.-Yugoslav relations—he talked as though extremely anxious—as an old man. He's an old man. He's an old man. He's suddenly become an old man. Playing with very expensive toys. This creates a kind of confusion among his associates. He had Popovic there—his foreign minister [*unclear: several words*] and a couple of other guys.

It's very clear to me that they are very uneasy about this. In certain respects, asking them [*unclear: several words*] to create austerity on the part of the people—cutting wages. It's quite inconsistent [*unclear phrase*]. It looks like something an erratic old man would do. [*Several unclear sentences.*] I'm frightened [*unclear: several words*] to try to find some way to reestablish his position among the Old Guard of Communists. As the senior sort of member on the staff from which he has felt ostracized for too long. And he's moving definitely back in that direction. Not necessarily politically but personally. I think he's very much concerned with the fact that the American program—American relations—with Yugoslavia appear to have turned backwards with the United States. And this is in turn in conflict with his ideological concept [*unclear phrase*] of the East and the West.

I also think that contrary to George Kennan's writing, his estimate that power is actually moving very rapidly from Tito to [*unclear name*] and Popovic. I don't mean Popovic, I mean [*unclear name*]. These two fellows are the new generation. These fellows are pro-American, pro-West. I don't think we have too much to worry about.

He's very upset by the effect of the Common Market on his trade. As I told you, he lost 40 percent [*unclear phrase*], and he's going to have to move from West to East.

He raised again—talking about Khrushchev and our relations—he said Khrushchev might stray. He said the secret to peace with Khrushchev is Germany first: elimination of any possibility of threat from Germany [*unclear: couple of words*]. Second, [*unclear*] and he said something along that line [*unclear: couple of words*] in terms of the talks between Kennedy and Khrushchev. [*Unclear sentence.*]

I may have detected some change in policy towards, and an anxiety

60. Koca Popovic was the Yugoslav foreign minister.

to free themselves from United States aid. They may be looking in other directions for economic ties. I think, the thing to look forward to as a result of the African Congress [*unclear: several words*] in an effort to find [*unclear: couple of words*] economic somewhere else.

Kennan was much more confident of this than I was, but I didn't expect him to put up [*unclear phrase*] much less tendency [*unclear: several words*] than he had in the past, it seems to me, sadly. [*Several unclear sentences.*]

I felt that he was out of touch with the contemporary [*unclear: several words*] and overanxious to [*unclear: several words*]. I'd say [*unclear: several words*] more and more [*unclear*] anti-imperialist, anti-Western basis. [*Unclear sentence.*] He said he was planning to go to Russia to talk to Khrushchev in the next six months and one of the major objectives would be better relations with the United States.

Well, in Spain, I talked to the foreign minister María y Maíz and Muñoz Grandes, who's [*unclear: several words*] the general chief of staff during the [Spanish] Civil War. He's now [*unclear: several words*] vice president offices [*unclear*]. He was very much [*unclear: several words*]. Admiral—

President Kennedy: Who?

Stevenson: Admiral [*unclear word*].

President Kennedy: Oh yeah, yeah.

Stevenson: He was the guy . . . He was the fellow who beat [*unclear: several words*] and he taught exclusion. He's written a letter that said I [*unclear word*] the president, the King of Morocco, was asking him for my help. He said I told him I'd come back to Morocco, come back give him my help, raise my tribes only on the condition that makes his unqualified guarantee that [*unclear: several words*] West. [*Unclear: several sentences.*] Could be, you never know about this [*unclear: several words followed by unclear sentence*]. [*Unclear: couple of words*] comes closest to our kind of person [*unclear phrase*]. And I have subsequently [*unclear*]. [*Several unclear sentences.*]

President Kennedy: [*Mumbles.*]

Stevenson: [*Several unclear sentences.*] I didn't respond. I didn't think that. . . . Nor did our ambassador. Very subtly. Now that's about all I have to say on that, except [*unclear phrase*]. There's another thing. [*Long pause.*]

I think I know all about what's going on with respect to Israel. But what I would like to know is when you can let us know whether this thing is on track.⁶¹

61. Stevenson was referring to the administration's hopes of linking an Israeli request for the Hawk missile with the Johnson Plan for the settlement of the Palestinian refugee problem. On

President Kennedy: As soon as Mike [Myer Feldman] comes back.

Stevenson: Which will be what—on—

President Kennedy: Thursday. Yeah.

Stevenson: The 23rd?

President Kennedy: When he gets back Thursday we ought to know whether there's any interest on the part of the Israelis—of sufficient interest—on the part of the Israelis and the part of the Arabs—the part of Nasser. I don't see how it's possibly going to work—at least [*unclear: several words*] to deserve making the effort.

Stevenson: Well, when he come back . . . When he comes back . . . Once we know and you approve. Johnson doesn't know about [*unclear*] these positions [*unclear*].

President Kennedy: But he knows about the problem, all right?

Stevenson: He knows about the problem. He doesn't know about Feinberg.⁶²

President Kennedy: He knows about . . . Feinberg went with him?

Stevenson: Feinberg went out to talk to—

President Kennedy: Feinberg went with Feldman?

Stevenson: Yeah. To talk to Golda Meir.

President Kennedy: Yeah, but the reason that Feldman supposedly went is he had an invitation of the [*unclear word*] Institute of which Feinberg is [the] head. So I told Feinberg to go ahead with Feldman so that he could helpful . . .

Tape recording ends abruptly. There is a strong possibility that Kennedy himself did not stop the recording. There appears to have been a mechanical failure of sorts. A few minutes later, the taping resumes.

Stevenson: [*Unclear phrase*], and he thinks he can also get a million dollars and a half out of [*unclear: several words*] additional costs to the U.N., [*unclear: couple of words*] six hundred people. It would be much less expensive to all the delegations in the Western Hemisphere. Delegations [*unclear phrase*]. When I asked him why he was even interested in this, he said because [*unclear: couple of words*] political campaign in 1956, he decided [*unclear phrase*]. And he said [*unclear: several words*] anticipated the same situation again I think in 1964. [*Unclear:*

19 August 1962, President Kennedy sent his deputy special counsel, Myer Feldman, as his personal emissary to Israel to explore the possibility of linking the sale of the Hawk to Israel's acceptance of the Johnson Plan. For a more detailed account of this issue, see "Meeting on the Middle East," 27 August 1962.

62. Abraham Feinberg was the chairman of the Bonds for Israel Committee in the United States. He headed a group of Jewish community leaders from New York City.

several words] operation outside of the United States. That's what I don't like, personally.

President Kennedy: The precedent isn't very good, is it?

Stevenson: What?

President Kennedy: The precedent isn't very good.

Stevenson: No. I don't know if it's good or not. He said he'd like to know. We could talk about that. I was certainly confused about it. [*Unclear sentence.*]

President Kennedy: No, it just seems to me —

Stevenson: Good idea to get him out of here during the campaign '64 [*unclear*] commitment. I didn't feel as though I could—

President Kennedy: They couldn't come and have the meeting in November of '64, could they? So we don't have such a terrible [U.N.] resolution just one week before the election.

Stevenson: You see, nobody wants to do that because then Christmas interferes, and they want to go home and then they've got to all come back again and [*unclear phrase followed by several unclear sentences*].

President Kennedy: Oh, did they? They've done that?

Stevenson: That was by 1950, I would say, '49, I think it was. Yeah, that was done [*unclear: several words*]. I was there.

President Kennedy: What would they use as the reason? I know that the real reason is the presidential campaign. What would they say is the . . .

Stevenson: [*Unclear phrase*] distraction [*unclear: several words*] these delegates involved with the campaign [*unclear phrase, followed by several unclear sentences.*]

President Kennedy: [*Unclear sentence.*] Do you think that would be the first step toward getting them out for good?

Stevenson: No, I doubt that because they're already going ahead on plans for a ten million dollar endorsement [*unclear phrase*]. Maybe it's not a bad thing to have the meeting outside the United States.

Now there's one other thing I wanted to mention here, and that is this whole Congo thing, this matter [*unclear phrase*] Tshombe was set up. That whole story [*unclear phrase, followed by unclear sentence*].

President Kennedy: Yeah.

Stevenson: [*Unclear: several words*] newspapers [*unclear: several words*] reported on this blow by blow and day by day. This has made it hard, almost impossible to disguise what we have done, as an American plan. [*Unclear: several words*] embarrassed the secretary-general more than anything that's happened since I've been involved. And that's the reason why he has insisted on [*unclear: several words*] premature leaks [*unclear: several words*] antagonize Tshombe. [*Unclear: several words*] program

under such pressure [*unclear*] newspaper. [*Unclear sentence.*] He was very much [*unclear word*] about it.

President Kennedy: Where did the primary leaks come out of—London?

Stevenson: Came out of Washington.

President Kennedy: Washington.

Stevenson: All the leaks came out of Washington.

President Kennedy: Well, you know Washington.

Stevenson: It's just awful. Well, it raises that point, that here was the point, here was an unfortunate embarrassment, like the Swedish ambassador, who was called in down here in Washington.⁶³ The ambassador up there [at the United Nations in New York] knew nothing. The foreign minister, [*unclear: several words*] call[ed] her from Stockholm, to find out what's going on. She had to say she didn't know anything about what was going on. [*Unclear word*] said, "You're ambassador to the United Nations, aren't you?" [*Chuckles.*]

I don't know. It's the same old problem, of a project or program which is a United Nations matter being handled in Washington. I wish [*unclear*]. I think it would be better. We've got better security up there [at the U.S. mission at the United Nations in New York]. I don't know why that is, [*unclear: several words*] but I just think—

President Kennedy: Well, they're terrible down here. They're terrible.

Stevenson: Too many people talking [*unclear: several words*]. Against us, shooting off how much they know all the time. I think that one—

President Kennedy: Well, as I understand that, of course, Washington has to do something because we were the ones supposed to be carrying on negotiations with the British and the Belgians. So obviously—

Stevenson: Those negotiations weren't very [*unclear phrase*].

President Kennedy: Rather than London—or here?

Stevenson: Well, London, sure. London's all right.

President Kennedy: Well, we had some of them in London, some of them in Brussels.

Stevenson: I have no objection to that. I just think that maybe we ought to . . . When we start a major program like that we ought to consider whether it should be centered in New York [*unclear: two words*] or in Washington [*unclear: several words*]. I say in this case, we're embarrassed. I don't know whether that will always be true.

President Kennedy: Well, I agree. But I think it's unfortunate. At least

63. Gunnar Jarring was the Swedish ambassador to the United States.

[Under Secretary of State] George Ball's becoming more active in the Congo thing now. I don't think it's been handled particularly well, even though it's very complicated, but I don't think George [*unclear phrase*].

Stevenson: I think we ought to try to center these things that relate to the United Nations up there as much as we can, using the people down here as [*unclear phrase*].

President Kennedy: Yeah.

Stevenson: So when one of these comes up again, we just have [*unclear: several words*] a chance to discuss whether or not it should be here or there.

President Kennedy: I think that's good.

Stevenson: I think this one should be up there.

One other thing, I had a call last night from [*unclear phrase*] asking [*unclear: two words*] if Trinidad would be [*unclear word*] independence celebration. [*Unclear: several words*] this is a matter of major [*unclear*] to you. Of course, I'd much prefer not to go. It just happens to be one week-end I have a chance [*unclear phrase*].

President Kennedy: Well, let me get on that right away. I think that probably the argument is that because of the friction between Trinidad and Jamaica and the Vice President went to Jamaica, they probably wanted . . . ⁶⁴

Stevenson: Well, that's what . . . They asked for me by name because they know me.

President Kennedy: Yeah, now maybe you might get Sarge [Shriver] and Eunice to go or something.⁶⁵

Stevenson: Something like that would be great.

President Kennedy: All right.

Stevenson: Or if we could get, I wrote some—

Tape recording ends.

With Stevenson's departure, the President returned to economic matters. The Congress was due to return to consideration of the administration's trade bill.

64. Vice President Lyndon Johnson represented the United States at the ceremonies marking the independence of Jamaica on 6 August 1962.

65. Eunice Shriver, the President's sister, was married to Sargent Shriver, director of the Peace Corps. They did not represent the U.S. at the independence ceremonies in Port of Spain, Trinidad, on 31 August 1962. The U.S. delegation was headed by federal judge William Henry Hastie of the Third Circuit Court of Appeals.

6:00–7:05 P.M.

[W]e've gone a long way to help the industry, and there comes a time when you have to say, "Well, we've really got to get something out of you."

Meeting on Trade and Textile Policy⁶⁶

President Kennedy's decision to encourage trade liberalization through official U.S. policy came quite early in his presidency. His eagerness to advance and to adopt European—and, in particular, European Common Market—approaches to both domestic economic policy and international trade complemented what was already a fairly well entrenched ideological predisposition toward free trade and lower tariffs. When Walter Heller, Theodore Sorensen, and others suggested that Common Market economic growth rates were to be encouraged rather than feared, a development that might well increase rather than threaten U.S. exports, Kennedy readily adopted their point of view. "As I said the other day," President Kennedy remarked in January 1962 when asked about his proposals for trade liberalization, "the fact is that the Common Market countries have had an extraordinary economic growth, full employment, and all the rest . . . it is to increase our employment and our opportunities that we are recommending this."⁶⁷

Kennedy's appreciation of textile industry vulnerabilities and political sensitivities, on the other hand, made it obvious that trade liberalization had to be achieved only with a fair measure of compromise and concession directed principally toward this industry. Partly through his past representation of Massachusetts textile interests and partly through his awareness of the prominence of the industry in the U.S. South—the electoral base of most congressional committee chairmen—Kennedy viewed this industry as one that deserved special, prompt attention in the debate on his trade policy proposals.

66. Including President Kennedy, George Ball, John P. Duncan, Jr., Luther Hodges, Lawrence O'Brien, and Theodore Sorensen. Tape 15, John F. Kennedy Library, President's Office Files, Presidential Recordings Collection.

67. "The President's News Conference of January 15, 1962," *Public Papers of the Presidents, John F. Kennedy, 1962* (Washington, DC: U.S. Government Printing Office, 1963), p. 17.

Having allied with fellow members of Congress who had vigorously opposed President Eisenhower's unwillingness to impose quotas on major textile exporting nations and sensing later, as president, that special treatment of the textile industry might prove politically useful in the adoption of a more-liberalized and overarching overall trade policy, Kennedy appointed, in February 1961, an Inter-Agency Textile Committee to develop proposals that would accompany any general trade policy proposal. Headed by Secretary of Commerce Luther Hodges, former Governor of North Carolina and textile industry executive, this committee also included Under Secretary of State George Ball—the administration's most ardent proponent of free trade—Secretary of Agriculture Orville Freeman, Secretary of the Treasury Douglas Dillon, and Secretary of Labor Arthur Goldberg.⁶⁸ Though textile industry interests were suspicious of George Ball's predilection for free trade, believing it little more than a romantic, even naive attachment, Ball's position on this committee was designed so that the Kennedy administration trade policy—slanted clearly toward trade liberalization—could not help but consider special industry needs and political strength.⁶⁹ Though Ball functioned largely as a naysayer in the face of various protectionist proposals, he also appeared to comprehend the President's pragmatic approach and peculiar political position. Maintaining that the textile problem caused him “more personal anguish than any other task I undertook during my total of twelve years in different branches of the government,” Ball, nonetheless, proved to be an effective, if somewhat isolated, champion of free trade amid negotiations over textile industry protection.⁷⁰

The centerpiece of President Kennedy's textile industry proposals was the seven-point program introduced in May 1961.⁷¹ Requesting that

68. Luther Hodges worked for Marshall Field & Company as general manager of the company's textile mills, eventually rising to vice president before entering politics.

69. See Thomas W. Zeiler, “Free-Trade Politics and Diplomacy: John F. Kennedy and Textiles,” *Diplomatic History*, Spring 1987, pp. 127–42, for a detailed analysis of this pragmatic approach combining compromise and reform.

70. Quoted in James A. Bill, *George Ball: Behind the Scenes in U.S. Foreign Policy* (New Haven, CT: Yale University Press, 1997), p. 66. Bill notes, as well, how in meetings with U.S. textile industry representatives, Ball “pointedly wore a suit made in Britain, shoes manufactured in Hong Kong, and a silk tie made in France” (*ibid.*).

71. “Statement by the President Announcing a Program of Assistance to the Textile Industry,” *Public Papers of the Presidents, John F. Kennedy, 1961* (Washington, DC: U.S. Government Printing Office, 1962), pp. 345–46.

the departments of Agriculture, Commerce, Treasury, and State carry out specific objectives, this program sought:

1. The promotion of new research
2. Tax and investment incentives
3. Financial aid for plant modernization
4. The equalization of domestic and foreign raw cotton prices
5. Legislation to assist industries adversely effected by increased imports
6. GATT escape-clause provision protection for 12 textile products
7. A multilateral conference of textile exporting countries designed to expand trade⁷²

Although point number four initially met with great opposition abroad (when it encompassed a halfhearted equalization fee proposal), Kennedy was eventually able to carry out most of the seven-point program, chiefly because few points caused much consternation among principal U.S. trading partners and because it represented an effort to help a still profitable industry that had come to expect less of the favored treatment to which it had long been accustomed.

The three major international agreements that involved the textile industry also did much to convince its representatives that the Kennedy administration had given careful consideration to its needs and policy prescriptions. Though it conspicuously exempted wool and synthetic fiber products, the Short-Term Cotton Textiles Arrangement of July 1961, created under the auspices of the General Agreement on Tariffs and Trade (GATT) and agreed to by 17 countries, established that any country that suffered import-related market dislocations could curtail imports back to the level prevailing at the end of the 1961 fiscal year (June 30, 1961).⁷³ Against the Japanese demand for a 30 percent increase in U.S. import quotas, a separate accord was also reached with the Japanese which raised these quotas by 6 percent, effective January 1962. And finally, on February 9, 1962, the original 17 signatories of the short-

72. Warren M. Christopher was chosen to represent the Kennedy administration at this meeting in July 1961. George Ball's biographer, James Bill, suggests that while Ball often felt as if he were a "minority of one" as he pushed for liberalized trade, he received considerable assistance and encouragement from Warren Christopher and from economist Carl Kaysen, both of whom served as special assistants in the Kennedy administration (Bill, *George Ball*, p. 66).

73. See "Memorandum from Secretary of State Rusk to President Kennedy," 28 August 1961, *FRUS*, 9: 473-74. The short-term arrangement would expire on 30 September 1962.

term arrangement, along with Denmark and Portugal, agreed to a Long-Term Cotton Textiles Arrangement. The long-term arrangement proposed to eliminate import quotas after five years but also established that existing import quotas would remain in place for 1963 and 1964 and would increase by an additional 5 percent per year in 1965, 1966, and 1967 before being eliminated afterward.

As the following meeting was convened, the administration had begun its final push for approval of both the Long-Term Cotton Textiles Arrangement and the far more significant, wide-ranging, and free trade-oriented Trade Expansion Act. Signed into law on October 11, 1962, the Trade Expansion Act of 1962 would receive support from a substantial majority of New England's representatives and from 87 House members from southern textile states.⁷⁴ Carefully crafted textile industry policy, discussed here, played no small part, then, in the passage of what was the major free trade initiative of the Kennedy administration, and according to George Ball, "the most important development in U.S. trade policy since 1934."⁷⁵ Paving the way for the Kennedy Round of GATT negotiations, which resulted in a reduction of import duties on manufactured goods by an average of 35 percent (and by an average of 64 percent for U.S. tariffs), the Trade Expansion Act stood as one of President Kennedy's more notable legislative triumphs in a period otherwise characterized by stalemate or outright defeat. And it was the politics and technical details of the administration's textile policy that influenced the fate of the Trade Expansion Act of 1962.⁷⁶

The President began taping as his legislative assistant, Lawrence O'Brien, described Congress's role in setting cotton subsidies.

Lawrence O'Brien: . . . explaining to you about that [*unclear*] measure, because the Congress is the one that's responsible for it. We'd be delighted

74. Much support here was mustered by Carl Vinson, Democratic House member from Georgia. Vinson had formed, in early 1961, a Textile Conference Group made up mostly of interested southern congressmen. Though this group began its deliberations by warning the President that trade liberalization could not be realized without new protections for the textile industry, Vinson eventually came to urge the industry and industry-friendly congressional colleagues to be grateful for what little support the Kennedy administration could offer. See Zeiler, "Free Trade Politics and Diplomacy," p. 132.

75. "Circular Telegram from the Department of State to Certain Diplomatic Missions," 30 January 1962, *FRUS*, 9: 512.

76. President Kennedy had discussed these matters with George Ball the day before (20 August 1962) and would subsequently convene a meeting on the textile problem with interested congressmen three days afterward (24 August 1962).

to have the [unclear] taken away, and the way to do it would be not to add a new set of subsidies—which is one solution—or add to the subsidies that we are now giving to the growers and the exporters, and a new set of subsidies to the mills, but instead to do away with these subsidies, having a compensatory damage program by the cotton growers [unclear] price . . . the mills wouldn't . . . would be happy and they wouldn't need the subsidy, the exporters would be happy, and they wouldn't need the subsidy, and you give compensatory payments to the growers.⁷⁷

And, as I understand it, more than 98 percent of the growers in this country, including all our friends in the Southeast, would be happy with that. And what the big growers are fearful of is that the Congress will put in a limitation [unclear] five hundred dollars to any one grower, and less than 2 percent of the growers in the country would be affected by a [unclear], obviously.

President Kennedy: And, what is the problem with the—

Luther Hodges: You have a problem, Mr. President, with two organizations that . . . The first strongly against us, this is the National Cotton Council, [unclear] federal policy rule [unclear] who is ready to propose some large producers to come up here and lobby against compensatory payments. I think the mills in the last year have come around to this. I have talked to a lot of the mill folks, and they seem to like it all right. I don't see who could be against it because the farmer would get what he's getting now. I'd say that it's probably 95 percent of them, because it's amazing . . . out of 762,000 cotton farmers in the United States—

President Kennedy: How many?

Hodges: Seven hundred sixty-two thousand. Six hundred fifteen of . . . 615,000 of these have less than 30 acres. And there's only 9,000 that have over 200 acres. So you see you . . . those 9,000 are the ones that are coming to Washington and lobbying against compensatory payments, because they are afraid of the limitation that would be put on this. Now, if you put a limitation of \$12,500 on payments, there would only be approximately

77. As a way of equalizing raw cotton prices between U.S. textile producers who paid a higher price for cotton with price supports and foreign competitors who did not, the administration wanted to consider the removal of the price supports in exchange for direct, government-funded grower compensation. This represented a gradual shift in general food and fiber agricultural policy accelerated afterward by the Johnson administration (principally with the Food and Agricultural Act of 1965) and often termed a "cash-out" reform in the tradition of the Truman-era Brannan plan. See David Orden, Robert Paarlberg, and Terry Roe, *Policy Reform in American Agriculture: Analysis and Prognosis* (Chicago: University of Chicago Press, 1999), for a detailed survey of presidential agricultural policy reform, especially pp. 46–84.

9,000 farmers in the United States that wouldn't be fully covered, you see, under this limitation thing. So, out of 762,000 farmers, 753,000 of them would get back—

President Kennedy: Now, it would save . . . it would obviously be of help to the textile mills.

Hodges: It would because they would be getting cotton at a lower price.

President Kennedy: And it would help the textile workers . . . it would. . . . Would it help these other farmers? Help the what?

Theodore Sorensen: The exporters, because they get . . . they wouldn't have to take the subsidy, they'd—

George Ball: Well, according to the textile mills, it's better than getting the equalization fee, because it means that their cost of the finished textiles is less and, therefore, they can compete better with other fibers—such as man-made fibers.⁷⁸ As it is now they are being priced out of the market by these . . .

President Kennedy: Even if they . . . they would just deal with their farm problems, not with their man-made competition.

Hodges: That's right.

Ball: That's right, their imports.

Hodges: [Unclear] written a letter to you, Mr. President, [unclear] compensatory payment system would provide a more sound and realistic solution [unclear] logical [unclear] it'd be my judgment that sharp political opposition makes it impossible [unclear] happened twice in the last 48 hours, he said. It was up again last week. He said he's brought it up four times, and he says he doesn't get to first base. [Unclear] or not.

O'Brien: No sir, he didn't.

Hodges: [Unclear.] He had it up . . . [unclear] decrease, but he—

Sorensen: [Unclear] southern counties, and others in the House.

President Kennedy: You mean Arkansas?

Sorensen: Yeah.

O'Brien: Yeah.

78. The equalization fee, pegged then at 8½ cents per pound, was an alternative method of equalizing the prices paid for raw cotton by foreign and domestic producers and was to be applied to the cotton content of all textile imports. Ostensibly, it was designed to compensate domestic producers whose costs were greater due to the price supports accorded domestic cotton farmers. This became a sticking point in the acceptance of the Long-Term Cotton Textiles Arrangement, openly opposed by all but the United States and Great Britain, and was at this point considered a dead article (see "Statement by the President on the Differential in Cotton Costs Between Domestic and Foreign Textile Producers," 6 September 1962, *Public Papers of the Presidents, John F. Kennedy, 1962*, pp. 664–65).

Sorensen: And the difficulty is they haven't made enough trades on that committee. The committee is [*unclear*].

O'Brien: My feeling is, Mr. President, why should the Congress be putting pressure on you, if this is going to make them . . . It's their own members who are committing such a major [*unclear*].

Hodges: It's completely logical, but unrealistic politically that they might not be able to sell them that [*unclear*] administration [*unclear*].

John Duncan: I think, Mr. Secretary, that with the mills, if they realize that they need to get in behind this, and these folks will support us on it, I think some of this political—

President Kennedy: But they, themselves, muddy the atmosphere, every one of the little farmers accuse them of . . . they get the short end. We have to sell it to them. We have a job trying to sell [*unclear*].

O'Brien: Well, how much Russell could help on that [*unclear*].⁷⁹

President Kennedy: I don't know whether Russell—

Duncan: Russell is for this. He said . . . I was over there the other day, and he said, "I'd like for you to carry to the Secretary a message." I said, "Well, Senator . . ." He said, "He's never going to solve this farm problem, this cotton problem, unless he goes to compensatory payments."

President Kennedy: Well, if you have Russell on—

Unidentified: Russell is for it. Russell [*unclear*] get in behind it strong.

President Kennedy: It would make a big difference, and then they couldn't [*unclear*] hurting the—

Hodges: There's nothing [*unclear*] with these textile makers; it's a question whether in the committee meeting you get by—

President Kennedy: Well, then the question of whether the time to start it is now . . . whether we want to start launching that now and complicating the . . . whether it may be the only way to get the big ones to say, "Well, when we get the compensatory . . ." I think we . . . maybe our device is to say, "Well, now, if we get hard up, that we will . . . if the Tariff Commission doesn't report favorably on compensatory, then—"

Sorensen: On equalization.

President Kennedy: On equalization. "Then we will take another and include in it the consideration of compensatory."⁸⁰

Ball: All right. Let me suggest, Mr. President, there's a very serious question as to whether you have the power to impose an equalization fee

79. Senator Richard Russell of Georgia.

80. As President Kennedy expected, the Tariff Commission rejected the request by the Department of Agriculture for an 8½ cent equalization fee.

if there's an adverse finding in the Tariff Commission. I . . . It could . . . you could resolve it either way. I think that you could make a stronger case that you do not have the power to do this.

Hodges: [*Unclear*] yesterday, thought he said he did.

Ball: No. There's . . . the Tariff Commission has expressed the view that you would *not* have the power. The Department of Agriculture in the [*unclear*] case took the position that you did. I've had our own legal adviser look at it, and the opinion of the legal adviser is that you do not have the power. I have a memorandum—

President Kennedy: On what grounds? On what grounds?

Ball: Because the statute requires that you act on the basis, not on . . . merely on the findings but on the recommendations of the Tariff Commission. And if the recommendations are adverse, then there is nothing on which you act. And that you fix such relief as is required by the findings of the report, I believe it is, of the Tariff Commission. I'll give Ted a memorandum on this, but all I can say is—⁸¹

President Kennedy: Can you take a look at that and—

Sorensen: Are you talking now about the National Security clause?

Unidentified: No.

Ball: No.

Hodges: This isn't about the Tariff Commission's negative findings [*unclear*].

Ball: No, I understand that, but what the textile people say is that you can't do it from that—

Unidentified: Oh, maybe [*unclear*] national security.

President Kennedy: Yeah, that's what they're talking about.

Ball: Oh, I see . . . no, I was . . . all I was saying was that—

President Kennedy: I don't know on what possible grounds of the national security you could use the equalization fee. I could see where you—

Sorensen: That textiles are essential to national security?⁸²

President Kennedy: Yeah, but the equalization fee, I don't know how you could prove that.

Sorensen: Straight out-and-out tariff.

Hodges: You know, I recommended yesterday, Mr. President, [*unclear*] associated with [*unclear*] in two would be put on four and a half, four and a

81. Referring to Ted Sorensen.

82. Textile industry representatives had argued prominently that textiles ranked second only to steel in their significance to national defense.

quarter [*unclear*] the other [*unclear*] compensatory or trade incentive through the [*unclear*].

President Kennedy: What's the trade incentive?

Hodges: Well, that's . . . that simply fixes it so that the shipper can turn in his documents, and you pay him. Isn't that right, John?

Duncan: Yes, but it does . . . what complicates things with the President is the much . . . man who is the buyer of the cotton from the farmer and who sells it to the mills.

Hodges: Right.

Duncan: He would get the . . . he would get the compensatory payment and then pass it on to mills.

Unidentified: It's like [*unclear*].

Duncan: That's right.

Sorensen: That's the third set of subsidies.

Duncan: That's right.

O'Brien: Yeah . . . that's right.

President Kennedy: Well, I have . . . we got ourselves in to this [*unclear*]. I've never . . . this isn't a . . . we don't want to let the textiles push us to getting a commitment from us on this equalization fee, because we've never gone for that. And this description of George Ball's memorandum, the effect of it . . .⁸³ We might as well not almost have the bill.⁸⁴ Is that a fair statement, or not?

Ball: [*Unclear*.]

Hodges: I haven't seen it. It wouldn't . . . it wouldn't create a—

Ball: It would open a Pandora's box for us. It would be enormous trouble around the world.

O'Brien: We'd have to pay compensation.⁸⁵

Hodges: [*Unclear*.]

Ball: Yes. As a matter of fact, this was something I got over to the President this morning before he saw Sidney [*unclear*].⁸⁶

President Kennedy: Not an equalization?

Ball: This isn't an attempt to put this stuff down the drain.

83. See "Memorandum from the Undersecretary of State (Ball) to President Kennedy," 21 August 1962, *FRUS*, 9: 532–36, particularly pp. 533–34 under the heading "Cotton Equalization Fee."

84. The Trade Expansion Act, introduced by the President in January 1962 and under consideration by Congress at the time of this meeting.

85. To other countries for having transgressed earlier trade agreements.

86. The President met with a Sidney H. Woolner, commissioner, Community Facilities Administration, at 11:55 A.M.

President Kennedy: Now, what is it we've got. What can . . . what grounds . . . what can we stand on?

Sorensen: Well, I think, Mr. President, that the language of your . . . there's a pledge number four—in the seven-point program—is sufficiently broad so that you are not on the hook on the equalization program.⁸⁷

President Kennedy: Hell, I never got on the hook on equalization. They're trying to ride it into it. Now, let's just assume the Tariff Commission comes out—negatively, what are we going . . . where are we going to be about the 1st of September?

Sorensen: I think you need to make the pledge that if they come out with . . . negatively—you might even want to make that ahead of time—that you intend to go back to the Department of Agriculture to carry out this recommendation, and find some means, and we'll submit legislation, legislation that gives . . . we'll submit legislation to direct . . . We don't even need to go into details.

President Kennedy: What . . . we don't want to suggest what these alternate terms might be?

Sorensen: No, because I think, probably the Department of Agriculture—

President Kennedy: I think they're going to have to just stick with it. I think we're going to have to agree with this [*unclear*]. If the Tariff Commission . . . just say first it's before the Tariff Commission. The Tariff Commission acts negatively on the matter. Then we are going to come up with some other means . . . alternate means to provide . . . this is all I can give you now. You just have to take your chances on it. If you go ahead and gut the bill . . . I could say, now, if you go ahead and gut the bill, on this ground, what is it . . . what sanction could we use against them?⁸⁸ What sanction?

Ball: Well there's . . . the main sanction is that they won't get even their long-term agreement.⁸⁹

President Kennedy: They won't get the long-term agreement, which would be what? Then that—

Ball: They have no protection, then, against imports . . . textiles.

87. As noted in the introduction to this meeting, this point (4) called only for the equalization of prices without specifying how that would be accomplished.

88. The Trade Expansion Act.

89. As noted above, the Long-Term Cotton Textiles Arrangement included provisions for maintaining import quotas at the current 1962 levels in 1963 and 1964.

President Kennedy: You think it would be foreign imports? [*Unclear*] because they could pay the—

Ball: Well, the tariff has never been an innovation.

President Kennedy: Yeah.

Ball: [*Unclear*.]

President Kennedy: So instead of their getting a 6 percent limitation, they're liable to get it up to 10 percent.⁹⁰ And if they try to put it in the bill, we'll veto the bill. We won't have any trade bill . . . we won't have the trade bill; we could just run along.

O'Brien: That's a strong point. The sanctions that are available [*unclear*] no question about it.

Hodges: We haven't even discussed those.

Unidentified: [*Unclear*.]

Hodges: [*Unclear*.]

Ball: No, I mean, you . . . we've gone a long way to help the industry, and there comes a time when you have to say, "Well, we've really got to get something out of you. You can't squeeze us to [the] last drop here because we've given you so much, we could also take it back." The United States hasn't signed a long-term agreement yet.

President Kennedy: Then what would happen? Then, all right, they say, "All right, if you do that, we'll defeat the bill."

Sorensen: The point is they might as well defeat the bill, if we're going to have—

President Kennedy: That's the attitude we ought to take with them.

Sorensen: —an equalization fee which uses an [*unclear*].

President Kennedy: If you get an equalization fee, you're not going to get the long-term agreement, anyway, are you?

Ball: No, certainly you're not.

Hodges: We've said that to the industry regularly. They . . . as I told you yesterday, they have really come to the conclusion, I think, that [*unclear*] defeat [*unclear*]. They'd rather have the 8½ cents.

Ball: Well, the point . . . the difficulty with that is that that doesn't at all meet their problems as far as—

President Kennedy: Well, the only thing is, if they can't . . . unless they get it out of the Tariff Commission, they can't . . . they can't get it out of us. Because if we say, "No, we won't give it," their only choice after that is to defeat the bill. If they defeat the bill, they defeat the long-term agreement, and they gut it. Now, they can say, "Well, we'll screw you in two years" or

90. Limitation on cotton textile imports as a percentage of U.S. production.

something, but the point is . . . I think the difficulty is that to really talk to them without any recognition that this is not completely a one-way street. There isn't much really they can do to us. Because we don't need . . . we can survive another year without this bill . . . if they wanted to do that.

O'Brien: The only thing they can do is—right now—is defeat the bill.

President Kennedy: Yeah. That's all they can do to us. Now, if they defeat the bill, our bill is defeated, but we might as well have the bill defeated as we are having them put in something that's either going to cost us two or three hundred, four hundred million dollars, now, isn't it?

Ball: Mr. President, I don't think there's any serious intent for the industry to defeat the bill.

President Kennedy: Well, they want to get me, though. The price of their supporting the bill is to put in an equalization fee. I tell you, once we write that into the statute, how much would it cost us [*unclear*]? Number one, what would it cost us budgetary-wise, and number two, what would it cost us . . . what will it do to the long-term agreement and what will it do here and there? That's the problem isn't it?

Ball: And with compensatory payments we'd have to make concessions on other products because these things are bound up together.⁹¹

Sorensen: Two hundred million dollars, Mr. President, is not going to cost you budgetwise, it depends on what you'd have to make in concessions—

President Kennedy: Yeah, but how would it not cost us budgetwise? It wouldn't cost us anything?

Ball: It would mean that we would use up a great deal of the authority we get under the bill for no quid pro quo.⁹²

President Kennedy: Except for the protection of the textiles. That's [*unclear*]

Hodges: If you put on an equalization fee, you'd have to—

Ball: You'd have to pay compensation on something over 200 million dollars in fees.⁹³

91. Compensatory payments to other countries and *not* to U.S. producers of cotton as discussed earlier.

92. The Trade Expansion Act allowed the President to make limited tariff concessions. It was Ball's contention that since an equalization fee (on the raw cotton content of imported goods) would curtail the importation of primary finished textiles such as yarns but not apparel (with its much lower percentage of value tied to its cotton content), it would do little to offer relief to the U.S. textile industry.

93. Reference to GATT arrangements by which compensation in other categories of goods would be required as a penalty for reneging on a portion of the overall tariff and quota arrangement.

President Kennedy: And they could pick their target?

Ball: Sure. They could retaliate against us there on any kind of trade item they want.

President Kennedy: Agriculture?

Ball: If they didn't feel we were making an adequate compensation offer. Sure, on agriculture . . . on the most sensitive things is what they would do.

President Kennedy: Well, let's get a list of what those might be.

O'Brien: They could . . . tobacco.

Hodges: On wool, you know, we had that wool and coffee thing.⁹⁴ They brought in [*unclear*].

O'Brien: Tobacco is the one they talked about the most.

Unidentified: And carpet and glass.

President Kennedy: Tobacco, carpet, and glass?

Ball: In the carpet and glass case, they were talking about retaliation.⁹⁵ They would rather pick the tobacco one when we got our friends [*unclear*].

Hodges: [*Unclear*] chemicals.

Ball: Yeah, but tobacco was first.

Sorensen: Yeah.

President Kennedy: Well, all right. We've been around a little on this. Now, what about the rest of these points?

Hodges: Well, let me send Tommy on this thing. We'll make it seem more likely [*unclear*] and if you decide that we might want to [*unclear*] the international [*unclear*]. I think the thing to do is [*unclear*] at the time that you get this announcement from [*unclear*]. I'd rather that it would be after September, but if it would have to come now, I'd make a strong statement going back to the number four [*unclear*].⁹⁶

94. When the administration asked Eric Wyndham White, executive secretary of GATT, to make discreet soundings on behalf of the U.S. interest in reduced wool import quotas, the request was leaked to the European press, and the French, British, and Japanese governments, in particular, responded with vehement protests. The U.N. Coffee Conference was then meeting in New York (July–September 1962) and hatched an agreement among 56 countries to assure that coffee prices did not decline below the prevailing 1962 levels. The agreement obliged coffee-importing countries to restrict their imports from nonparticipating countries to the average level of the previous three years and was designed to prevent nonparticipants from profiting from expected increases in consumption.

95. Due to U.S. tariff increases on carpet and glass, particularly troubling to the Belgians, the EEC decided to take retaliatory measures on 4 June 1962. See the telegram from Secretary of State Rusk to the U.S. Embassy in Belgium, repeated to Bonn, Luxembourg, Paris, Rome, and the Hague, *FRUS*, 13: 100–1, 102–3.

96. Heeding this advice, President Kennedy issued a statement on the differential in cotton prices cited above.

Ball: Do you think we have to make much about it?

Hodges: We have to wish he didn't do it, but I'm going to ask them now to work out something which will [*unclear*] whatever, and take this strong statement and we'll have to fight it.

O'Brien: After all, all that a President can pledge is to send up legislation; he can't pledge to pass it.

Hodges: No, but he can be strong for the fact that it's a wrong thing to have if they pass it—if he says that point of view. I'd like to tell people down there [*unclear*] on the Hill, so when it gets back to us then we might be able to do it. But if he just says, "There's nothing I can do about it since they reported it," then we're in a weak position. But that's the only part that I would have [*unclear*] that's not crucial.

President Kennedy: Well, now, if we get what the governors are suggesting, what they recommend . . . suggesting, which is 4½ cents. Governor?

Hodges: Yes. 4¼ to 4½ . . . I just—

President Kennedy: [*Unclear*] import fee?

Hodges: That's right, [*unclear*] an import fee and an annualization on . . . fee for that compensatory payment. [*Unclear.*] Let the Congress take half of it, and we'll have a [*unclear*]. It doesn't necessarily satisfy anybody, but it doesn't make them whole, but it's [*unclear*].

President Kennedy: Well, what about that?

Ball: Well, I think you still lose the long-term agreement. This has become a vital point of issue with these people.⁹⁷ They've served notice on us that they're not going to sign the long-term agreement—

President Kennedy: How important is the long-term agreement? Would you say that's—

Ball: Well, there's no protection for the industry at all against this kind of Hong Kong textile that [*unclear*] the long-term agreement.

Unidentified: It's absolutely vital to establish the point.

President Kennedy: The long-term agreement [*unclear*]. Do they understand that yet, the industry, about the long-term agreement?

Unidentified: [*Unclear.*]

Ball: The leadership, yes.

O'Brien: Bob thought they'd take 8½ cents—

Hodges: If he doesn't, that's true. That would be illogical.

O'Brien: That's why I'm dealing with people that are, at the moment, quite illogical.

97. The equalization fee.

Ball: Well, I reasoned, Larry, that they're prepared to say that we'll take the 8½ cents in the long-term agreement, because they know that if . . . if the long-term agreement were defeated, then they would try to press for mandatory quotas. They just—

Hodges: My point is, the President goes through a fight like this and they [*unclear*] to me . . . I don't think the rest of the Congress will support protectionist [*unclear*].

President Kennedy: On what?

Hodges: On coming in later in the year, two years from now, try to get—

President Kennedy: Well, not if you kept the quota amount . . . if you kept the import at 6 percent?

Hodges: But I would assume, that if . . . if what George says is that they don't the agreement—

President Kennedy: Oh.

Hodges: —then they won't have any 6 percent. They'll [*unclear*].

Duncan: Now, the 8½ cents, I think . . . equalization fee does not solve all the problems. [*Unclear.*] With all the cheap labor—grown like it is—they can still ship it in much cheaper—

Ball: See, it makes the difference—

Duncan: —[*unclear*] China.⁹⁸

Ball: It makes the difference on greige goods and yarns; it makes very little difference—the 8½ cents—when you get into finished fabrics because there you've got a big labor component and a lot of other costs go in, and the raw cotton cost is only a minor element.⁹⁹

President Kennedy: Well, now you . . . this letter Vins[on] . . . which Kalman wrote, is that . . . did we show him that?

Unidentified: No.

President Kennedy: He's got three points: he doesn't like the [*unclear*]; he doesn't like the [*unclear*]; he doesn't like the state of the nation. [*Unclear.*] [*Laughter.*] Probably . . . well, anyway we don't want to get too [*unclear*] . . . we have to have an answer to that letter, though.

Hodges: Yeah, I had thought that it might be [*unclear*]. We've covered this . . . the others haven't [*unclear*] we've covered this short-term

98. President Kennedy was particularly concerned at this point that the Japanese, who still imported substantial amounts of cotton from the United States, would turn more and more to the Chinese instead.

99. The equalization fee as proposed would have applied only to the raw cotton content of finished textile imports.

agreement, there, and I wanted you to take a look at what happened under the short-term agreement in the first . . . in the first nine months. [Unclear] usually we were running 304 percent [unclear], and it is this kind of thing that [unclear]. We are hopeful we can get it down by [unclear] to 6 percent or slightly under, and that the [unclear] big corporations, everybody—

President Kennedy: That's right, the majority, and since they understand we've got a . . . that's a commitment we've got to meet . . .

Ball: Well, we'll prepare the background.

Hodges: What about the working parties? Aren't you [unclear]?

Ball: Well, we're prepared to do that.

President Kennedy: What can we do with Bob Stephens?¹⁰⁰ They say he's . . . [unclear] said he's a . . .

Ball: He came up and testified for the Bush amendment, which is really gutting the bill.¹⁰¹

President Kennedy: Well, now, what about the . . . who's going to do the negotiating when [unclear] going to be on the advisory committee, and so on?

Hodges: The negotiating team?

President Kennedy: Yeah.

Hodges: That guy down in Fayetteville?

President Kennedy: Yeah.

Ball: Well, you'll have . . . you'd have a chief negotiator. The so-called special representative, who you appoint with the advice and consent of the—

President Kennedy: I have no idea. If we could ever initiate [unclear].

Ball: Well, I've got a suggestion that I will make to you tomorrow afternoon because I'm lunching . . . Ralph Dungan and I are lunching with a fellow whose been very highly recommended by McNamara,¹⁰² whose been a—Gossett—vice president and general counsel at Ford Motor, and numerous executive . . . and he was just retired . . . 56 years old.¹⁰³ He's a

100. Robert G. Stephens was a newly elected Democratic congressman from Georgia. First elected to Congress in 1960, Stephens was a member of the legal staff at the Nuremberg trials.

101. Protectionist amendment offered by Prescott Bush (R-Connecticut) that would have restored the powers of the peril point, the limit at which a tariff cut was considered a threat to domestic industry (with corresponding powers to alter tariff rates upward) and a provision removed under Kennedy's Trade Expansion Act.

102. Ralph Dungan was an assistant to Presidents Kennedy and Johnson and supervised presidential appointments.

103. William T. Gossett, eventually named deputy special representative under Christian Herter.

lawyer originally, he's moved all over the world for them, and McNamara tells me he's the best fellow in the world for this job. And he's available, I think.

President Kennedy: Well, we just have to . . . we have to [*unclear*], what is his reputation?

Hodges: [*Unclear*] the first one.

O'Brien: Higher reputation than Boggs, Mr. President.¹⁰⁴

President Kennedy: It would have to be some fellow who . . . we could get some fellow before this thing came to the floor. It'll make a hell of a difference [*unclear*].

Ball: Well, he's coming into lunch with me tomorrow, and [*unclear*].

Hodges: You don't understand my suggestion; you've got to be sure that neither you nor I or anyone in the department is connected with it [*unclear*]. It's got to be presidential and it's got to be from the business community, such as you suggested.

Ball: I wholly agree.

Hodges: And I really mean that. Because it's going to get down to where somebody at the State Department or the Commerce Department has picked a man and you're going to hurt—

President Kennedy: Oh no, it's got to be somebody who can . . . is going to be . . . help us. You need a guy whose reputation is sufficiently enjoyed.¹⁰⁵

Hodges: [*Unclear*] White House and—

President Kennedy: Not only good, but he . . . not only will be good but at the least—

Hodges: Well, listen, I didn't know you . . . just as you had . . . you and Mills had [*unclear*] a trade policy committee, [*unclear*] you have a chief negotiator. The question is, if we could agree—State, Commerce, and the rest of us with you—that it would be done by a chief negotiator, responsible [*unclear*] and not the State Department nor—

Ball: Or a [*unclear*] in accord with this.

Hodges: Then I think then that's . . . that's the way you could . . . then you could make that statement. As it is now, you could say, "Well, we aren't going to do that because the State Department convinced us that [*unclear*]." We just have to keep quiet—

104. Possibly Democratic congressman Hale Boggs of Louisiana.

105. President Kennedy ultimately appointed Eisenhower's secretary of state, Christian Herter, as special trade representative, a position outlined in Chapter 5, Section 241, of the Trade Expansion Act of 1962.

President Kennedy: Well, now if we get this fellow, and his reputation's not good, then what about the . . . is there an advisory committee also?

Hodges: There would be an advisory committee.

Ball: An advisory committee—

President Kennedy: How many are on that?

Ball: Well, the last one we had was, what . . . about 12 . . . 16 active. . . . They're drawn from industry, from agriculture, and from labor.

President Kennedy: Now, what about if we could indicate . . . is there a chairman of that body?

Ball: No, they're not a committee, they're advisers. Because they would be . . . as a group they're advisers to the chief negotiator.

Hodges: In order to reconvene them, if you—

President Kennedy: Well, if Curtis doesn't think that if Stephens were going to be one of those advisers . . . that would help.¹⁰⁶

Hodges: Who?

President Kennedy: Stephens. [*Unclear.*]

Hodges: Well he would be, probably, an adviser from the . . . of the industry group that's called in every time you have it.

President Kennedy: Well, I'm just trying to dress this thing up, and can't we, therefore, say that he will be one of the advisory group, if he could do it?

O'Brien: Why don't we . . . I think we have enough time.

President Kennedy: Yeah, well . . . so, I would think—

At this point, Ted Sorensen attempted to shift the discussion to the more specific problem of wool imports which, unlike cotton textiles, did not originate from low-wage countries attempting to flood the U.S. market. Italy, Great Britain, and Japan accounted for most of the wool textiles exported to the United States.¹⁰⁷ An overall trade surplus with Japan, a long-standing and reasonable trade relationship with the United Kingdom, and the recent modernization of the Italian wool textiles industry all suggested little room, diplomatically, to negotiate new protections for the U.S. wool textile industry. Major exporting countries had also made it

106. Representative Thomas Curtis (R-Missouri), who had recently denounced the Kennedy administration for its willingness to shield textiles while purporting to promote free trade.

107. Wool textile imports from these three nations made up approximately 75 percent of the total. Hong Kong had risen rapidly to the fourth spot among these importers and also merited close attention by the administration.

explicit that agreements on cotton textiles under the Long-Term Cotton Textiles Arrangement were not precedents for similar agreements in other fields. Moreover, new, historically high wool textile import duties had become effective on January 1, 1961; it was entirely possible that higher duties might do nothing more than price wool textiles out of the domestic market by encouraging the production of synthetic fabrics. "As was made clear in the discussion of the Textile Committee," George Ball wrote to Deputy Special Counsel Myer Feldman in December 1962, "There is *no* cheap, quick, or easy way to achieve the required restraint on woolen textile imports."¹⁰⁸

Momentarily diverted by Secretary of Commerce Hodges's comments on estimates of cotton textile imports (as a percentage of U.S. production), President Kennedy and his advisers began a lengthy discussion of wool textile import levels, of the upper percentage level to which the administration was committed, and of the method by which the administration could report actual import levels without causing further alarm.¹⁰⁹

Sorensen: I think the big unresolved problem with this group tonight is wool.

President Kennedy: What about wool?

Hodges: Couldn't they . . . one second say that they'll do it from the short term to the long term . . . is it . . . are we all agreed, the State Department and the rest of us, that we will hold this long term to the . . . not more than 6 percent, whatever it takes? Is that what your committee [*unclear*]. Then this . . . the short term has gotten out of hand, and—

President Kennedy: We're going to hold the long term at 6 percent.

Sorensen: That's right.

Ball: Sure, that's the . . . that's the—

Sorensen: That's right . . . that's right.

Hodges: We have, what do we have [*unclear*]?

Unidentified: We have no commitment for that.

Hodges: Huh?

Unidentified: We have no [*unclear*].

108. "Letter from Undersecretary of State (Ball) to the President's Deputy Special Counsel (Feldman)," 5 December 1962, *FRUS*, 9: 547. Ball's emphasis.

109. Wool textile imports, as a percentage of U.S. production, rose from approximately 13.6 percent in May 1962 to approximately 19.3 percent by May 1963.

President Kennedy: OK.

Ball: I don't think that . . . you're going to find it, mechanically, that for a certain period you may step over, you may have to go back, as long as it's from an administrator—

President Kennedy: I think we're clear on that. How about wool?

Hodges: On the wool I think will be different than [unclear]. [*Brief pause; shuffling of papers; whispered voices.*]

President Kennedy: [*reading*] The Commerce Department [unclear] imports in the 12 months ending May 31st of '62, of 50 million pounds, compared to 45 million pounds in '61. The Commerce Department projects that [unclear] category, '62 imports will total over 71 million pounds . . . the final result of a budget of something over 20 percent. The projection makes the unlikely assumption that the imports of Italian wool cloth, [unclear] duty-free by the Virgin Islands, can be stopped immediately.¹¹⁰ That would force scattered disruption of domestic wool [unclear] and imports [unclear] is obvious. No action taken by the United States under the present seven-point program respecting imports of woolen textile products as of July of this year [unclear] international—

Hodges: Sixteen months after [unclear].

President Kennedy: A wool study group was requested for late November.¹¹¹ The various governments involved have formed a non-[unclear] international woolen textile agreement [unclear] meetings. Soon the Commerce Department's projections [unclear] imports rise in the last half of '62. We must take prompt action if limitations are being imposed on woolen imports, to restore the 15 percent level.

There are only three methods by which this can be accomplished: individual quotas imposed unilaterally by the United States through a [unclear] fee; bilateral [unclear] to negotiate formative arrangements with . . . in the [unclear], together which account for 75 percent; an increase in duties in all segments of the wool textile product industries [unclear] State Department [unclear] delay.

Sorensen: Well, the State Department has an alternative.

President Kennedy: That's a sad story . . .

110. Woolen imports from the U.S. Virgin Islands were being reduced significantly, but by the end of 1963 they still amounted to approximately 10 million linear yards annually.

111. A London-based international wool study group was arranged by U.S. under secretary of state George Ball. This group, made up initially of British and U.S. representatives, met for the first time in December 1962. This was followed by meetings in Rome in December 1963 and in Paris in March 1964 which included other interested European countries.

Ball: Well, let me . . . let me just raise one question which I think is . . . we ought to . . . we ought to agree among ourselves on. I don't think there's been any commitment to 15 percent.¹¹² The commitment was, we intended to implement this policy with regard to all textiles, and particularly to prevent market disruptions such as would result from an increase over current levels of imports.

Now, if you take . . . if we seasonally adjust those current levels of imports—which is what you've done in your figures to arrive at an estimate for this year—then there never was a commitment to 15 percent. Fifteen percent was the figure which did not take into account the seasonal adjustment.

Hodges: No, it did that into account, because you have a full year . . . in arriving at that 15 percent.

Ball: Well, you were taking the 15 percent, anyway.

Unidentified: [*Unclear*.]

Ball: OK.

O'Brien: But that's not current levels. We were complaining about—

Hodges: It says right here . . .

O'Brien: —[*unclear*] May, June or July of this year.

Hodges: [*Unclear*.]

Sorensen: May was the latest figures . . .

Ball: Yes, I understand that.

O'Brien: What was the [*unclear*] percentage, then, in May?

Hodges: Fifteen even. [*Unclear*] ending in May.

O'Brien: Well, what was it in May?

Hodges: May 7 . . .

O'Brien: Sixteen-three . . .

Sorensen: So we could certainly say the current level is sixteen-three, [*unclear*]? So, wait—

O'Brien: No, we [*unclear*] one month, yes.

President Kennedy: Well, let's see, limit . . . we . . . limitation of tex-

112. Reference to the percentage of wool textile imports as a percentage of U.S. production. By the end of the year, adjusting somewhat to the rapidly increasing levels of imports, the popularly suggested limit had risen from 15 to 17.5 percent. See "Letter from (Ball) to (Feldman)," p. 546. Perturbed by the suggestion that he signed off on a commitment to limit wool textile imports to 15 percent, Ball told Carl Kaysen, "What happened was that after the commitment was made I simply said, 'I don't know how in the hell we'll do it, but we'll do our best.' This is the only thing one could say. But now I find myself in a position where I am getting blamed for getting him into a misguided commitment, which couldn't just be further from the truth" (Memorandum of telephone conversation, George Ball to Carl Kaysen, 25 February 1963, Ball Papers, Balance of Payments, 1963, John F. Kennedy Library).

tiles to prevent market disruptions [*unclear*] increase over current levels of imports. This was August 7th, written?

Hodges: That's right. The last figures, sir, were May figures. So we had to interpret in terms of May figures.

President Kennedy: Well, I suppose July gives us a different figure, wouldn't it? We're going to set terms.

Hodges: [*Unclear.*]

President Kennedy: Yeah, but I mean—

Ball: [*Unclear*] the current. If you take August, of course, it was a [*unclear*].

President Kennedy: On August 7, that would be . . . you'd have to take July if you wanted to—

Ball: Take July—

Sorensen: [*Unclear*] May, June, or July.

O'Brien: But nobody really knew what imports were during that period.

Ball: But he said, "current level."

Sorensen: I don't think you could take anything less than a year, it would be grossly . . .

O'Brien: Certainly, that's their understanding of the . . . what [*unclear*].

President Kennedy: Why? That's what it was in May.

Hodges: That's what it was, the 12 months ending May 2nd. [*Unclear exchange.*]

O'Brien: As far as the members up there are concerned, that's the figure that they keep in mind.

Ball: Well, where did they get it from?

President Kennedy: I suppose they took the figures from May to May?

Hodges: They knew, as everybody knew, that May was the last figure. So they took it [*unclear*].

Sorensen: Well, at least on as far as the record goes, you're not up to 15 percent.

Hodges: No, there's no 15, just like there's no 6 percent. [*Unclear.*]

President Kennedy: Yeah, as far as . . . no, I told Larry O'Brien . . . I told Bill . . . Brian [*unclear*] it was 6 percent. That I told him. I hadn't heard 15 percent until last night. Current levels . . . say that the current levels are the figures that . . . the level that we last have figures for as opposed to the actual level that is coming in. I must say that, I would say that . . . we ought to try to make a case right now. I would say that the current levels mean things that are coming in at this point. It doesn't

mean that it happens to be the last one for which we have statistics. That's just gratuitous.

Hodges: Would you take a single month, Mr. President, or a period?

President Kennedy: I would say a period . . . I would say the . . . if I were going to do it. If I thought of it I would say, probably, from January to the end of July.

Ball: Well, the trouble is that the Commerce Department has shown that they always go up toward the last six months of the year. So if you're taking the low six months and extrapolating it . . .

Hodges: Well, in that case, let's take a year.

Ball: [*Unclear.*]

Hodges: Let's take a year. You'd have to take a year, wouldn't you? You'd have to take a year.

President Kennedy: We'd have to go, say, from the 1st of July to the 1st of July. You've got 1st of May to the 1st of May. Actually, you've got the 1st of June to May 1st—

Hodges: Well, we have both here on this page, and we also have—

President Kennedy: One is 15 percent. Suppose you went—

Sorensen: The next month is 15.9 percent . . . at the end of June.

President Kennedy: Well, in any case, I don't think we're talking about 16 . . . 15 to 16 percent—

Hodges: Closer to 16 or 17, the problem is exactly the same.

Unidentified: It was 19 percent in 1960.

President Kennedy: Nineteen percent for the year?

Unidentified: For the year, 1960.

President Kennedy: OK.

Ball: It is imperative that there be some sort of a specific figure which you base it on. Now, what for 500 —

President Kennedy: By what means can we give them a figure, whether 15 or 16 or 17 percent? Have we got a chart . . . I'm familiar with what happened in cotton textiles about the ratio of increase, have we got a chart showing how they were from '57 up to '60, so we can say that it's less now than it was?

O'Brien: That's not in chart form, Mr. President, but we do have it for . . . we do have it in [*unclear*]. [*Unclear exchange.*]

Sorensen: Yes, I have a chart from '59 on [*unclear*].

President Kennedy: It was 10 percent in '57; 12 percent in '58, '59 . . . 18, 19 . . . '61 it was down a quarter.

Sorensen: Fifteen percent.

President Kennedy: [*Unclear.*]

Sorensen: Well, then you're—

President Kennedy: Now they're talking about a projection for '62 back to 19 [unclear]. What could we do to squeeze that down?

Ball: Well, there's one small thing, which has already been done—

President Kennedy: The Virgin Islands.¹¹³

Ball: This Virgin Islands thing.

President Kennedy: Well we're going to offer . . . We're going to offer an amendment, are we?

Ball: Huh?

O'Brien: That's not included in there.

Unidentified: These figures assume that we will be able to stop [unclear].

President Kennedy: Oh, does it?

Unidentified: Yeah.

Hodges: Whatever the figures [unclear] between 16 and 17 [unclear] it will take some pleading with the industry—which we can do. The question is that you've got to take a position how we're going to hold it to any of these figures.

Ball: Yeah.

Hodges: Whatever it is.

President Kennedy: Are there any other means by which it can be held?

Ball: There is one point that should be brought out and that is we don't know yet that is going to be significantly above 15 or 16. This is a projection based on—

Hodges: Well, we've got a projection that [unclear] detail, plus the projection of an industry which we checked into [unclear] just yesterday.

Ball: Yes. Yes . . . well, I have a suggestion in a memorandum, there, about the way to get them to approach this thing rationally. Again, I have just given a copy to Ted.

Sorensen: I just gave it to the President.

President Kennedy: Where is that?

Hodges: A full-blown crisis?

Ball: Yeah.

Sorensen: With McNamara that's even more popular.

Unidentified: I wouldn't doubt that.

Sorensen: It's cotton compensatory payments . . . it's cotton—

113. Reference to the discussion, above, regarding Italian wool being imported duty-free through the U.S. Virgin Islands.

Hodges: Well, it's that compensatory—

Ball: Well, [*unclear*] Walter Heller, himself, said—

Sorensen: In my opinion, I'd like to have Agriculture take a look at your memorandum. I think that makes a lot of sense.

Hodges: I think you'd be in . . . I wouldn't make that trouble, because you're trying to make up [*unclear*] and special wool payments.

Ball: They already have special wool payments.

Hodges: Huh?

Ball: They already have special wool payments. [*Unclear exchange.*]

Unidentified: [*Unclear*] million dollars last year.

Sorensen: The senator from Massachusetts was . . . cosponsored—¹¹⁴

Unidentified: Yeah, the Wool Act of [*unclear*]. [*Unclear exchange.*]

Sorensen: It's not a bad bill . . . program now. It solved a lot of our foreign relations problems. [*Unclear exchange.*]

President Kennedy: Now, let's say about . . . what are the . . . what do you think that we . . . let's say that it's either 15, or let's say that it's 17 percent—whatever the figure is—by what means can we, or can we give any commitment on this?

Ball: Well, I would say this, Mr. President, that after the long-term cotton agreement is signed, it will be some time in October, we can start talking with the British and Italians. The British have always said that they would never make a deal and they only entered a long-term agreement on the assumption that we wouldn't extend it to other fibers. But the fact is that the British have some motive for being interested in a possible deal because they're missing the mark. They've had a long-term market here which they're gradually being forced out of by the Italians and the Japanese. So we might be able to get some support from the British for stabilizing.

Now, the Italian problem is a different problem because they've brought in a lot of new machinery and a new . . . whole new milling complex in Prado, in Italy. We've had some trouble, but we could probably do something with them.

The Japanese, we're . . . we spend most of our time trying to put the screws on them for one thing or another, and I suppose we could do it again, but—

Unidentified: Mr. President, I saw George Ball singlehandedly do one of the most beautiful jobs of negotiation that I could imagine in this cotton textile agreement, which is even infinitely more complex than

114. Republican senator Leverett Saltonstall.

what we're talking about here. I'm perfectly convinced that he could do this simple little — [*Laughter.*]

President Kennedy: Now, tell me, what is it that we can say to these fellows? Or what do we need to say to them?

Ball: I think the most you can say and the least you can say, perhaps, is that you will find a way to do this thing once the cotton textile agreement is signed, to get it down to. . . . I hate to see a commitment to 15 percent, but to a level that . . . 15 or 16, skip. . . . I think you ought to have some leeway.

Hodges: If you use the same current figure, that word *current*—

Ball: *Current.* Yeah.

Hodges: [*Unclear*] I think we'll be all right.

Ball: I think this is the most and least case —

Hodges: OK, can you get beyond, Larry, can we get beyond the October date [*unclear*] agreement . . . to give them any kind of answer?

O'Brien: Oh no, they're quite happy with all the . . . I think this . . . you just mentioned . . . to say that "current figures," so both of the [*unclear*] —

President Kennedy: We'll just say "current figures" and then if they start bothering us about them, I'll just say, "I don't know what the hell the current figures are, but they . . . whatever it is —

O'Brien: They'll say 15 percent —

President Kennedy: We'll just say, "Well, that's the current figure." I won't get into what it is.

O'Brien: [*Unclear*] because they're not often [*unclear*]. They think they know more [*unclear*] than they have. [*Laughter.*]

Sorensen: And also, they're represented, primarily, by the same congressmen who do not want to see the cotton agreement on sale. [*Unclear.*]¹¹⁵

President Kennedy: OK. What about now? What else do we have?

Unidentified: [*Unclear*] I think that —

President Kennedy: What about the letter from Vinson?¹¹⁶

Hodges: Yes, we have [*unclear*] draft [*unclear*] —

115. As George Ball would note later in correspondence to Secretary of State Dean Rusk, "The most important companies in the industry make both cotton and woolen textiles; thus they have already greatly benefited from the Long-Term Cotton Agreement" ["Memorandum from Undersecretary of State (Ball) to Secretary of State Rusk," 25 February 1963, *FRUS*, 9: 567].

116. Most likely a reference to the letter signed by 70 congressmen, including Carl Vinson of Georgia, who spearheaded the effort to organize a textile conference among these mostly southern, mostly Democratic representatives from textile-producing states, forwarded to the

Sorensen: A draft . . .

Hodges: —but I told Ted that I think I would put in [*unclear*].

President Kennedy: Let me see that. [*Unclear.*] Is this your draft?

Sorensen: No, no, that's the [*unclear*] if you do that.

President Kennedy: Now, what about . . . don't you think we ought to—

Sorensen: [*Unclear*] do that if we're not going to have any meeting down here.

O'Brien: Perhaps I'll . . .

President Kennedy: Get them in here [*unclear*].

Unidentified: [*Unclear.*]

President Kennedy: You want to set that up, Ted?

O'Brien: Well, actually, this meeting takes place unless we [*unclear*] from both sides [*unclear*] the House [*unclear*]. It's a question of [*unclear*] hold up that bill [*unclear*].

President Kennedy: You'll set it up, then?

Unidentified: I'll set it up.

The President left the Oval Office 20 minutes after the end of this meeting.

Wednesday, August 22, 1962

The President received mixed news this day. After again pressing the Soviets for a meeting of the four military commanders in Berlin, Secretary of State Rusk had little to report on the basis of his meeting with Ambassador Anatoly Dobrynin.¹ Moscow had not sent any instructions to Dobrynin, so the ambassador could only say that Moscow's policy had not changed. Meanwhile, the United States announced with its allies a plan to go to the assistance of any refugees injured by East German border guards. In Africa, the separatist government of Moise Tshombe in Katanga was sending hints it might join in a loose federation with the rest

President in June 1961. The letter warned that the administration's Trade Expansion Act would be jeopardized by the failure to protect the nation's textile producers (see "Letter from Members of Congress to President Kennedy," 22 June 1961, *FRUS*, 9: 469–70).

1. State Department Memcon, (Rusk/Dobrynin) "Berlin," 21 August 1962, *FRUS*, 15: 278–79.