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Thomas C. Mann
Donor

April 28, 1977
Date

acting James E. O'Neill
Archivist of the United States

May 17 1977
Date



This interview is being taped with Mr. Thomas C. Mann in Mr. Mann's home in Austin, Texas, on December the 17th, 1975. Present for the interview, Mr. Mann and Dr. Burg of the Eisenhower Library staff.



MR. MANN: On the question of whether there was any change in substance as distinguished from rhetoric between the Eisenhower and Kennedy administrations, I would say there was very little. And the best written evidence of that is to compare the resolutions adopted at this economic and social conference in Caracas in the last days of the Eisenhower administration--I think it may have been a year before--with the provisions of the Punta del Este charter; aside from the rhetoric, all of the programs were anticipated and initiated by the Eisenhower administration. For example, land reform, tax reform, all of what I would call the substantive parts of Latin American aid policy--inter-American bank--all of these things were created during the Eisenhower administration. Now what really happened was that Kennedy in much the same way that Franklin Roosevelt popularized Hoover's policies towards Latin America by coming up with the name Good Neighbor Policy, President Kennedy came up with the phrase the Alliance For Progress.

DR. BURG: In the Kennedy administration.

MANN: In the Kennedy administration. And so that the rhetoric was entirely different. There was much more optimism expressed, I think optimism to an unrealistic extent. When you talk about a decade of progress it can imply (which I do not think President Kennedy intended but certainly his aides encouraged people to believe) that all the problems, economic and social and political, would be solved in ten years. And that was patently absurd.



BURG: Those centuries of problems were going to yield rapidly.

MANN: Yes. Now it was that kind of euphoria that was different, but the content of how they were going to actually help people down there, precise programs and methods, were identical as far as I was ever able to tell, when you cut through the rhetoric.

BURG: Is it safe then to go along with Milton Eisenhower's remarks, I think made in The Wine Is Bitter, that the foundations for what came to be the Alliance For Progress, he maintained that he had laid them.

MANN: Well, his thesis is correct. Now who laid them I

wouldn't attempt to say. I think Doug Dillon and certainly Milton Eisenhower played a large part in that. And I'm sure a lot of other people did.

BURG: Can you speak to the issue of how much effect Milton Eisenhower's Latin American tours, tours of inspection, or fact-finding trips, however one speaks of them, what effect do you think that might have had in U.S. - Latin American relations? Was the overall effect a good effect?



MANN: I think the answer to that is yes. I think they are good. I must say that I have always had an opinion that trips by Presidents have only a transitory effect. They can be either good or bad. I think in the case of the visit of Milton Eisenhower they were good. I think he made friends, personal friends for himself and for the administration that endured even after the Republican administration, in Mexico for example. He probably was one of the first people to communicate well with Mexican government officials, the party officials. And I'm sure that was true around the hemisphere. I can't speak in detail about each particular trip because I

wasn't there or I didn't serve there after the trips were made. But the net effect was good.

BURG: It's interesting. What did he have going for him, Mr. Mann, that allowed him to make that kind of contact, make those kinds of friends? Was it his overall knowledge of Latin America that they warmed to?

MANN: Well, I think it was his personality. And certainly he's a highly intelligent man. And a man with an awareness of the social and economic problems of the world and sympathy for the people who are affected by the problems adversely. And I think that showed through. He was a very human human being, and I think that is more important than anything else in establishing friendly relations with the government.

Let me say this to you: Government relations in the long term, relations between any governments in the world in the long term, depend on the estimate of a people as to where their interests lie--their long-term, vital, national interests. Now if the conclusion in country X is that their long-term national



interests, as they see them, are adverse to the long-term national interests of the U.S. and its policies and goals, then relations will never be good. If, on the other hand, they think that they are parallel, then I think there's always a chance of using visits of this kind to strengthen understanding. This word "understanding" is much misused. It has a limited meaning, if you understand what I mean.



BURG: Would we run into a problem in Latin America of--there's a very strong difference between those currently ruling and those ruled--would there be any strong difference between how each of these groups sees the long-term interests of their country?

MANN: There can be great differences and there can be identical feelings about it. There can be either, depending on the internal developments that we have really no control over.

BURG: And I understand that when we speak of Latin America although we put it all in that one all-embracing term, we are speaking of very, very strong differences country-to-country as we pass through Latin America.

MANN: Each one is different from every other. Each one is different, really, from every other in nearly every way. Now there are many similarities, stemming from their common cultural, common language, and common religion. But when you get beyond these areas which they have in common, their traditions and habits, thought and action, cultures then the differences are very great.



BURG: I get the impression that Dr. Eisenhower fully recognized that.

MANN: I think he did.

BURG: Which might have assisted him in his work.

MANN: I'm sure it did. I think his work in Latin America was constructive.

BURG: You've used in our past conversations the words realistic and realist. It would seem as though Dr. Eisenhower viewed Latin American problems and our potential role with Latin America in a most realistic way. Is that a fair assumption?

MANN: I would think so. I would say that he was one of the people responsible for, principally responsible for, the social dimension of the aid program in Latin America, one of the important movers behind that. I don't think any of us including your humble servant understood at that time that just handing out money we weren't really going to accomplish very much, unless--and I think this is the phrase from [Dean] Acheson--unless the internal conditions in that country were propitious for taking advantage of the aid. In fact an aid program can be a disservice to the country to which the aid is given in terms of making it possible for irresponsible governments to follow irresponsible policies for a long time while building up a national debt that a more intelligent and responsible government that follows will have to pay back at the same time that it tries to solve the problems that were unsolved before because they were unpopular. The whole concept of self-help, I don't think we really understood it clearly enough, including me, in those early days.

And I will tell you why we didn't understand; it's very simple. The Marshall Plan had worked so well in Europe that



we assumed, we took for granted, that if we applied the same policies, used the same dollars, used the same technicians, in a developing area of the world that we would have more or less the same results. I don't say identical results, but that we would have good results. Take the case of Bolivia which I will use just because it's an extreme case. I haven't checked the figures but I expect we put in more money per capita into Bolivia with the same policies, the same dollars, the same programs, that we used in Germany. In Germany you had an economic miracle; in Bolivia you had nothing to show for it, really. Now this is something that I came to realize, I guess fully realized, during the Kennedy administration when I was in Mexico and began to talk in terms of self-help for the first time. So I'm not blaming anybody; I'm saying that when you initiate a program, a new program, for this area with the experience of immediate success that we had had with the Marshall Plan in Europe, it's very human I think to assume that if it works in Europe, it's going to work in Latin America. And I don't think that was a valid assumption. I think what we should have understood better, and didn't, including me



most of all because I was working in the area, that conditions have to exist in a country which are propitious for social and economic and political progress. And if those conditions don't exist, just pumping in money by a foreign government which does not properly control internal policy is not going to have a very great effect on either the social, economic or political situation in that country.

BURG: And in Bolivia you had a relatively unsophisticated--

MANN: Right.

BURG: --ill-educated public--

MANN: Now, I will say this too, that that issue really didn't come up sharply because we were initiating, I would say in the second part of the Eisenhower administration, we were just exploring this field, and the issue about the amount of aid, the conditions under which aid should be given, trade concessions, all these other things--designs, commodity agreements and everything else--designed to help Latin America speed up



the rate of its progress did not become sharply defined until later. Liberals claimed more for aid during the Kennedy administration than it was realistic to expect that it could achieve. And in that sense I think we were misleading the Congress and misleading the taxpayer and adding to our national debt at the same time without accomplishing a hell of a lot.

But I think aid was useful and I think in the period of history in which we were in at the end of the Second World War, that it was natural and good that we try what we tried to do. You have to remember that the conditions were entirely different then. Instead of a balance of payments problem, we had a dollar gap. We had a monopoly on the world's gold; we had the only convertible currency in the world. We had the only industry that was left intact without any substantial damage during the war. So that the problem in those years, facing the first part of the Eisenhower administration, was to get Europe on its feet, get the Common Market going, and to shovel out dollars so that people would be able to buy from us. You can't really hope to export if the importers don't have any money to pay for it. So these things are very complex



and you mustn't judge, you mustn't assume that a policy that was entirely practical and sensible in one decade is either sensible or practical in the following decade. And this is my objection, I think, to theorists, that they get a theory and then they just want to apply it across the board without reference to changes that take place here and abroad.

BURG: And your own experience as you had come into the Eisenhower period fresh from an experience in Greece--

MANN: Yes.

BURG: So you yourself were--

MANN: It worked in Greece, you see. Everything had worked in Greece. The rate of exchange, the drachma where was thirty thousand drachma to the dollar. And while I was there working on this thing, not due to my ideas because I don't claim to be anything very special in the field of economics, but we did restore confidence in the drachma. The peasants did take out the gold sovereigns which they kept in their socks, because of inflation, buried in the ground.



BURG: Yes, I think you said they're buried in the yards everywhere in Greece.

MANN: And they started striking zeros off of those, and Greece in itself was a kind of a miracle. But this was true of France, it was true of England, it was true certainly of the Netherlands and Belgium. These policies had all worked over there because the conditions were favorable to that. And by this I mean that there was a certain level of morality in government and outside of government so that the money wasn't all diverted into private pockets.

BURG: Highly industrialized societies, by and large.

MANN: They knew how to run an industry, they'd run them before and very well so that the ingredients that we were able to supply in that area of the world was all that they needed to take off again. But it's essentially a self take-off. It isn't essentially something that we did. It's helping them to help themselves.



BURG: Helping them to return to something that they knew very well and that we knew--

MANN: Right, that's right. If I look back in retrospect and I would say that the only thing we didn't understand fully because nobody challenged it, and I should have been the first one to do it, was that it wasn't practical to expect the same results in an entirely different environment where they were developing, where they didn't know how to run an industry or they didn't know how to run a government. Whether the governments were corrupt let's say, enters into it; it's not true of all governments. Where you didn't have a trained body of public servants, where you didn't have an industry with the know-how and the technical know-how to manage business. And all of these missing components made an enormous difference in our efforts in the final result of the efforts of the Alliance for Progress, let's say, in Latin America as compared with the Marshall Plan in Europe. Now I think this is perfectly obvious to me and I think Milton Eisenhower would agree with that. I hope he would.



BURG: An interesting question comes to mind, then. Who failed then to recognize that the conditions were not the same? Was it that our Latin American specialists, those who really knew Latin America and who could have said, "No, no, this is not the same as the situation with the Marshall Plan in Europe," were these people too far down the ladder at that stage to make their voices heard when policy was--

MANN: No, no. I don't think it was that. I think it was a thing in which not only the administration but the Congress and the American people have to share. There was an article written by an Englishman, well known Englishman whose name I don't remember, but it was published in one of the magazines over here, during this period. I think the title of it was "The Illusion of Omnipotence." You have to understand a psychology, if it's possible to understand the human mind, but human beings do get a mass psychology. And there was a euphoria after the second world war that anything that the American people decided ought to be done anywhere in the world could be done if Congress would pass the laws and if the people in the administration would go to work and do it. Now I felt that very keenly.



I'd never thought about it in those terms, "An Illusion of Omnipotence." But it's true. We were on the crest of a wave and nobody, literally nobody on the Hill or anywhere else ever questioned our ability to do anything if we wanted to do it if we were willing to spend the money and the effort to do it. And if there was any failure, then it must have been treason on the part of somebody who was in charge of the program. Now, this same attitude of euphoria was what carried us into Korea, Vietnam, and other things. And what happened was that, in my opinion and looking back in retrospect--I don't say that I foresaw this, because I didn't--I think people lost that sense of euphoria, lost that sense of absolute and total self-confidence, which never really should have existed anyway, and became more realistic.

BURG: But in post-war America, the climate of opinion would bolster some of these programs and some of these attitudes that we carried on and everyone was caught up with them.

MANN: Everyone was caught up with them. The only objections ever made to the aid program during the Eisenhower administration



that I have any recollection of at all was, was not on the basis of whether they would succeed or fail but on the basis of whether it would increase the taxes of the American taxpayer. That was on a domestic, political basis. Now there was never any great foundation or basis for that objection because the budget, the national budget, that part of the national budget devoted to foreign aid, was only a small, small fraction of the total budget. I wouldn't give you the figures because it varies from year to year, but I would say somewhere in the neighborhood of two percent of the total budget. And you really can't blame foreign aid for what I'm talking about; you have to think about the ninety-eight percent as well as the two percent. But this attitude of euphoria carried over into welfare programs and things of this kind that were launched.

BURG: So in the Truman, the Eisenhower, the Kennedy administrations,

MANN: Right.



BURG: --no voice cried out in the wilderness at policy-making level--

MANN: Not during the Eisenhower administration. I've already said that there were some people during the Kennedy administration when such extreme claims were made for what the Alliance would achieve, who began to question those claims, in writing. And I think one of the things that caused me to have a bad press for the first time in my life, which I don't regret, I'm proud of it, was the fact that I did question that not every hope would be realized, that there were certain limits to what just money and technical advice could do in a foreign country. And that we should not really spend too much money in countries where there was no hope of achieving anything by it and in fact it was a disservice to the people of the country.



BURG: That brought flak from--

MANN: Oh, yes.

BURG: --colleagues as well as the press? Or primarily from the press?

MANN: In the days of the Kennedy administration?

BURG: Yes.

MANN: From the press, initially, supported by people within the Kennedy administration, but not Jack Kennedy himself. I have a great respect for Jack Kennedy. I didn't know him very well, but he was my house guest in Mexico when he made his visit there, which was a great success. I think that man was very intelligent; I think he was patriotic; and I think he learned a lot from the Bay of Pigs. He was a young man; I think he learned a whole lot very fast. And while one will never know what he would have done had he lived, I expect he would have been a moderate and not an extremist, either of the right or the left. I think he would have been more or less in different rhetoric, with different phrases, and maybe with more flourish and flair and charisma maybe, but I think he would have said and done essentially the same things that Eisenhower tried to do.



BURG: An interesting supposition.

MANN: Well that's a supposition; there's no proof on that,

but you know I make a distinction between Bobby Kennedy and Ted Kennedy in that respect. I think those are totally different personalities.

BURG: Let me ask you, perhaps you had no knowledge of this, but were you able to estimate the effect that Milton Eisenhower had on policy making?

MANN: Well, it was very great. It was very great. Now the reason I can't be more specific on that (Dick [Roy Richard] Rubottom can be) during all of the time that you're really talking about I was in charge of economic affairs world-wide and Dick Rubottom was in charge of Latin American affairs. And a lot of my work had to do with GATT [General Agreement on Tariffs and Trade] negotiations of aviation agreements with countries all around the world, the Common Market, COCOM, all these organizations that were built up after the Second World War. And while I worked in Latin America on the Central American Common Market and things of this kind, during the Eisenhower administration I was the assistant secretary in charge of economic affairs. But over me was Douglas Dillon



who was undersecretary in charge of economic affairs; so I was really the number two man in the state department on economic affairs. In terms of political policies, trips to Latin America, and things of this kind, were really not within our province. That would have gone through the Bureau of Inter-American Affairs and I know that Dick Rubottom had a great respect for Milton Eisenhower and I think vice versa. And I think he had a great deal of influence on Rubottom and Rubottom in turn on [John Foster] Dulles and [Christian] Herter, in terms of what should be done in Latin America. And then of course Milton Eisenhower always had his contact with his brother. He didn't flaunt it, but it was there. I've heard the President say that the smartest one of the Eisenhower brothers was Milton.

BURG: Yes, he's made the remark.

MANN: He said that very often. I wouldn't want to say anybody was a greater Eisenhower than the President, but I think Milton was a very fine public servant, to the extent that he was a public servant.



BURG: Sending him on these trips, then, was, in your estimation, a reasonable course of action. He was sending a man that could do the job.

MANN: Yes, it was a reasonable course of action. The result of those trips I think--I don't know this, you'll have to ask him--but I think as a result of these trips he really formulated a lot of the ideas that came out in the Caracas Charter.

BURG: That is, I think, an excellent place to move into that. We had a question for you; we asked whether you believed that the Eisenhower administration was imaginative, innovative in its relations with Latin America.

MANN: I would say yes. Yes, I would. And I know that's not the majority opinion on the part of some people, but it's certainly my opinion. Let me say this to you, my friend. I have been through several administrations, changes of administration. I went into Washington when Roosevelt was there and I left when Johnson was there. And in all of the transitions, except the transition from Roosevelt to Truman, I was in a fairly senior position in the state department. I don't think



foreign policy changes as much as politicians try to make it appear that it changes. Your basic foreign policy objectives don't change. The tactics and programs don't really change very much. It's only the rhetoric that changes. And these changes come about in a democracy as they should as a result of sort of an interpretation of public mood, the public will. And I don't really see any great changes in the twenty-five years that I was there in the basic objectives of American foreign policy except the concept of aid, which was really started in terms of the technical assistance programs by Truman. And these things then developed gradually in response to public will, were interpreted and directed by the Eisenhower administration I think as far as the public wanted to go at that time. Everything that was done later was anticipated there; all the basic programs were laid out; all the objectives were set. And those were never changed really. Now historians will say that when they read the record, objective people who are not concerned with politics, I think they will say that when they read the record.

[Interruption]



BURG: --about to say about the Inter-American Bank.

MANN: The Inter-American Bank had long been an aspiration of Latin Americans. I remember very clearly the decision, which was a change in traditional American policy, to go ahead with the establishment of such a bank. And that has been an enduring instrument. I think history will have to tell us whether it's been well administered, but that's not the problem of the Eisenhower administration. The need for a tax reform in Latin America, meaning essentially that they should move away from antiquated methods of taxation into a tax on total income, on a graduated scale.

BURG: An across the board because I understand that--

MANN: And across the board.

BURG: --in many of the countries the tax base was frighteningly narrow.

MANN: Right. That in itself one could talk about for a half an hour, but Latin American taxes were principally derived from



export taxes which burdened their own export trade and antiquated taxes that go back into mercantilist days, into the Middle Ages, really. And all of this needed to be modernized and brought up-to-date, so the taxes would be placed more equitably on the basis of ability to pay without serious economic injury, or injustice, and all this was anticipated. The land reform program was anticipated, but in the correct sense--meaning everything you need to do to enable a small farmer to make a living on his land, to be self-sufficient, to raise his own family. Essentially I think that was the proper definition of land reform, and I would imagine that was what people would have defined it in those days, was essentially what we've done for the American farmer here in the U. S. Now land reform become perverted by some people I think in the Kennedy administration to mean only a confiscation of land from those who have it and distribution of it to those who don't have it. And the history of the land reform movement in Mexico is one, in my opinion, of failure. I think something like, I'll have to check my figures--this is memory going way back in years now, eighty-five percent of the people



who were settled on little plots of land without credit, without any technical help or county agents or anything else moved off because they couldn't make a living. They didn't even bother to survey them or to make sure that they were large enough so that they could make a living. And they didn't bother to give them a title to the land so they had an incentive to put something into the land instead of taking everything out of the land. So that confiscation of land, and that was one of the changes that came later, never defined as such. I'm talking now about the way people were thinking, and if you read the revolutionary rhetoric of some of the people during the Kennedy time, I think that's where the lines began to be drawn. This is clear in my mind--I don't know whether it's clear in anybody else's--but to say you're in favor of land reform--and one has one's own definition of land reform--is one thing. To have somebody define it in revolutionary terms which set one class against another and is designed to promote political revolution and alteration of the structure of society in the world in which we live today, I think's an entirely different thing. I guess if, in the light of hindsight, if I would do anything



different back in those days, I would have insisted on definitions of words. Now that's always the hardest part of any thing to get--the definition of a word. Everybody will agree on a phrase; it's more attractive if it means all things to all people, politically attractive. But in terms of administering a program, it's the worst thing you can do, and I think misleading, too, to a lot of people.

BURG: Spelling out the specific things that were going to be needed was not done, as you now look back on it, as much as perhaps was desirable. That is, we might have in the Eisenhower period some excellent ideas about what we could do, these things might not come to fruition because our terminology was not made exact enough.

MANN: But I don't say this is a criticism of the Eisenhower administration. Just the effort that it takes to get a program launched is enormous, and you don't seek to introduce at that crucial moment all kinds of problems that will divide people. What I'm really saying to you is that the programs were properly launched in my opinion in that Caracas Charter, that



the job of defining terms, defining principles and so forth, putting some flesh on the structure that had been created, could not have been expected in the last days of the Eisenhower administration. It is a job that naturally belonged to the successor administration, and it wasn't done very well. I'm talking about phrases like "The Decade of Progress" and--

BURG: Problems naturally would emerge and that would be the proper place to--

MANN: Yes. And I think really the divisions didn't come in any of this until later when people began to realize for the first time that different people did have different definitions. That difference was not apparent during the Eisenhower administration, at least not to me.

BURG: And when we speak about definitions of terms, the problems would be: Not only would we have divisions among ourselves and how we defined these terms, but presumably in each of these Latin American countries, there too there would be divisions--

MANN: Right. One of the things that I think needed to be



defined was the conditions that had to prevail in the country in order to make it possible for the U.S. to do anything constructive. There are indicators of the health of an economy, in my opinion, that are just about as accurate indicators of a state or health of an economy as there are indicators of ones own body health. You take your blood pressure and you do certain--

BURG: Pulse rate.

MANN: --pulse rate and things of this kind, and a doctor can tell whether there's anything seriously wrong with you, just on a preliminary basis, by looking at let's say five to ten indicators. Now there are about the same number of indicators that you can use to determine whether an economy of a country is sick or whether it's good--balance of payments, budgetary deficits, size of the national debt, gross national product, rate of increase in the GNP, et cetera, et cetera. You look at those indicators and you don't need a whole lot of additional information to tell you whether that's a good credit risk.



BURG: These indicators then would hold true not only for a highly industrialized, complex society such as our own, but would also be viable indicators for one of the developing nations in Latin America.

MANN: That is correct. In my opinion that is correct. Because the most sophisticated economies in the world can indulge in excesses, can live beyond their means, and a poor country has even a greater temptation to live beyond its means. But the indicators show whether you're living beyond your means.

BURG: Could I ask you again, as you look back on it, is there any one particular program--it wouldn't have to be just one, that might be more than one--that especially pleased you during the Eisenhower period with respect to Latin America; some outstanding success?

MANN: I think that Caracas, I've forgotten whether it's called the Declaration of Caracas, or something--I think we tend to inflate titles all the time. But the program that's laid out there deserves much more recognition. It was not a political



meeting at all. And it never received the attention or publicity that it should have because it was toward the end of the second Eisenhower administration. But that program ought to be studied and, in answer to your question, properly defined, the key words properly defined. I supported all of them and I would do it again. And I think that was a very forward-looking type of thing and I think the initiative obviously came during the Eisenhower administration, and I think in large part, as you suggest, from Milton. I don't know how much. I can't answer that.

BURG: It's a little hard to pin that down.

MANN: --well I still have knowledge of that. I know that Douglas Dillon has a lot to do with it. He had an enormous influence with Foster Dulles and Foster Dulles, I think, had an influence with the President. I don't think there was any disagreement on any of this within the administration. I think it was just a matter of somebody developing a concept--I've seen very few concepts that were developed entirely by one man; I think there is usually a lot of input into them, and



Eisenhower, Milton, was one of the principal contributors to this. But whether his contribution was eighty percent and Dulles was twenty, that kind of thing, I wouldn't know.

BURG: Let's move then to this position which we put to you, I'm quite sure from the broad base of your reading that you've run into it many, many times. William Appleman Williams, I suspect, was the man that we thought of as we put this revisionist or neo-Marxist if you wish to, problem to you. The thesis that's been advanced by some historians of the left, new left, who argue that American foreign policy is rooted in domestic economic concerns and an ideological repugnance for the political left. In that view, Latin America has been treated as an American colony, a ready market for American goods and investment capital and that to obtain what we want diplomatically we tighten the economic screws. We would like to have your evaluation of that thesis, particularly as it would apply to the Eisenhower Latin American policy. In short, is economic policy the heart of American foreign policy?



MANN: No, I think that thesis that you just described is essentially false. I don't say that any thesis doesn't have some elements of truth in it, but the totality of it is false. Take trade for example. Every intelligent man in the state department, throughout all the time that I was there, understood, and the figures proved it, that we were much better off to have as a trading partner a highly industrialized, highly competitive, highly efficient nation than we were to have a nation which produced only raw materials. Now you look at the figures. The bulk of the trade of the U.S., export trade with the U.S., and we are talking about export--let's talk about exports and imports because they're two different things. The bulk of our exports go to highly industrialized countries, they do not go to developing countries. I don't know what the figures are, but they're overwhelming. In terms of imports during the Eisenhower administration, we can talk of self-interest. And I don't believe any policy that doesn't have some relationship to national interest is a valid policy. I make no apologies for that statement. I think every foreign



policy of every country in the world, especially the U.S.S.R., must have its roots in an estimate of national interest.

BURG: Yes, of course.

MANN: And I think that's obvious. Some of the idealists may say that that's not true, but it is true.

BURG: The economist would say it's intuitively obvious.

MANN: Well, I've never known a country in the world that did not follow policies which it considered served its own interests. Any country in the world. And I think if a government did not do that, it would be suicide, and they ought to be thrown out.

BURG: And would be.

MANN: So I have no apologies for that. So let's define self-interest. Now we have to define self-interest in terms of the Latin American. What we wanted to do was to have, let's say Mexico, well all the countries down there in proportion to their size, as good customers for our manufacturers as Canada and Western Europe and Japan, ideally. Now that would have



been our self-interest. And therefore we had a self-interest in trying to bring about a rapid economic growth and a rapid industrialization of that area, an increase in their ability to fully utilize their resources and to produce. Nobody thought that our interest in the long term would be served by an economy remaining primitive and exporting only raw materials.

Now bear in mind that during the Eisenhower administration we were not dependent on any country for raw materials to any appreciable extent. We were largely self-sufficient in raw materials. Now it's true that the Pailey [?] Report and other reports projected oil, fossil fuel shortages with increases in consumption and so forth. But we were not faced with any immediate problem of that kind. The problems that we were concerned with were keeping the prices of their primary products that they were exporting to us at a level which would enable them to make progress. Let's take coffee for example. Some fourteen Latin American countries depended, some of them almost entirely for their foreign exchange earnings and largely for their domestic tax system, on coffee production.



BURG: And we were the outstanding consumer of the commodity.

MANN: And we were the outstanding consumer of coffee. So what we were working on was exactly the opposite of what the school of thought that you were talking about posits. The premises we were working on were that it was not in our interest or in the interest, let's say, of Brazil to have coffee prices fluctuate from thirty cents to ninety cents, because it's politically impossible to make adjustments in their budget and in their bureaucracy and everything else.

BURG: If coffee prices are fluctuating annually.

MANN: If one of your main systems of foreign exchange and tax earnings fluctuated that much. So we set about, during the Eisenhower administration to work out the first agreement first between the U.S. and Latin America on a very informal basis for a coffee agreement, to stabilize prices. And we had to fight very hard in Congress to get that through, because there were many things wrong with it. I won't go into that. We thought of it as a temporary crutch, not as a permanent solution, but as a way just to stabilize prices at a level which



would be fair to the producer, enable them to live, and which would be fair to the American consumer. And we had to demonstrate to Congress several times that the average price which we were in effect paying, the price through import control devices and export control devices, would be about the average of the last ten years that the American consumer had paid. And this agreement helped them over a difficult period. It was later, I think under Kennedy, expanded into a world agreement and ultimately broke down because of certain African coffee problems that I won't go into.

The same thing in sugar. A lot of countries depended on sugar and we wanted a stable sugar price for them. And the conflict there was resisting the pressure of the beet sugar growers to exclude the more efficient product coming out of Latin American sugar, cane sugar, and to reduce the subsidies to our growers and increase the amount that we would buy from Latin America. So we had the famous Sugar Act and that foundered, really is a result of alleged--and I underscore alleged--corruption inside the government of the United States and the continuing attacks that the consumer could get cheaper



prices, well, for many reasons, long-run if we let in more or less in, depending on what your argument was.

But we did an enormous amount of work for the first time, I think, in history in this international economic field in trying to promote economic development in Latin America through various ways. We supported the Central American Common Market. We helped them set up a Central American Common Bank so that the Central American states would have a larger market. Their problem there was that no industry could survive in any country because they didn't have a large enough market to make it efficient. So we tried to get all the Central American markets to go together. And we encouraged the Latin American countries to do the same. Now they'd been much smarter if they'd done it on an area basis and then merged areas, but they did it on too grandiose a basis. But all those historical facts in the record demonstrate that essentially the falsity of the thesis that you're talking about. Now if you're asking about American investments abroad, is that included in your question?

BURG: I think so. I think, those who take that particular view of history would.



MANN: I'm going to speak now not for anybody except myself and I will tell you exactly what my thoughts have always been on that. If a corporation goes into another country and it goes in at the request of, or with the consent of the other government and without indulging in any bribery or anything else improper (some governments are corrupt and you don't get in if you don't pay bribes, which I'm against); but assuming that an American investor goes in under a contract and he invests his money, his own capital, which is always in short supply down there, he brings in the technical know-how and he employs people and they pay taxes, I think that is maybe the most effective, efficient way to bring about economic progress in another country. After all, American industry itself developed initially when we didn't have any capital or much technical knowledge as a result of British capital and technical know-how. We brought it from them later. And my hope always was that Latin America could do the same thing. That this would give them the head start they needed and they could pick up and eventually buy it out, just as we had done here.



Now that's one side of it. The other side of it is that I was convinced that confiscation is, in principle, bad. Taking somebody's property without paying for it is not only contrary to accepted democratic doctrine and contrary to the provisions of our own constitution, but we live in a contract society and if you start confiscating the property of foreigners there's nothing to prevent you from confiscating the property of your own nationals. You have a law or you don't have a law. And I thought that it was unfair to the American investor to be asked to come in, to make his investment, to make his contribution in the many ways that he does and then to have his property summarily taken away from him simply because he's an American. Now there's never been any secret of the way I felt about that. And furthermore, supporting that main thesis, I always argued that if you tolerate, encourage, or condone confiscation as distinguished from expropriation--let's define expropriation as where the government takes it over under what we would call eminent domain, and pays for it.

BURG: Pays a fair price in compensation.



MANN: There's no argument about that. There's no argument about that. Never has been. We're talking simply about confiscation, literal confiscation. When you would break down confidence (for that we live essentially in a contract society) you begin to break down the fabric of society itself. And furthermore you set a precedent which other governments, greedy governments, will certainly follow. I opposed, not during the Eisenhower administration because I didn't have to, but I did very vigorously later on and was attacked for it, confiscation of American oil property in Peru. And I predicted that this would lead to confiscatory measures and semi- or quasi-confiscatory measures in other countries of the world. I opposed loans to the Mexican oil monopoly which is confiscated from American and other foreign interests for the same reason; I thought that was an indirect encouragement of the same thing. And I'm sorry to tell you that my predictions on that have largely come true, so that we now have a cartel of foreign oil producers controlled by governments and they are artificially raising prices to the detriment of not only our economic interests but our security. Now I make no apologies for any of these beliefs. Now this was



also controversial, but not during Eisenhower's time. I don't think people like Clarence Randall would have questioned it.

Clarence Randall questioned whether commodity agreements are, in principle, good. And I twice had to go before his Council of Economic Advisers and defend these as necessary to help Latin America, and I got his support and the support of the Council. I did it by being honest. I said that these are not the final answers. You don't interfere normally too long with the law of supply and demand. It's the wrong thing to do. The most efficient producers should be the one that in the long term comes out. This can only be a temporary crutch and at this moment I thought it was justified as a temporary expedient. Bad principle but a good thing to do as a temporary tactic.

BURG: Now quite in line with the Keynesian idea of do what you have to do in an emergency situation.

MANN: That's right. There's so many interpretations of Keynes, but if you interpret Keynes to mean that when the emergency is over you should have the good sense to quit doing that which is stupid--in that sense yes.



BURG: So your general conclusion would be that the record will not support the theories of people like Williams and others who have seen American foreign policy with regard to Latin America as purely and entirely economically based and therefore in some way reprehensible.

MANN: No, I think that's essentially a false--the conclusion is totally false. Now I'm not saying that we sacrificed national interest in any way or we should. But I'm saying that what we did was consistent with--why don't we use the word enlightened self-interest. I don't think self-interest has to be selfish or it has to grind somebody else under.

BURG: Yes, that would be the other point, too. It seems to me that you are speaking for a system that would serve us and--

MANN: And respects the rights of others.

BURG: --yes, and certainly no attempt made to squeeze it out of Latin American countries.



MANN: That's correct. I don't think it's ever morally justified to take unfair advantage of another country, especially if it's poor and helpless, and I don't think we ever did that. I don't think history shows a record of a nation as powerful as the U.S. in the periods following the second world war which was as generous as we were towards weaker neighbors that had very little to offer us in exchange, and whose defense depended almost entirely on us in the second world war. I think it was a very selfless program in that sense. But it was enlightened self-interest. We were generous, and I think I've already said earlier I think under those circumstances we should have been generous, even though not all the money was well-used, and I don't think it was. But I think the only way we could find out was to try. And you have to bear in mind the example of the Marshall Plan, and you learn by doing. I don't think anybody's smart enough to know everything in advance.

BURG: Oh, no. Obviously.

MANN: Not wise enough.



BURG: And conditions alter too, they change. But your feeling is that within the state department, that portion of it that you saw best, the attitude and the policies were aimed at bringing the Latin American countries into a relationship with us wherein they could industrialize, they could become a better market for us, as they themselves improved their own economic situation.

MANN: That's correct. We thought, in a word, that our enlightened self-interest and their enlightened self-interest lay in parallel directions and that by cooperation we could help each other. And I think that's the proper way to put it.

BURG: So a population in the Central American countries which was under the thumb and kept ignorant and poor was not in our self-interest.

MANN: I think that's absolutely correct. Never questioned. That was never questioned in my day in government.

BURG: May I then ask a further question that we had noted down. What were the motives, then, behind the PL-480 program



and was it exploited for propoganda purposes--propaganda in the sense of recognizing that, all right, we do this and here are the reasons why we do it.

MANN: Well, again, I can't speak for anybody else's interpretation of the PL-480 program--

[Interruption]

MANN: I think there was an element of self-interest in the PL-480 program. We did have at that time a surplus which other people didn't have the money to buy but which they needed, and the storage of that surplus cost the U. S. money. And so there was an economic advantage to the U. S. in reducing our surplus to reasonable proportions. On the other hand, I think it's equally true to say that there was a noble intention behind that. I hear President [Theodore M.] Hesburg of Notre Dame talking about our moral duty to share our surplus grain with the rest of the world. You can't have it two ways. And I think that that aspect of it was probably more important in the terms of the people who were running the program than the other. It was hoped, by raising nutritional



standards in certain areas which were sorely deficient in that respect, that we would be contributing to their economic and social well being and laying a foundation for progress.

BURG: In your estimation were we successful in expressing that opinion, getting it expressed publicly?

MANN: Well, I think we tried very hard. -I think there was a great deal said on the subject in press releases. You use the word effective, let me tell you this--that the only people who are naive about other people's intentions are the Americans. The rest of the world knows that nations as well as individuals act primarily in terms of their self-interest, hopefully enlightened self-interest, not selfish, greedy self-interest. And I think that people who get something for nothing are always a little bit suspicious of one's intentions and one's motives. And I just want to repeat what I said earlier, that I really don't believe that relations in the long term depend on aid. In fact I think that with individuals and with nations if somebody takes charity too long, even if children take too much of it, they lose a certain amount of self-respect and



there tends to be a feeling of animosity toward the donor who subjects one to this indignity of receiving a gift.

BURG: And knuckling your forehead.

MANN: Now if you haven't had a friend that you've loaned a lot of money to, maybe you won't appreciate that, that part of human nature. But I think it's obvious. It's a mixed story; it isn't black or white. I think the Latin Americans in my time understood that the U.S. thought everything we did was in our interest, intelligent people--objective, intelligent people. And I think they understood at the same time that we were trying to be helpful to them. Now if I were an intelligent Mexican or Brazilian, that's what I would say about that period. And I don't think we really should object to that. Nor do I think that we should expect any gratitude for aid; I never have thought that. Love and affection is not what foreign relations are based on. They're based, as I said earlier, on estimates of self-interest. Then if we pull apart, as we have in the last eight years or so from Latin America, it isn't because of any of these things we're talking



about. It's because Latin American intellectuals essentially adopt a Marxist or a Marxist-Leninist line. They're two very different things, approaches to what their interests are. Because that will determine whether, in their judgment, their interests lie parallel with ours or whether they conflict with ours. And I don't think any program will overcome a conviction on the part of the people that they're being exploited, that there should be an equal distribution of wealth between nations which I've heard a lot of, which I think is an absolute folly and impractical. We were speaking of the rich man on the block; the banker who lives on top of the hill is not going to be loved by the miners who earn their living by the sweat of their brow. Nothing can overcome that. I just want to say that. I think I'm being realistic when I say that. The most you can hope for is respect for your motives and respect for the way you're doing things and some appreciation that you're doing the best that you can to help them, and to be fair with them. Not to help them, but to help them to help themselves. To make it possible for them to go ahead. With nations as with individuals, I think all that one can do is to offer opportunities. I don't think you can force an individual or a nation to take advantage of its opportunities.



BURG: From your viewpoint, did we seem to be effective? You were on Latin American station during the Eisenhower period for example, Guatemala, for one. Was it your impression from the viewpoint you then had that we were effective in our statement of what we had in mind, what we were trying to accomplish? Did the Soviet Union come across stronger than we did? Certainly we were being portrayed I'm sure as the grasping, avaricious rich man on the top of the hill.

MANN: Well I think the answer to that question is that our relations with Latin America during the Eisenhower administration and the first years of the Kennedy administration, the latter largely a spillover I think from the other, were much better than they are, say, today. Isn't that the most effective answer to your question?

BURG: We were doing better then.

MANN: In terms of relations--by relations I mean mutual trust and confidence between governments and between peoples. I think we were far better off then than we are today. I don't think any knowledgeable person would dispute that.



BURG: Can you tell me why it turned around?

MANN: I think largely because of the impact of ideas that we don't have much control over.

BURG: Ideas springing up within the various Latin American states themselves.

MANN: Exactly. In the universities; the university students become government officials, and I think there's a ferment going on down there now. I think there's less appreciation of the value of personal freedom, which is a spiritual thing in a way, in the sense that classical democratic doctrine presents it, and in a sense it was stated in our Declaration of Independence and so forth, less emphasis on that and more emphasis on equality in terms of, not political equality, but in terms of equality in terms of materialistic things--goods and money. Now that is Marxian.

BURG: Perhaps they have been better exporters of their doctrines than we have been exporters of ours in the last ten or fifteen years.



MANN: Well they have every advantage. To an unthinking man they're effective; to an intelligent man I don't think they're effective at all. But to an ignorant man it's very effective to say, "You're entitled to bread and land"--I'm just using some of the cliches they use in propoganda--"and if you don't have them there must be something wrong with your system." And no government wants to say that I've done anything wrong or that I could be any better, or that I should work harder. And it's essentially a giant deception because the people who preach this, when they take over, impose discipline; and the propoganda then changes drastically and they're told that work is the only important thing and that money is not important but it's these ideals that are important.

BURG: Peace, land, and bread go down the drain and--

MANN: You don't hear about peace, land, and bread anymore.

BURG: No.

MANN: And so the great difficulty we have in propoganda is ignorance.



BURG: And this is an area where we have no control whatsoever, the internal educational level of a Latin American state. There isn't a great deal we can do about that.

MANN: It's worse than that. We really haven't any control, and shouldn't have any control, let's say over the professors of the great universities down there. I'm not sure that our universities are very good--I don't think they're turning out very good products--but Latin American universities have a lot of problems that we don't have in addition to all the ones we have. And one of them is they don't have full-time faculties--I'm speaking in terms of generalities now, the area as a whole, there are exceptions. A large part of the faculty, the teachers, are people who have not made a success in their own professions, engineering or whatever, and they have to supplement their income by very small teacher's incomes. So that they are revolutionary, let's say, by circumstance.



BURG: Unsuccessful--

MANN: Unsuccessful in their own business. It isn't human nature for a man to say "If I hadn't succeeded maybe I had something

to do with it." That's not the way people go about things, that's not the way it's done. It's always because of something the other fellow has failed to do or something he's done. This applies to their internal politics as well as international politics. It's human nature. And so the system, the whole system of private ownership of property is under attack in Latin America. The value of freedom as opposed to the advantages of socialism, as interpreted by Lenin, an imposed dictatorship, is under attack. Now never in these terms. I'm talking about the ultimate issues that are at stake, not the terms that demagogues use to arouse emotions, because it's a separate vocabulary that they use.

BURG: One of the questions that we proposed was what forms did our economic and military aid to Latin America take? I think we've talked about that; I think your views on that are on the record at several different points in the Columbia interview and I believe also in the Kennedy interview. Another question that was proposed by my staff--to what extent were soft loans used? Forgive me, but I personally am not clear as to what a soft loan is.



MANN: Well when the U.S. government makes a loan, since we always operate with a deficit budget, it has to go out and borrow the money in the market place. Now Treasury has to pay to get money, to borrow money. The interest rates were much lower in the times you're talking about than it is today, because the value of the dollar is much less today and I think there is less confidence that governments will ever pay back their debts. But the point I'm making is that there is a certain cost to the U.S. government in making a loan. They have to go out and borrow the money and they have to pay the interest. And in a normal banking transaction, a hard loan can be defined as a recovery of these costs plus a reasonable return. So that, assuming you get paid back, which is open to question always, you get paid a certain return for that. Just like if you make a loan today--assuming a stable rate of currency like we used to have and did have during the Eisenhower days--if you make a loan at six percent interest and it only costs you three percent to get the money, then you have a clear profit of three percent provided you get paid. And part of that three percent profit is to cover the risk of not being paid.



Now that's a hard loan. A soft loan is the same kind of a loan except that you give a very, very long term to pay back and you may set a rate of interest which is lower than the cost of money to Treasury, so there's an element of grant in it. There is no possibility of profit, and a much larger risk of loss. Is that a fair statement?

BURG: Yes. You're apt to be paid back in--

MANN: You may get a loan--I've forgotten what the terms were because they varied from country to country and time to time-- but a soft loan might be given for forty years at three percent interest. I don't know what Treasury pays for money today, but I expect it's closer to five or six percent to get it, I don't know. But I would expect that.

BURG: So even if you were paid back, fully paid back, there is a very good chance you'll be paid back in dollars that have much less value.

MANN: That's another factor. That's another factor. That's one of the risks; that you won't get paid back at all and that



you'll get paid back in cheap dollars. That's our fault; it isn't the fault of the foreign country.

BURG: We made that agreement on that basis and accept the responsibility for it.

MANN: That's correct, yes. I don't think we should saddle the other country with that. If we allow the value of our own dollar to decline because of our own domestic policies, then we can't lay that on others--but it's true what you say. It's not their fault, but it's our fault.

BURG: During the period of time that you were concerned with matters such as this, was it our tendency to use the hard loan over the soft loan? Or was there any kind of formula that we followed in this matter? What determined whether we followed the soft loan approach with a Latin American state or hard loan?

MANN: To answer that I'd have to go back and look at periods. But generally speaking I would say that as long as a country had the ability to make a hard loan, we made hard loans or



should have made hard loans. When we thought that a country's borrowing capacity, or its ability to pay back within a reasonable time, either one of those factors, was very weak, then we made a soft loan, the alternative having been to make a soft loan or no loan at all.

BURG: So these were the general ways in which the decisions were made.

MANN: Yes. I think there were more soft loans made after Eisenhower's time, but I'm not sure that I'm right on that. And I would have to say, by the time I got back to Washington in '64, the policy was to push soft loans. Even the International Bank had set up a soft loan window, as they called it. The Inter-American Bank was doing soft loans, and I think maybe even some of the Export-Import Bank loans were soft. And I'm not sure that was wise. I think it's fair to say, and my own personal opinion was from '64 forward, that soft loans were not advisable unless there was good evidence of self-help and some reasonable evidence that they were going to make good use of it. And I probably would have decided on a case-by-case basis after that. But I wouldn't have just



shoveled them out. Now we did do some shoveling because that was the policy under Johnson. I told the people there, and it was a very unpopular thing to say, I said, "If we don't insist on self-help and put our aid program on a sensible, practical, businesslike basis, there won't be any money from Congress for any aid program within a short period of time." And this is, in effect, what has happened. And I'm sorry again that I was right. I wished I'd been wrong on that.

BURG: You foresaw Congress tightening up--

MANN: Yes, I did, because I was up there--I had to go up so often to explain programs to the committees in Congress. And I got it firsthand. Wasn't intuitive with me or anything. You could tell what the temper, the feeling was. And there was a great change between the time when, let's say Eisenhower's time and Johnson's time on aid programs. Now Johnson carried them through, but at a cost. And he was caught, really, Johnson was caught by just a change in mood and attitude on the part of the public. Those things happen and he was caught



both with his Vietnam war and with some of his domestic programs. And the people, I think, sensed correctly that we'd gone too far in spending.

BURG: And perhaps not getting the kinds of results we'd hoped for--

MANN: That is correct.

BURG: --in Latin America.

MANN: Yes. I think the American people, naively, expected love and affection to be the product of aid programs. Now no sophisticated person in the State Department ever thought that, nor did we ever say that.

[Interruption]

MANN: Now you have some more questions, I'll try to be responsive and not wander around a lot.

BURG: You're not wandering at all. The next question that we wanted to put to you was the impact that the Randall Commission



report might have had on our Latin American policy, so far as you could judge it.

MANN: You'll have to refresh my memory on which report you're talking about. There were so many that I--

BURG: Now there I'm--

MANN: Randall was chairman of an economic committee which really concerned itself with all policy problems in the economic field, financial and economic. And Gabe Hauge, he was the man on the President's staff who resolved on a day-to-day basis differences between departments on economic problems. But we all worked together in those days. The outstanding thing about the Eisenhower administration, much better than Truman's, or anybody else's, was the ease with which you could get a question debated, pros and cons, and decided within a reasonable time by staff, followed very promptly by a presidential approval or disapproval.

BURG: And followed too, I understand, by back-up mechanisms to assure that the approved action was actually being carried out.



MANN: That is correct. It was the best administered--now that is important- it was the best administered administration, in my day in government, far and away.

BURG: Seen from your working level--

MANN: Well, yes, but it was pretty high, an assistant secretary of state, and I was a very close friend of Douglas Dillon's and knew Allen Dulles--I knew all the important people. I think I knew pretty well what was going on. I don't have any doubt that it was the best administered government. Now that is simply because Eisenhower understood how to use staff. Whereas most politicians, I don't want to get started on this, they don't like to delegate to anybody. And they don't delegate very much. Truman was a little bit of an exception because he did delegate a great deal to Dean Acheson, but that was because of a strong personal relationship between the two. But the norm is that a politician doesn't delegate. Eisenhower was not a politician in the sense that his primary concern was to be re-elected to office. His primary concern was to do what was right and to serve.



BURG: And you have spoken about the excellence of his staff.

MANN: And he selected his staff on ability. You shouldn't go over there unless you had thought about the pros and the cons and you had listed them in a memorandum and you were prepared to debate your conclusion and to say how that decision would be carried out if it were in your favor.

BURG: It's my understanding that you did not drop a problem on the President or any group, but rather the problem plus some kind of solution for it that you deemed to be viable.

MANN: That is correct. Everything went through staff and it avoided lots of mistakes. Because if a President gives everybody access to himself, as some Presidents have--one President, who shall be nameless, got himself into a lot of trouble by taking a piece of paper from the head of an agency who did not understand the difference between raw information and evaluated information. And then the President went on the air and made some statements and they were not supportable by the evidence. Now this would never have happened in Eisenhower's administration. Those things would have been vented and debated and



considered before it ever got to his desk. And the staff was not numerous; it was just excellent in quality. It was not a big staff; it was not nearly as big as they are today.

BURG: Oh, no, I know. The staff size has grown to hundreds and hundreds of people.

MANN: But, any question that you wanted debated, that you were in doubt about, you were encouraged to debate it. Sometimes the forum would be the Randall Committee and sometimes it would be Gabe Hauge's office. But you always got a pretty quick decision. And it was an adversary proceeding. The other side would be there, too, and they would give their point of view. So you would have a give-and-take in the presence of whoever was making the decision, which was also good, and on the basis of written memoranda; supplemented by oral debate, so that by the time it got to the President he wasn't going to be taken by surprise. And he wasn't taken by surprise as far as I know.

BURG: So then Randall Commission reports, position papers if you will, would be run through that same process, would have



their effect on policy-making because they are going to be presented--

MANN: That is correct.

BURG: --and they are not taken at their face value either, but are debated before others who have competence in this area before decisions are made.

MANN: That is correct. And in effect a consensus, either a consensus or a near consensus emerges after that kind of in-depth consideration in ninety-five percent of the cases.

BURG: I see.

MANN: Because a lot of times people take a position and haven't thought about the other side of it. Or a cabinet minister, or an under secretary, assistant secretary, would come over because his staff has shot something up that looked on its face to be reasonable; he goes over there and he finds out its got some flaws in it, because another department challenges it. Now in this sense this kind of invitation to challenge, to speak one's mind. Eisenhower was the only one who ever used the phrase, "sub-cabinet." Now sub-cabinet



meant anybody that he had appointed to the rank of assistant secretary or above short of cabinet rank. The cabinet were the head people who sat at his table. That sub-cabinet included the heads of independent agencies. And I think he was as careful in his selection because of his training, he understood staff work, in his selection of the second echelon at the staff level, or the third.

BURG: And they, too, meeting, I believe on a weekly basis.

MANN: We met together and we knew each other and we were encouraged, if we had difficulties, not to suppress them but to ventilate them, and if we had ideas to ventilate them. Now that is unusual in the U.S. government.

BURG: Let me ask in line with that, as we thought about departments in the government that would share some responsibilities with you, would be working with you, Agriculture and Commerce were two departments that came to mind that--

MANN: Treasury.



BURG: --and Treasury as well, yes, that you would be working with pretty closely. Who were your opposite numbers in those three instances and what kind of relationship--

MANN: [Fred] Mueller in Commerce, wasn't it? Wasn't Mueller in Commerce? I'm very bad on names because I was there so long and people changed so often. But it was not only the ones you mentioned, the Federal Reserve Board, [William McChesney] Martin, because a lot of the things we did affected their operation. Really government is so complicated.

BURG: To an extent, probably.

MANN: For example, Defense was primarily interested in trade with the Soviet Union and there was a commission set up called COCOM in which we tried, unsuccessfully, to get Europe to limit trade in strategic materials to the Soviet Union. And Defense would come in on that. There's hardly a department in government that didn't come in at one time or another on matters which concerned our relations with foreign countries-- trade, military, anything else.

BURG: I wonder who it would have been in Agriculture--



MANN: Aviation departments, CAA, CAB, all of those agencies.

BURG: Ah, yes, in connection with your work on various air routes.

MANN: Yes. And the Export-Import Bank, the World Bank, the International Monetary Fund--all those people. It's just a mass of people we were in contact with all the time, over the telephone and in meetings.

BURG: Was the level of cooperation, let us say during those eight years, pretty high as you think back on it?

MANN: Yes, yes, I do. I think, yes.

BURG: Now you need not name names if you prefer not to, but can you think back on those eight years and remember any instances where departments did not, or individuals in departments, did not cooperate, dragged their feet? And I'm thinking of outside the reluctance to do something because they believed it to be a bad move, but--

MANN: No, I'll tell you and why--



[Interruption]

MANN: The answer to the question of whether there was any noncooperation: I have no memory of any simply because if anything affected me, what I thought was my responsibility, in terms of an attitude of another department--and this is one of the things that I admired most about the Eisenhower administration--all you had to do was pick up a telephone and say to Mr. Randall or to Gabe Hauge, "I've got a problem and it ought to be settled so we can get on with the business of the government, and there's a disagreement." Then a meeting would be set up and this--I just covered that ground--we would go there and settle it. And they would ask for memos so they could study it in advance and then we'd go over and support those. And I don't remember any decision, this is remarkable, that was challenged by a cabinet officer that was reached in the Randall Commission or in Gabe Hauge's office on economic matters during those times.

BURG: Not a one.



MANN: I can't remember any. I won't say there weren't any. I just say that I don't remember any. Now there may have been some that were challenged on an informal basis that are without my knowledge. [George] Humphrey, for example, may have thought, and probably did, (and he may have been right in retrospect) that we were giving too much aid. I don't know that's true, but let's say that's true.

BURG: I would say you're probably right, that's true.

MANN: I would guess that would be right.

BURG: Yes, I think I've been told that by others.

MANN: I didn't know him personally that well.

BURG: One would think that each dollar had come out of his wallet.

MANN: And that's the kind of secretary of the Treasury that we ought to have. I wished we'd had more of them. I think it's possible, indeed probable, that in his private meetings with the President he may have said, "I have reservations about



this," that kind of thing. But I'm talking about in terms, because this was a formal staff procedure, in terms of an appeal, a formal appeal to the President. I have no recollection of any of those.

BURG: Now let me ask then about the Hill where foreign economic aid is to be considered. During those eight years, who were your strong friends on the Hill; who were those who gave you problems in the sense that they had their reservations of various kinds, about contemplated aid?

MANN: The only ones that I remember on the aid side that were adverse and I thought for the wrong reasons--I don't say that some of his conclusions weren't right, but I think his reasons were always wrong--was [Otto] Passman of Louisiana who was chairman of the House committee on, I think, foreign aid, though we usually got a majority of the membership for the vote. And we had to ask for money from Mr. Rooney of New York, who was chairman of the appropriations committee for departments.

BURG: That was John Rooney, wasn't it?



MANN: Yes. And he always wanted to cut back and, again, I don't disagree in principle with that.

BURG: Generally the kinds of opposition you encountered on the Hill were, for lack of a better term, rational kinds of opposition?

MANN: There was really no great opposition on the aid side. I don't think we were ever in doubt about the vote in the committee or in Congress, and I think the vote was always overwhelmingly in favor. I'd have to go back and look. I don't think there was any great problem there. There was a problem on some of the commodity agreements that I mentioned earlier, but we didn't lose. I don't think we lost any major legislative fight.

BURG: And here I would suppose you'd encounter opposition from congressional leaders whose constituencies--

MANN: Individuals, individuals.

BURG: Yes, precisely. Someone out of Colorado was going to be a little unhappy about the sugar--



MANN: I wouldn't know what Passman's really, what his real fundamental beliefs are, but he appeared to give the impression that he thought all aid was a mistake, and I wouldn't agree with that. And he would give the impression that it was a large part of our budget, and that was demonstrably wrong-- this kind of thing. And he would carp about, not carp, but he would point out, and I think it's a public service to do so, errors that were made in administration. You can't administer a program without making errors. You rely on thousands of people and they're human beings and they're fallible and they're going to make mistakes. Empire building is something that has to be fought at all times, and I think the bureaucracy ought to be kept small. I think it's grown far too much, far too much. One of the worst things is not the waste, but its size makes it almost impossible to get a decision. Get too many people involved, and there's not enough time to consult everybody. You have too many warm bodies around. We used to call them warm bodies. There's too many people; you just can't cut through it. If you have to get concurrence of fifteen or twenty people, you're going to find somebody that's going to



throw a monkey wrench in something. But in terms of administrative efficiency, I really think that the Eisenhower has to be rated number one, and that's very important. Very important factor.

BURG: Now we had proposed a question to which I now know the answer, but for the record I will simply state it. We had wondered about your opinions, your observations with regard to the role of the CIA in Latin America. And you have told me in preliminary conversations before we began our interview that you would prefer not to speak about this at this time.

MANN: Except in the broadest detail and I've done that in other interviews, and I think I told you that you're welcome as far as I'm concerned to get a copy of my interviews. I think you would be interested in the Kennedy thing because it covers the Bay of Pigs.

BURG: And another question that a researcher can find the answers to you have discussed in the Kennedy interview with Larry Hackman, the Bay of Pigs episode in that detail which you knew about. We did wonder if the Eisenhower administration had,



insofar as you knew, always taken a hostile view to the Castro affair or was--

MANN: Who?

BURG: The Eisenhower administration. Had they always taken a hostile view to Castro as he emerged, or did his actions in the initial months after his take over cause us to re-evaluate our position?


MANN: I don't know the answer to that question. I really don't know because I was in economic affairs.

BURG: You didn't really hit that--

MANN: I will tell you what I do know about it personally, but it's not responsive to your question. There was a debate going on about whether Castro was a Marxist-Leninist and would become an instrument of the Soviet Union, or whether he was just a Marxist who wanted to socialize Cuba and would follow a nationalist policy. And on whether it presented a threat to our security--it might have presented problems on property but those were relatively unimportant as compared with security.



This may be something people don't understand today. I myself, everybody, every assistant secretary has somebody that he trusts on his own staff to go through a stack of telegrams every day from foreign posts that may be that high and to pick out, let's say, five or ten percent of those that he thinks I have to know about or his superior has to know about. Everybody does that. It just so happens that my assistant when I was in the economic side picked out a telegram describing Castro's speech given in Caracas at a place called El Silencio soon after January 1 when he'd taken over. And I read that speech. And I do know Marxist-Leninist doctrine. And it was so apparent to me at that time that he was a Marxist-Leninist-- defined as somebody who would be sympathetic to the Soviet Union in all things and hostile to the U.S. in all things, and not a nationalist, not merely a nationalist, which is a good thing. I respect nationalists. A few days after I read that cable, with that impression fresh in my mind, I had a meeting with some of the people in the state department, who shall be nameless, from the political side. And it had to do with Castro's visit to this country. I believe he made a visit to this country.



BURG: Yes, yes, he did.

MANN: And the question had to do with economics which was why I was there. It had to do with a loan or something. I had some of my staff with me, and we listened to the case for a loan, and I said, "I've listened to all of this with great interest, and much of it I agree with. But I'm puzzled by the fact that I have heard no mention that Castro is a Marxist-Leninist and is almost certain to be a tool of the Soviet military power. And I find it strange that in the political bureau of the state department I haven't heard this." And one of my friends, this was on a Friday, came over to me on Sunday, because we always worked on Saturday and had no time, and said that I had stabbed him in the back. He was one of my best, and remains one of my best, personal friends. I said, "I didn't really stab you in the back. I was trying to warn you that this is true. What I was telling you was that if you don't make it clear this will become a political issue in the campaign coming up." And it did. Now that officer that I'm referring to is a fine man, a patriot, and I think I would just



have to say that there was a slowness in realizing what Castro really believed and what his objectives really were. And they should have been crystal clear at the time. It was much debated at that time. Now that's all I really know about it of my own knowledge. That's probably why I was put in charge of Latin American affairs, just before the election. I paid for that, I'm sorry to say. I've gotten mixed up in the Bay of Pigs.

[Interruption]

BURG: If we may do it this way, I'll simply pass to you a list of some of the individuals that we think you were in contact with during your career and we would like to have from you any observations you care to give us as to the qualities of these men.

MANN: I'll be happy to give them to you. I must say that everybody was so busy in government--that includes all the men on your list and includes me. We were working such long hours. And in the state department we had to go out at night, seven nights a week, so that we put in ten hours, let's say, sometimes twelve, in the office, maybe Saturday off and if you're



lucky, Sunday off, the whole day. So we had no time to socialize with each other, at least as far as the state department is concerned. I had the responsibility of keeping up with, at that time, nearly a hundred embassies. And the secretary of state couldn't go, the President couldn't go; so when you got down to my level, we had to go. Therefore my social contacts with people in the government and people in the state department were limited. We didn't have time to socialize with each other.

BURG: I understand it was very much like that on the White House staff.

MANN: And I'm sure it was. So that I can only give you impressions formed principally in discussions of problems and some of these were limited.

Now I was not on the cabinet; I don't know as much about the way Eisenhower handled his own staff or his cabinet as I did about President ^Athat came later. He was always a kind man. He expected total effort. He demanded total integrity and total honesty. He was smart enough not to want apple-polishing; he wanted your honest opinion. And you got either promoted or



demoted on the basis of whether, partly I'm sure in those days, on whether people thought you were intellectually honest. He didn't want yes-men around him. He didn't suffer fools gladly. He expected competence; I think he had an excellent staff and got it. I've seen him get in a temper; I've seen him angry a couple of times, and he'd be less than human if he didn't. When somebody goofed, he'd let them know it in no uncertain terms and very quickly. I did know enough about him to know that he was his own man. He wasn't controlled by anybody. He made up his own mind. Fortunately for the country, all the Presidents that I have known ultimately knew that the buck stopped there and that the final responsibility was theirs. I don't know of any President who had an eminence grise behind the throne manipulating the strings or anything of that kind. I think he was above that. He was a strong man, an intelligent man, a wise man, I think, and made a very good President.

BURG: An informed man?

MANN: Yes. Very well informed.

BURG: That criticism has been advanced.

MANN: In the few times that I've talked to him--I flew in the Presidential helicopter and that sort of thing and had a few meetings with him--he was always informed. I never found him badly informed on anything. His staff work was too good and he had his own people there to help him, as a man should. The flow of information and decisions that a President has to make are just awesome. And so I have a great respect for the man. I keep in my--which I will show you on your way out--and treasure--copies of two of the paintings he sent to us during the Christmas holidays. That was a nice thing to do. But he was considerate at all times, and he was the man that first appointed me as ambassador. I never knew why because I was never a politician; I never asked and never wanted to know. I thought if I deserved it, I'd get it. I turned down the first one and accepted the second one.

Gabe Hague was one of the most extraordinarily competent people that I've ever known. I believe he's now in a bank in New York. I haven't seen him since those days a long time ago. Very knowledgeable. An enormous amount, in addition to knowledge, of common sense, and the combination is rare. I



thought of all the people that I've known in government he is one of the people that I admire, one of the few people that I looked up to and admire. And that, for me, is saying quite a good deal.

BURG: So we're talking about a range of government experience from the Roosevelt administration through the Johnson administration.

MANN: Yes, we are.

BURG: And he ranks that high.

MANN: Ranks high, not in terms of just this administration, but in any administration in terms of knowledge, common sense, dedication to the job and to the country and a selfless dedication. I mean dedication in a selfless sense. I don't think he ever had any political ambition. I think he was just trying to do what was right.

I remember Sherman Adams. I had a very high respect for Sherman Adams. I thought he was a very competent person and a dedicated public servant. I personally thought it was a great injustice when, because he accepted--with or without knowing



about it--some gift of some silly coat--

BURG: Vicuna.

MANN: --vicuna coat, that that was considered grounds for dismissal. I really thought that he was too valuable to be lost on some silly grounds of that kind, that he was a man of great integrity. That was his whole record before that. I don't know what happened to him after that, but I would bet you after that it's been a record of integrity all the way down the line. And great competence.

Clarence Randall--these were all extraordinary men by any comparison with any standards--Clarence Randall, president of a large corporation I believe in a steel company. He had a searching mind. He knew pretty well about everything that was going on. He collected a fine committee around him. He encouraged debate. Twice I was called up by Mr. Randall to explain--and I use that word in quotes--the coffee agreement and twice the committee agreed. And I don't think they would have agreed without his consent. He was a strong man, and I think a very fine public servant.



John Foster Dulles: I've said what I know about him and you're welcome to have that in your collection if you don't have it.

BURG: That would be in your interview with the John Foster Dulles project.

MANN: Yes. Do you have that?

BURG: We'll be able to get that, I'm quite sure. Did Philip Crowl do the interview with you?

MANN: I can't remember, but it's been awhile, several years.

BURG: We can check that.

MANN: But if you have any difficulty, well let me know. I think I'll skip that because--



BURG: All right, fine.

MANN: Think he made a fine secretary of state. Fine man.

Allen Dulles, I knew very well and one of the few people later on in whose home I visited. I think he was a very fine

American. I have to tell you that I think none of us understood at that time the difficulty that any democratic government would have in carrying on any covert activity. I didn't think it was possible that you'd have a hearing, let's say, such as the [Senator Frank] Church hearing today where all these things would have been ventilated and where a vice-president of the United States would have turned over material to the Church committee, which is what happened. But Allen Dulles played a key role in bringing about the early surrender of the Italian forces, as you know, ever before this.

BURG: In 1944, I think.

MANN: He probably built up the CIA to the best information gathering activity in the free world in my opinion. It was the best. He had an excellent staff, and the organization was largely his own personal creation. If mistakes have been made, basically they were not, in my judgment, not mistakes that he made, and they were failures to anticipate the change and the mood of the American people that I've talked about.



BURG: To your knowledge, he and his organization worked within the limitations placed upon them by American law.

MANN: To my knowledge, yes. For example, I was asked by the Church committee to come up and testify about the plot to assassinate [Rafael] Trujillo, I think this was after--I can't remember the date of that alleged plot. No, it was during the last days. I answered honestly that I had no recollection of any discussion to assassinate anybody, official or non-official, and I thought I would have remembered any plan to assassinate the head of state. And that I thought the pressure for anything of that kind would have not have come from conservatives. It would have come from liberals because Trujillo was a rightist. I also said that I would prefer not to testify on the CIA voluntarily, say anything about that both because I had a regard for an oath which I signed that I wouldn't do it, and secondly because I had doubts about whether it was legally permitted by law to reveal what little I know, which is very little, about the work of the CIA. And I was never subpoenaed. I'm a believer in the importance of the CIA, the absolute importance of getting information that



only they can get--the state department, embassies can't get it--and the absolute importance of protecting their sources of information. Now I think that our political system is going to require that we--I don't know, this is something I'm very much puzzled about and in doubt about. But whether any covert operation is possible in our system ought to be re-examined in the light of what's happened in the last two years. And this means if the decision is taken that there'll be no more, it means giving the Russians an enormous advantage. And if we do resume covert activities I think we're going to have to have much greater assurances that Congress is not going to publicize everything.

[Raymond J.] Saulnier was president of the Council of Economic Advisers and a very competent economist. Very sound. I never heard him say anything that didn't enlighten me, and I thought he was very competent. I don't know whether he's still alive or not. But he was very good. He understood better than economists today the disadvantages, as did the Treasury in those days, the limits which ought to be placed on borrowing and on credit, and the importance of balancing



the budget and things of this kind, which if precepts of men of this kind had been followed we wouldn't be in the difficulties we're in today. We have lived beyond our means really since the time of Franklin D. Roosevelt.

Douglas Dillon is one of the most brilliant men, banker primarily, but an economist, charming, witty, very articulate, a tireless worker with an enormous capacity for reading papers and assimilating detail and remembering them six months later. Sharp. I wouldn't say that anybody had a sharper mind for economics and figures and a greater ability to marshal arguments for positions, good or bad, than Douglas Dillon. And I knew him very well and respected him a great deal.

Joseph Rand, I knew him but not well enough to give you too much opinion.

C. D. Jackson, you have to help me out on that. Now who was C. D. Jackson, what was his position?

[Interruption]

BURG: You don't know enough about C. D. Jackson, all right.



MANN: The names of Joseph Rand and C. D. Jackson are familiar to me, they ring a bell, but I don't remember any intimate contact with them.

BURG: Okay, fine.

MANN: Phil Areeda was a very bright young lawyer, in those days, out of Harvard, I think out of Harvard. I think he's now teaching anti-trust law at Harvard.

BURG: Right now, if he still is, he's on Mr. [Gerald] Ford's staff.

MANN: He is?

BURG: Yes. But you're right. He was teaching at Harvard.

MANN: I thought so much of him that when I went with the Automobile Manufacturers Association, the first thing I did was get Phil Areeda to come over and review all of our operations and make recommendations on what we should do to comply with the anti-trust laws. He was, in those days, the principal adviser within the White House on the legal aspects of all of



our foreign economic programs. And he knew that field very well. I respect him a great deal.

Christian Herter, well what can you say about Christian Herter? He was a gentleman and a scholar and a kind man. Not as strong as John Foster Dulles but essentially a gentle, kind, understanding person who made a good secretary of state for the short period that he was there.

BURG: I was going to ask you, less effective because he was less strong?

MANN: No.

BURG: Than Mr. Dulles?


MANN: No, not at all. I suspect there was nobody that was more effective on the Hill--that's what you count effectiveness by in the national government if you're in the executive branch--than he was.

BURG: Have we left anyone off our list who you think really ought to be mentioned?



MANN: Yes, there's--you try to reach back this far in your memory for names--my memory's never good on names, I think about problems always. But there's a young man who was in charge of the PL-480 program that I thought was very good and I believe he is now under secretary of agriculture or one of the under secretaries or assistant secretaries, very good in that field. He's an agriculturalist and I considered him very good. Don Paarlberg.

I didn't find any weak people on the staff over there. Nor did I find any apple polishers. I found people with integrity. This is before the day set in when people said what they thought was popular. People said what they really believed was right. And they didn't always agree, but they were able to work out their differences. And that is the optimum, in my judgment. I think it was a good strong staff. They knew what was going on. Certainly they understood the world, and I think they had a good appreciation of human nature.



BURG: Thank you very much for the time that you've given us.