Roger Lapham

AN INTERVIEW ON SHIPPING, LABOR
SAN FRANCISCO CITY GOVERNMENT
AND
AMERICAN FOREIGN AID

Conducted by Corinne L. Gilb

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ROGER LAPHAM

AN INTERVIEW ON SHIPPING, LABOR,
CITY GOVERNMENT AND AMERICAN FOREIGN AID.
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INTRODUCTION

On the wood paneling in Roger Lapham's office is an inscription in gold letters: "Be Sure You Are Right. Then Go Ahead." About the walls are pictures and models of sailing ships and steamers, and his windows look from the Matson building over San Francisco's waterfront. In a bookcase beside one door are rows of new books on Communism, civil liberties, and America's race problem. Stacked on his desk are letters from political figures and public officials from all over the world.

This is the office of a man who was president of a leading steamship company during troublesome years for America's merchant marine, a prominent figure in the field of labor relations when Harry Bridges and militant unionism brought a new look to the West Coast waterfront, the mayor of San Francisco during World War II and the formation of the United Nations, an administrator of American aid to Greece and to China at the time the People's Republic took over, and a director of the Fund for the Republic in America's era of loyalty oaths and racial tensions. He has also played golf with unfailing zest and loved life with unfailing
charm. What manner of man is this? A man of affluence and influence whose ideas, character and personality have played a significant role in the course of human events. And so, to form a lasting candid portrait, the following biographical interview was tape-recorded, in his office, on January 30, March 1, March 5, April 23, and June 13, 1956, and an interview was recorded with his wife, Helen Lapham, at their home in San Francisco on August 31, 1956.

Heritage explains much of what Lapham is, not just the obvious heritage of wealth and position, but also—and much more importantly—a heritage of outlook and character. Roger Lapham came from a New England shipping family, protected from insularity by world travel, secure enough in the social hierarchy to be at ease with all manner of men, bred in the kind of business philosophy which saw a direct relationship between a man's venture and his gain, but trained to the responsibilities of civic duty. His uncle founded the American-Hawaiian Steamship Company, and the family's seagoing enterprises date back to the early days of the clipper ships. His father, through a connection with Pennsylvania oil land in the 19th century, became one of the founders of the Texas Oil Company, but the predominant business outlook of the family stems from an earlier period. So Lapham was born with a silver spoon in
his mouth, a scion of America's merchant elite, descendent of the English merchant class which left such a stamp on the ideas and economics of the late 18th and early 19th century and which left a stamp on him.

In all of his affairs, Lapham is a man of action--straightforward, capable, courageous, honest to the bone. He is not a politician in any of the usual connotations of the word. He has no taste for maneuvering or sophistry. He likes to move directly from problem to policy to action. "Be Sure You Are Right. Then Go Ahead" expresses exactly his point of view. His patriotism is genuine. So is his respect for men of integrity, of every breed and creed. Just what significance these personal traits have had in each of the spheres in which Lapham has operated, the reader may judge for himself. Lapham has told his own story, in his own words.

Certainly no one phase of his career could be understood without reference to his other activities. The student of labor relations should see what perspective a leading employer brought to the waterfront problems of the 1930's, and a student of government should know how a courageous step in a labor dispute helped elect a mayor to office and how that mayor's business background affected his conduct of the city's affairs. It is highly significant that a man
like Roger Lapham was chosen to administer ECA aid to China, and that he came out of that experience advocating that Americans recognize the new Communist government to "keep their foot in the door."

Prior to the interview, the interviewer consulted Mrs. Lapham's scrapbooks, researched each of the topics to be covered, and garnered information from Robert Knight, an authority on California labor history; "Pat" Frayne, who was with the ECA in Europe; and Henry Grady, former Ambassador to Greece. Roland Duncan, who was in China with the U.S. Marines during World War II, assisted with the questioning on China. The manuscript was edited by the interviewer, but not by Mr. Lapham—-at his request. The reader should understand, therefore, that it is a transcript of extemporaneous conversation and inevitably subject to error. Editing was kept to a minimum. Slight changes were made in sequence; statements and questions by the interviewer designed simply to keep Mr. Lapham talking were eliminated; and information was added from other sources as noted in the text. No attempt was made to alter substance or to verify facts.

This was one of a series of interviews conducted for the University of California at Berkeley as a record for posterity of contemporary history as viewed by those who lived it.

Corinne L. Gilb

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FORMATION OF THE AMERICAN-HAWAIIAN STEAMSHIP COMPANY

Lapham: The American-Hawaiian Steamship Company was founded in May, 1899 by my uncle, George Dearborn, primarily. My father, Lewis Lapham, joined him afterwards. My uncle had operated a line of sailing ships between the Atlantic coast and the Pacific coast, the California Clipper Lines, and had always been thinking of putting steamers in place of the sailing ships.

Hawaii was producing a lot of sugar, and that sugar was mostly going to the Atlantic coast. It had been handled by sailing ships. When Hawaii was annexed, shortly after the Spanish-American war in 1898, the coastwise laws applied. That meant that all cargo shipped from Hawaii to any U.S. port had to be shipped under American flag vessels. Prior to that, they used British vessels or any nationality.

At the beginning, my uncle put his own money in it, and some of his friends in New York as well as some Hawaiian money went into it. I don't think
there were over a hundred stockholders, and practically all of them were friends of my uncle, George Dearborn, as well as of my father. My father went into it as a stockholder. Henry Scott of San Francisco was in it and Williams Dimond and Company, who were in San Francisco many years, took stock in it and acted as general agents for the company on the Pacific Coast. In Hawaii, as I remember, the T. H. Daileys were one group. I can't recall exactly, but there were also other sugar interests in it who were interested in the sugar refinery end in New York. It wasn't done by public advertisement; it was all done by private contract.

The ships started in New York, loaded general cargo for the Pacific coast. It took sixty odd days to get to San Diego by nine- and ten-knot freighters, going through the Straits of Magellan. The original freighters burned coal. They stopped at a port in Chile to coal. From San Diego they went to San Francisco and then to Puget Sound and then down to Hawaii and then back through the Straits of Magellan stopping along the way to coal.
The first four ships that were built were built to plans furnished by an Englishman. There were no ocean going freighters of that type built in the United States. The first one was built by the Union Iron Works in San Francisco and was finished in 1900. The other three were built at Chester, Pennsylvania by John Roche who had built a lot of American vessels there for some twenty or thirty years prior to that. The first four built were all coal burners. Later on, our company had the first ocean going vessels to burn oil. Our company was also the first to have a steamer in the intercoastal trade. At the start there were practically no competitors.

Eventually five million dollars was put up. I think, at the beginning, there was only two or three million. There also were bonds, which were placed privately. The company had a firm contract with the sugar interests in Hawaii, in the background to start with, and then on the westbound trip they carried general cargo such as the sailing ships used to carry.

Editorial Note: Westbound they carried a variety of goods needed on
the Pacific Coast: steel rails, horseshoes, kerosene, wagon spokes...Old-timers still recall one ship that arrived at San Francisco, laden with several hundred barrels of whisky, 200 tons of marble, and a dozen hearses. (Newsweek, July 11, 1936, v. 8, p. 32.)
THE DEARBORNS

Gilb: What kind of man was your uncle, George Dearborn?

Lapham: My uncle was exactly the same age as my father. My father and uncle were born on the same street in Brooklyn, played together as kids.

My uncle was a pretty good looking man, not quite six feet, full of life, interested in world politics. His father, David B. Dearborn, was one of five or six brothers, born in Maine, East Piston. His father, my grandfather, came out to San Francisco first in 1851 on one of the first steamers to come out here. He was only nineteen at the time. I think all of my grandfather's other brothers went to sea on sailing vessels. One, Rufus Dearborn, was lost at sea; his ship never showed up.

When my grandfather came out on this ship, his uncle was commander. Unhappily, between San Francisco and the Isthmus of Panama, my grandfather's uncle, the commander of the ship, was taken ill. They put him ashore at Nicaragua, and my grandfather went ashore to look after him. The ship went on. My grandfather's
Lapham: uncle died there. My grandfather went across the Isthmus of Nicaragua on muleback and met Commodore Vanderbilt there. Then he went on to New York and didn't go to sea again, but was a ship broker all his life, mostly sailing ships. One of his lifelong friends was Arthur Sewall, who ran for vice president with William Jennings Bryan in 1896. My grandfather died in 1934 at the age of 99. (He was at that time the oldest member of the New York Maritime Exchange.)
Lapham: My father's family came from Vermont. His father was Henry G. Lapham, who died when I was five or six years old. I have a picture—I've never been there—of my great-grandfather's home in Fairhaven, Vermont. Jesse Lapham. He came down to New York as a younger man and went into the leather business. That's the business my father went into as a young man.

My father, Lewis Lapham, was one of two brothers, the oldest brother. Instead of going to college, he went abroad and stayed there for almost three years—studied French and German and even visited Russia, which was rare in those days. Eventually he came back to the United States and was sent out to western Pennsylvania. He was there for two or three years, learning the shoe leather business.

Gilb: And didn't that lead to his founding the U.S. Leather Corporation?

Lapham: Yes. In 1892, there was a panic, a depression, and all the leather people—there were a lot of individual small firms—were suffering, and they agreed to get together. Then the first big trust was formed.
Properties were valued and they received stock. I don't know how many firms there were, twenty-five or more firms, and of course they couldn't all be officers. And as the vice president, my father told me, the youngest vice president, his job was to go around and tell men twice his age, "Sorry, there's no place for you. You're a stockholder but no place." He eventually got out of that. He had gone to work in a tannery in western Pennsylvania where his father had bog lands. Oil was discovered on those bog lands and they were in the oil business in a minor way. When oil was discovered in Texas, one of his partners went down to see what the opportunities were, and that led to a group of men, including John W. Gates...Cullinan had been a Standard Oil man...in forming the Texas Company. And my father was one of the original directors but never an officer.

My mother, who died recently, was one of the largest stockholders in the Texas Company. The Texas Company is over fifty years old now; it's of course become one of the leading oil companies.
Lapham: My brother Jack, my only brother, is still a director. I think he was in the business originally. He lives in San Antonio, Texas, and I think he's our oldest director in the point of service in the company.

Editorial Note: According to an article in Time magazine, October 2, 1933, the Lapham family owned 250,000 of Texaco's 9,000,000 shares.
BOYHOOD

Gilb: I know you were born in New York City on December 6, 1883, and that when you were about two years old your family moved to New York's Spuyten Duyvil section on the Hudson river. Where did you go to school for your preparatory education?

Lapham: I went to numerous schools as a youngster. The first school I went to was a public school in Spuyten Duyvil, New York. Went to a Quaker school in New York as a youngster, very young. The main school I went to was a private school in New York, the Browning School, a small school, which drilled everything into you all right. Then I had one year at Hill School before I went to college, a boarding school.

Gilb: I understand that your interest in golf began when you were just a boy?

Lapham: Yes. My mother was interested in golf, and I value most a little cup about three inches high that my mother and I won in Poland Springs, Maine, in the summer of 1898. I also used to go fishing with my father. He took me up to Canada a few times. We
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spent a summer or two in the Adirondacks. Then a few summers in Maine. Outdoor life, canoeing, swimming and what not.

And you had a brother and two sisters.

I have my one brother Jack, a year and a half younger than me; my sister Eleanor, married to Mr. Sherman Ford, who is six years younger, and my youngest sister, who is thirteen years younger, Mrs. Lloyd, now living near New Canaan or around there, in Connecticut.

International affairs played quite a part in your subsequent career. Did you have much chance to get acquainted with other countries, as a boy?

Yes, I did some travelling abroad. In November, 1892, I sailed with my father and mother, brother and sister, on a North German ship to Genoa. It went from New York to Genoa, and we went from there by train to Nice. My mother's cousin was the wife of the American consul in Nice, and she had arranged for my family and also my uncle and aunt a villa there, and we lived in Nice for some five or six months.

I remember very well going to a small English
Lapham: school attended by a few American boys and English boys. There was a French school adjoining and the French kids used to chase us. (laughter) It was the usual thing, you know; we were strange kids to the French kids. And then we went home in the spring.

In 1900 I went with my uncle to Hawaii, and then our next trip abroad, outside of a few trips to Canada where my father used to take me fishing, was just before I went to college in 1901. We went over to London. Father and mother were keen about golf, and so was I. We had a golfing spree up in Scotland, St. Andrews, and from there we went to Switzerland. My father hired a coach and we drove around Switzerland. From there we ended up in Berlin. I remember maybe a week or ten days in Berlin, and we came home on the Hamburg-American line, I think it was, the steamer Bismarck, Prince Bismarck, or whatever it was. I can remember that we had word of McKinley's assassination before we left. He was supposed to be getting better, but as we got off Sandy Hook and the pilot got off the ladder--there was no radio in those days--they called out to the pilot coming up, "How's the President?" And he said,
Lapham: "Dead." I remember that so well.
That was in 1901.
My father as a young man had spent three years in Europe and studied there and travelled all over Europe and in fact travelled in Russia. My uncle had been abroad and he was keen about international affairs. I guess I heard him discuss more or less--yes, I'm sure, more than the usual boy heard about international affairs, particularly in that period.

Gilb: How did your family react to the Spanish-American War? Were they sort of zestful about it?
Lapham: The Spanish-American War? I think we were all shouting and on the bandwagon, if there was any question about that.

Gilb: One more question. Did you go to church when you were a young boy?

Lapham: I remember that my Quaker grandmother used to take me to Quaker meetings in Grammercy Park, New York. I did not attend church regularly.

I'd like to mention one other thing. My grandmother Lapham, whose maiden name was Samantha Vail, was a first cousin of Susan B. Anthony. Susan B. died
Lapham: when I was twenty years old, I was still in college. And I remember coming down from college and having breakfast at my grandmother's in New York, and Susan B., who always stopped with my grandmother whenever she was in New York, began to question me, "Why did you go to Harvard? Why didn't you go to a coeducational institution like Cornell? Are you afraid to match your wits against a woman?" (laughter) She was a character.
Gilb: Why did you go to Harvard?

Lapham: Why did I? I guess my mother wanted me to. I had no particular preference myself. It was in President Eliot's days. Outside of freshman English, which was compulsory, and you had to take a language too, why, after that, you could choose anything you wanted. I chose hit-and-miss. I took easy courses as well as a couple of hard ones. Took a course two years under Kittredge, who was one of the most interesting professors I've ever listened to; you never knew what he was going to do next. He could lecture--fascinating--half an hour, tracing one word, what it meant three hundred years ago and how it's changed. You never knew what he was going to do. That was supposed to be one of the hardest courses. That was Shakespeare. Then I took Government I under Lowell, who was afterwards President. That I was interested in. I got an A in that course. Lowell was one of the most easy men to follow in the way of a lecturer, most logical and clear-headed man.
Gilb: Did you learn anything in that course which you subsequently applied when you went into government?

Lapham: Yes. The textbook the first half year was on American government, and our main textbook was Bryce's *American Commonwealth*. And you learned the three departments of government. What I learned more than anything else later in the city hall, when I was mayor of San Francisco, was that the executive is alone. He's alone.

Then I took several courses in American history, I remember, and I took a course under Barrett Wendell in English literature. He was always an entertaining professor.

I took Bible 12 because that pleased my mother. Then, because Harvard and, I imagine, all colleges in that day were much easier to stay in than they are today, my father wanted me to go in law, and by passing off two courses in the summer of my junior year, I could enter law school, so I went up to Harvard Engineering School in New Hampshire for the summer and learned to survey and run a transit. Then I went to the law school and instead of studying,
Lapham: played golf, bridge, poker, and what not, and finally got in the shipping business.

Gilb: Were you very active in student affairs at Harvard?

Lapham: I was on my freshman debating team. There were three of us. Clarence Dillon, who is now Dillon, Read and Company, the famous New York banker, and the other was John Francis Dore, former Mayor of Seattle, who died some years ago. That always amused me. The three of us.

Gilb: Did you belong to the Hasty Pudding Club?

Lapham: Yes. And a few others. I played on the golf team. Generally had a good time.
WORK IN THE SHIPPING BUSINESS

Brooklyn

Lapham: Then in 1905 I went to work for the American-Hawaiian company. The New York office was at Bridge Street, right down in the Battery. I worked there for a while, then for a while in the Brooklyn docks. I was a checker, receiving cargo. Trucks used to come in, delivering cargo. You were supposed to count the number of cases of whatever it was, and if one case was in bad order, to note it, and when you delivered cargo, to count the number of cases that went on the truck, whether in good order, and get a receipt for it.

Gilb: Did you come in contact with the longshoremen?

Lapham: Oh yes. They were a tough lot; they had to be. Had to scramble up and down the holds and handle heavy packages and long cases, lengths of steel and what not; it was a man's job.

Gilb: Did you get to know these fellows pretty intimately so you could say "hello" to some of them?
Lapham: Why, yes. The chief foreman on the dock was a black-haired Irishman. Ed Blackfoot his name was. He was a tough guy. He knew his job.

Gilb: What were you paid?

Lapham: Compared to today's wages, it was pretty small. The longshoremen in New York in those days only got 30 cents an hour. Foremen, 5 or 10 cents an hour more. As I recall, the checker's wages corresponded roughly. I don't recall exactly. We got maybe a little bit less than the longshoremen did. Except we had steady work. We were employed weekly instead of hourly.

Gilb: Were there unions on the Brooklyn dock at that time among the longshoremen?

Lapham: Well, if there were, they weren't very effective.

Gilb: What was your attitude toward unionization at that time?

Lapham: I guess I didn't think much of it.

Gilb: And you didn't know whether unionism was being talked among the longshoremen?

Lapham: I don't think it was very much in evidence then.
Mexico

Lapham: The next year I went down to Mexico for the company, mainly to look it over, but I was at least associate purser on the way down, copying out the manifest to be supplied to the Mexican authorities.

This was the occasion of the starting of the portage across the Isthmus. A few years before, the company had made a deal with Sir Wheatman Pearson, the big English contractor, who represented the Mexican government and who had built the port works at Vera Cruz, afterwards called Port of Mexico, on the Atlantic, and Salina Cruz on the Pacific.

I had no particular job. I travelled around with the manager of the railroad and saw what the operations were. At that time they were trying to break in, as longshoremen, Indians who had never seen a ship before. A lot of cargo was damaged. Finally, after some months of operation, it got working pretty well.

Gilb: How much time did use of the railroad save on East to West coast?

Lapham: It only took one week to sail from New York to Port of Mexico, about the same distance as Panama, and if
Lapham: I remember rightly, about 10 days from Salina Cruz to San Diego, the first port on the Pacific Coast. Before that passage from New York to San Diego was roughly about two months. It did improve things considerably, although it took time to discharge the cargo and reload it and transfer it by rail across the Isthmus, which was only a 180-mile haul, or something like that.

Ours was the only American line using that route. The Tehuantepec National Railway was the Mexican government's. It had been built a long time before but was more or less not used, and it was Wheetman Pearson, who was a friend of President Diaz, who persuaded Diaz and the Mexican government to rebuild this railroad and to build these new ports and sheds, enlarge the harbor and deepen the harbor on the Atlantic, and build a really man-made harbor on the Pacific.

Gilb: During your visit there you have said you got a real respect for British shipping interests. How did you come into contact with them?

Lapham: I haven't forgotten Sir Wheetman Pearson. He was
Lapham: afterwards a cabinet minister in the first World War. He was a very matter-of-fact Englishman, very solid, and I can remember in January, 1908, after we had operated for a year, we had to meet to go over details of the agreement which had been written, executed, three years before. This was the first time that an audit was to be made. The deal was that the Tehuantepec National Railway got one-third of the gross revenue and American-Hawaiian got two-thirds. But there were many questions arising, and the agreement called for arbitration if there was anything in dispute. For ten days or two weeks Sir Wheetman Pearson, his secretary, and maybe one or two more, would listen very carefully to all the arguments and say, "Yes, I think you're right; we'll concede that." But if he didn't think we were right, he would say, "We'll refer that to the arbitrator." The arbitrator was chosen and everything that we didn't agree with, we put up to him and he made the decision, and after that, everything was fine. But there was never ... no attempt ... what impressed me about that man was that it was straight business--no "If
Lapham: you do this, I'll do that." It was right down the line with him.

Gilb: Were many British lines using that railway?

Lapham: Yes. Afterwards, there were many lines besides British lines that came in from Europe and transshipped cargo to Pacific lines that came in. The American line would carry cargo from San Francisco to the Pacific Coast to be transshipped at Mexico to various lines—British, Hamburg-American, French lines.

**New York, Seattle**

Lapham: I came out to the West Coast in May, 1907. I spent two months in San Francisco in the office of Williams-Dimond, who were our general agent. Then I went back East and got married, that fall, to a girl I had known a year or two before.

Gilb: What did you do between 1907 and the fall of 1910 when you went to Seattle?

Lapham: When I first went into American-Hawaiian in 1905, I learned to write bills of lading, check cargo in, and then I worked for a year in the auditor's office, on the books, kept the ledger. It was a much smaller
company at that time, so I had a look at all of it, and also in the last year in New York was assistant secretary. Then I went to Seattle and was assistant agent under an older man who had been there for some time. He was the agent of the American-Hawaiian. He did nothing but look after the American-Hawaiian business. As I remember, at that time he was on a salary. It had been a commission business but they changed to a salary.

Gilb: What was the chief cargo going out at that time?

Lapham: There was cargo going down to the Hawaiian Islands. Hay. Flour. Then to the Atlantic Coast, there was canned salmon, plenty of canned salmon. Shingles and lumber products.

Gilb: Did the company think of going up to Alaska at that time?

Lapham: No. We handled a lot of shipments by trans-shipment. The canned salmon that came to Alaska would come down; the Alaska ships would discharge the salmon on our dock and we'd reload it into our ships. There wasn't enough business to warrant going up to Alaska. That's a season business. And in winter months, our size
Gilb: Were there certain shippers with whom you dealt more than others? For instance, the Weyerhauser company?

Lapham: Weyerhauser Lumber Company—in later years, we carried much more lumber than we did in the early days. You did business with as many people as you could. Naturally, if you got a shipper with a lot to ship, you went after his account more than the fellow who had only one or two cases. One of the big salmon shippers had a big canning plant up at Bellingham. Denning was the head of the firm. Pacific Fisheries or something like that. They had a lot of salmon to ship. There were many others.

Gilb: Was there any trouble on the waterfront during that period?

Lapham: Not at that time. 1910 or '11 or '12, things were pretty quiet.

Gilb: Did you notice any difference between the longshore-men in Seattle and those in Brooklyn?

Lapham: The job was just the same. Same kind of people. Maybe not exactly the same.

Gilb: I was wondering how far inland the cargo came to be
Gilb: shipped out. How far would it come to be shipped by water rather than rail?

Lapham: In those days, it came further than it does today. We'd have cargo west of Pittsburgh that was shipped into New York. Shipping out of Seattle, we got inbound shipments to as far east as Spokane, maybe a couple of spots in Idaho. Outbound cargo from Puget Sound was mostly right at the port.

Gilb: Then you weren't in active competition with the railroads.

Lapham: Oh yes. We were in competition with the railroads. As the company grew bigger, and other lines came into trade, the railroads were very much disturbed about the shipping competition, particularly after the canal was opened, more particularly after the first World War. In those days the railroads really had the bulk of the inland business.

Los Angeles

Lapham: In February, 1912, the American-Hawaiian agent, Mr. Durgen, in Los Angeles, died. I was ordered to go down there and shortly afterwards made agent at
Lapham: Los Angeles, which included San Diego. At that time, 1912, all the cargo for Southern California was discharged at San Diego; most of it came into Los Angeles, and the company made an arrangement with the Santa Fe Railroad to carry it by rail from San Diego to Los Angeles, and they assigned to us one of their delivery sheds and we made our own deliveries then.

Gilb: Was there a marked difference in the cargoes that came in and out of Los Angeles as compared with Seattle?

Lapham: No. The general cargo that came in was a mixture of almost everything. Manufactured products of all kinds. Bathtubs, steel, what not. It was mostly to and from Los Angeles County.

While I was in Los Angeles, we decided to discharge our cargo in San Pedro, Wilmington. Just a few years before, Los Angeles had annexed a strip to Wilmington and San Pedro. A Harbor Board had been organized. But no ocean-going freighter had come in. I remember very well one of the leading bankers of Wilmington (Wilmington was a small spot) came in to see us. Wanted to know why we wouldn't discharge our
Lapham: Cargo at Wilmington instead of San Diego. We told him that the Harbor Board hadn't approached us; we'd been talking with the Southern Pacific people. So he proceeded to round up the Harbor Board and we told them what we wanted: to build two sheds, two berths, about a thousand feet long altogether, and dredge the berths and the turning basin to thirty feet. If they'd do that, we'd come in. We made a deal with them. My boss in San Francisco, Mr. Cary Cook, afterwards president of the company, came down and we made the deal, and they built the docks. In April, 1914, they were formally opened. We were pioneering! We were the first ocean-going ships that went in there.

Gilb: 1914 was when the Panama Canal opened too, wasn't it?

Lapham: Panama Canal had been opened a month or two before, as I remember. Then we cut out all trans-shipment. It was a much more satisfactory business than trans-shipping cargo, which at best is subject to damage through handlings. And it cut the time. The only thing that was disturbing was the fact that the canal was closed by slides a few months after it
Lapham: was opened. So it didn't come into full commercial use until after the war. But there were several times when it was closed for quite a period by slides, as I remember, in 1914 and in 1915.

Gilb: Did you take a special interest in waterfront employee problems at that time in Los Angeles?

Lapham: No. As I look back on it, there were no real labor troubles at that time. Not at that time. After the war, when I wasn't active, there was a strike, I believe, a waterfront strike, lasted quite a while.

Gilb: Did you know any of the outstanding labor leaders in Los Angeles?

Lapham: No.

Gilb: And you felt that there just wasn't any labor trouble.

Lapham: Not to speak of.

**San Francisco**

Gilb: Was your coming up to San Francisco a promotion?

Lapham: Yes, I think it was. I was assistant traffic manager of Williams-Dimond Company when I came up from Los Angeles in January, 1915.

Gilb: By this time, how many ships did the company have?
Lapham: About 20. It was much the biggest shipping line. The Luckenbach line had started operating, but at that time they didn't have too large a fleet. By 1906 or '07, all our ships, except the original four coal-burners, were operating with oil. Our chief engineer was a Swede who had been with John Ericson when he built the Monitor, and he really was one of the inventors of an oil-burning system, so he was very keen to try it out. Once it was tried out, it was by far the most satisfactory.

Gilb: Was there a difference in the kind of cargo that went out of San Francisco compared with Seattle or Los Angeles?

Lapham: Not too much. Canned goods shipped from all ports on the Pacific Coast; a lot of wool; beans; honey; some cotton later on. We concentrated a lot on what we called the "less-than-carload shippers." Less-than-carload rates were higher rates. We had a mailing list up and down the Pacific Coast which included all ports, including shops in the interior. I remember that there were as many as 50,000 names on that list, every one of them going to ship
Lapham: Occasionally. We had no one big shipper as it was in the case of the Hawaii, where we were handling as much as 250,000 tons of sugar a year.

Gilb: Your job must not have continued very long because the war began to cut off the intercoastal trade, didn't it?

Lapham: It wasn't the war; it was the rise in ship charter rates. When we got high rates to charter, it was more profitable to charter our ships overseas. We were not in the war at that time ourselves, so it was decided eventually to pull all ships off the intercoastal trade and charter them out. That was in the fall of 1916.

Gilb: So that sort of did you out of a job, didn't it?

Lapham: It did.

Gilb: I know 1916 was a year when there was a big waterfront strike in San Francisco. Did you observe that?

Lapham: Come to think of it, it did have some influence in pulling off our ships from intercoastal trade.

Gilb: It did? That's a very interesting fact. That was also the year when the Law-and-Order Committee was formed to try to fight the union. Did you participate in that?
Gilb: Did you know the leaders of that?

Lapham: I knew Fred Koster. He was of Scotch descent, very upright man. He's still alive. California Barrel Company.

Gilb: Did you think that the strike had something to do with their forming this committee?

Lapham: I don't recall that. I wasn't directly concerned at that time. I went East in about July, 1916, expecting to be back in a month or so, and the decision was made while I was East to pull all our ships out of the trade, and I never got back to San Francisco till 1920. So I'm not too familiar with what went on then; I wasn't an active party to it.

The Mooney bomb explosion that took place just two blocks away from my office, on Steuart Street, was just before I went East.

Gilb: What effect did that have on you? Were you shocked?

Lapham: I think we all were.

Gilb: Did you feel the labor movement was involved?

Lapham: I don't think I looked at it that way in the beginning.
Gilb: You thought it was an isolated incident rather than something that the unions themselves were responsible for.

Lapham: It developed that way, but as I recall, I wasn't in town on that day. (July 22, 1916) I was in Del Monte or somewhere. We went East almost immediately afterwards.

Gilb: There are some other things I'd like to ask you about. The passage of the LaFollette Seamen's Act in 1915. Did you have any strong reaction to that?

Lapham: Not at the time. I can remember my first meeting with Andrew Furuseth, but that was not till 1925. Then he was out for the three-watch system instead of the two-watch system. Congress finally approved that. He came into my office—I had only been president a short time—and he was quite an extraordinary character. He asked, in his Norwegian accent, "What are you going to do now?" I knew very little about it at that time. Of course, we did have to conform to the law.

Gilb: Did you object to the Seamen's Act in any way? Did it affect your company?
Lapham: It must have affected us. From the operating stand-
point, I suppose. I don't recall too much about
that.

Gilb: Did you know Walter MacArthur in those early days?

Lapham: Not then. Afterwards he was shipping master in San
Francisco, but I didn't know him then.

Gilb: How about the passage of the Shipping Act in 1916?

Lapham: 1916, when Bill Denman, Judge Denman, became the
head of the Shipping Board. That was the first real
piece of legislation affecting shipping. Of course,
it came at the time of the war, when we were getting
ready for war, so to speak, and the Shipping Board
mainly concentrated on building ships at that time.
The other features of the Act were more or less
temporarily forgotten. At least some of them,
when it came to regulations.

Gilb: They forbade deferred rebates. Did you feel that that
was unfortunate?

Lapham: There was no deferred rebate system in the inter-
coastal trade. There had been in the foreign trade.
There was a lot of publicity on that. From a prac-
tical standpoint it was perfectly okay, if you wanted
Lapham: to get all the business; if someone shipped by conference lines, he'd get a deferred rebate. He'd be given a rebate six months later, so he'd stick by the conference lines. That was, of course, along the lines of monopoly.

Gilb: Did you approve of that or disapprove?

Lapham: As a practical shipowner, perhaps I would like to do it.

Gilb: It had a lot of merits, didn't it? Stabilized business.

Lapham: Yes! Non-conference lines came in and cut the rates on certain desirable cargo which made it tougher for the regular lines which were on the run continually. Tramp lines would come in and cut the rate when they thought it looked good, where they wanted something to fill the ship.

Gilb: Did the conference lines ever use the fighting ship in the intercoastal trade?

Lapham: No. There was no such operation. There was no conference in the intercoastal trade, as I remember, until several years after the first World War.

Gilb: So that really this shipping act applied to people who were in the foreign trade.
Lapham: That's what it was directed at. The deferred rebate was a common practice in the foreign trades.

Gilb: And it had no marked effect on your company at all.

Also I note that the United States was one of the few nations that had no law on the subject of load lines. Did you feel there should be some regulation on that?

Lapham: I guess that was the case in those days. Well, of course, it was a desirable thing not to overload your ship beyond a certain mark.

Gilb: My note says the reason they didn't have a law is because the shipping interests had blocked it in Congress.

Lapham: That might have been.

Gilb: But you yourself would not have been against such a law.

Lapham: As I look back on it, I don't think our company made any real protest against it.

Gilb: Did your company have lobbyists in Washington?

Lapham: At that time? I think we had a law firm in New York which represented us; we might have had partners in Washington.
Gilb: Did the company take an interest in who was elected as a way of protecting?

Lapham: Politically?

Gilb: Yes.

Lapham: Contributions and otherwise?

Gilb: Yes. This is 'way back, you know.

Lapham: Maybe they did as individuals, but not...we weren't particularly disturbed, as I remember, about what went on in Washington in those days.

Gilb: There hadn't been very much regulation concerning shipping anyway.

Lapham: No. The Act of 1916 was relatively harmless when it came to regulation. You were required to file your maximum rates, as I remember, but it wasn't regulation such as they have today.

Gilb: Besides that, of course, the war boom and everything made it hard to enforce
TRAVELS IN SOUTH AMERICA, 1917

Gilb: Then you decided, when your ships were all chartered out, since there was not any real work for you here, to go on a business trip to South America. What was the purpose of that trip?

Lapham: My boss, my uncle, the president of the company, said, "You haven't anything to do on the Pacific Coast now; some of our ships were chartered in the South American trade; go down and take a look at it." So my wife and I sailed on a Lampert and Hope ship, the Burbank, I think it was, early in 1917.

Now that ship was a British flagship, and it so happened that the captain of that ship, had been commander of another ship that the Germans had seized, had sunk, I think, in the first few weeks of the war, and they released him on parole on his promise that he wouldn't go to sea again during the war. But he violated his parole and everyone knew that if the Germans caught us he'd be shot. I can remember very well, as we left Sandy Hook and went due south for an hour or two, I happened to be standing on deck
Lapham: and noticed that the course was changed to right angles. We went out into the middle of the ocean to go down to Rio. Bahia was our first port of call. That was to dodge any German raider. And when we landed at Bahia, a German raider had been sinking ships and had been putting the passengers on a ship; the ship had just gotten there before we did. And after our day's stop at Bahia, we left at night, and the steward made sure that every light was out aboard the ship. We got down to Rio without instance.

Gilb: Did you charter all your ships to South American firms?

Lapham: Not all. Some of them were chartered by the U.S. Steel Company. We did charter a ship that took a cargo of coal to South America. Afterwards it was discovered that it was chartered to an American coal company, and that that coal was intended for the German raiders in Punta Arenas and the Straits of Magellan.

Gilb: There was a lot of sympathy towards the Germans in South America.

Lapham: Yes, of course. Many Germans were living in Brazil
Lapham: at that time, southern Brazil and Argentina.

Gilb: Whom did you call on when you were down there?

Lapham: I had letters to government people, some of our consular corps; I had letters from the West Coast to W. R. Grace, you remember...

Gilb: But you didn’t meet the native people so much as you did Americans.

Lapham: That’s right. We did meet a few.

Gilb: And then you came back just in time to discover that we were in the war and decide that you were going to go into it.

Lapham: Yes. After leaving Rio, we stopped a few days in Montevideo and then to Buenos Aires; we went down to a seaside resort, La Plata, and we had return passage booked on a Chilean steamer sailing from Valparaiso around the middle of March. I met some Americans there who were going up to Paraguay; they asked us to go with them. But we thought it over and we had reservations on the ship and there were very few ships out, so we decided not to. So we went by rail to Valparaiso across the Andes and spent a few days in Valparaiso. I remember a Grace agent there said, "Now you’ve got one of two
Lapham: suits, rooms with a bath; my advice to you is to get aboard that ship about six hours before she sails or you'll find that suite has been sold half a dozen times over." So we took his advice. We landed in New Orleans on April 6th, the day the United States declared war on Germany.
WORLD WAR I; FRANCE

Gilb: When the war first started in Europe, did you have any feelings about that, that the United States should go into it?

Lapham: As I look back, I was in Los Angeles in August, 1914, when war was threatened, and July, and I remember that my knowledge of the background wasn't too good. Perhaps my sympathies were with the Germans. But a few months later, the New York Times published all the "White Papers" of the different countries participating, an exchange of messages that took place prior to the outbreak between the Czar and the Kaiser and the British government and the French and all that, and I read those very carefully. I became convinced at that time that Germany wanted the war; they'd done nothing to stop it. So I was pro-British, anti-German, after reading that.

Gilb: Of course, there was pretty strong peace feeling in California, wasn't there?

Lapham: Yes, I suppose there was. Although I don't think the
opening of the war was taken too seriously.

When you heard that the United States had entered the war, were you jubilant? Relieved? Sad?

I felt that we were bound to get into it sooner or later. And it was about time we did. My sympathies were very much with the Allies.

And you decided to enlist immediately? You went to officers' camp, didn't you?

That's right. I had nothing to do, and some of my friends said they were going up to Plattsburg and why not come along. Those friends had been in Squadron A, in the militia, and I said, "I don't know my right side from my left." They said, "Put your name in anyway." And I got accepted. I was commissioned Captain and assigned to the 305th Infantry.

And were you impatient to get overseas?

I think we all felt that we didn't want to be stuck in the States. But we were assigned to new divisions and received the drafted men. The 77th Division, practically all of them came from the New York area. Many nationalities and many who couldn't speak English.
I spent six cold months at Camp Upton, Long Island, receiving and training the drafted men from the New York City area and having my eyes opened to how varied were the backgrounds and origins of the men who make up America. I was particularly fortunate in having assigned to me an Executive First Lieutenant—an older man and a professional soldier. He was a naturalized Englishman who had fought in the Boer War. Coming to the States, he had enlisted in the army and served as Sergeant Instructor at West Point. I have never forgotten that day he came in grousing about some reserve officer who had arbitrarily pulled his rank. "Roger," he said, "That fellow had better watch out and remember when you get in the front lines—that some officers have been shot in the back by their own men." A bit of advice crudely put, perhaps, but a lesson in leadership.

The Division went overseas in April, 1918. Afterwards I learned that we were the first division assigned to the British for training. We went over in a convoy on a White Star ship, landed at Liverpool, were shot across England by rail to Dover; we spent one night in Dover Castle, the officers did.
After a night in Dover, we were shipped across the Channel and marched to an English camp. For the next three days all we did was to change our American equipment for British equipment. Then we were sent maybe 20 miles inland from Calais to start training. We weren't very far from the front, because we could hear the boom of the guns at night; and in the first week I was in France, all company commanders were sent to the British front on an observation trip.

I remember we rode in London buses. Another captain and I were finally dropped off at the headquarters of a British division. Beautiful early May night. The adjutant took us in charge; he had a tent on the chateau grounds. The British live well. They had their liquor every night. We had a few drinks that night and the captain said, "It's some distance to the front; I think we'll order the horses at seven o'clock in the morning." I'm no horseman, and here we were in all our heavy equipment including long coats, gas masks, belt, and helmet. I got on a horse and the horse was pretty gay, and the first thing I knew, I was trying
Lapham: to steer him around an orchard. I got him back and the British captain said, "You don't seem to know much about a horse." I said, "It's about the second time I've been on one." "Oh," he said, "I thought all Americans knew how to ride." So he put me a more quiet one and we started off. Pretty soon I forgot I was on a horse. The first sight behind the lines. We started across fields. All of a sudden there was a noise and a lot of dirt flew, and I wondered what that was. We were under shell fire. The horse knew; he started galloping. All I could do was put my arms around his neck and hang on. The British Tommies stopped to pick up my helmet that I had dropped, and we finally got to the front lines. We left our horses.

It was the original trenches of the lines they had. They had advanced and then been driven back. Dugouts that went down thirty or forty feet, almost. I spent three days there. I'll never forget—we were playing bridge with the British commander, an old Indian Army man. An order came in; he opened it and said, "Read this, Lapham, and you'll see why we..."
Lapham: haven't won this war." It was an order to attack with certain detachments of his company and the company adjoining, to seize a little ridge not more than three or four hundred yards ahead of us which the Germans occupied, to see what could be seen from that ridge, but they were not to have any support or to hold it. The attack was to be without artillery preparation, at one o'clock in the afternoon. He said, "The time's all right; we'll probably surprise them. But it's sort of a foolish affair. If we just want to look at what's there, we should jump over and jump back rather than to leave them there and not support them."

Next afternoon we went out into the fields with the intelligence officer. We watched them go over. In another ten minutes they took back 50 prisoners. The intelligence officer had his hand on the clock. He said, "The Germans are asleep. They haven't started any countershelling." In about four minutes they did. Shelling went on all night and they lost some men. I remember that night well because there was pretty heavy shellfire, and the wounded were brought in to the dressingroom; I had a bunk right
Lapham: alongside. That was my memory. We got out in three days and went back. I always laugh at the horse knowing what shell fire was when I didn't.

From the British area, we were transferred to the range sector. Long train ride. There we were with the French. That was sort of established as a quiet sector at that time. It was a wooded country, a beautiful country, and there was no real activity there; a few shells a day. Then we were sent back and we went into the front through Chateau Thierry, which had been well shot over a few weeks before. We relieved the Fourth Division. That night we were shelled and attacked by mustard gas. All of us were caught with the mustard gas. It was in a low valley where the mustard gas hangs. I was evacuated; most of the company was. Mustard gas affected the eyes. It didn't cause many casualties but it put people out of action. No gas masks.

I was not really ill. Mustard gas burns you over the damp spots in your body, your eyes. The danger of it is if you get too much of it, you are subject to pneumonia or something of that kind. We were evacuated
Lapham: to a hospital in Tours. Then we found that we could get sick leave, and all of us said, "It may be our last leave. We'll take it." So we got sick leave and went down to the Riviera and had a good time. I didn't get back to my division until shortly before the Armistice, and the show as over. I was lucky. My division had been in the Argonne; I rejoined it and marched back through the Argonne; pretty ruined country.

Gilb: Did you come into personal contact with Germans?

Lapham: No. Never did, except a few German prisoners. In Tours, I remember two German prisoners led by a sergeant who promptly saluted me.

Gilb: I understand there was a lot of fraternizing between the Germans and the...

Lapham: I don't think there was.

Gilb: Did you feel any personal animosity toward the Germans?

Lapham: Not personal; but against any man whose job is to try to kill you...
WITH THE HOOVER FOOD ADMINISTRATION

Gilb: Then you were invited to join the Hoover Administration, the Food Administration.

Lapham: That was a few months later. After the Armistice, we were all marched back to the Cherbourg area. Nothing to do but start training all over again. Two companies were billeted in a small village. No facilities, no cabarets. So I got this telephone call from a man in my division, to come to London or Paris and have something to do with shipping, stay six months. I said, "Yes."

I first reported in Paris. There were only a few there. I found out I was probably one of the first dozen or more who had been recruited from... it was afterwards that Hoover recruited something like 2500 men for the Relief Administration. They told me that the treasurer of the Food Administration was a grain merchant from St. Louis, named Edward Flesh. His offices had been set up in London and he wanted a shipping expert. So I was named as a shipping expert. I reported over in London.
Lapham: There wasn't much to do the first month or so. Then the action started, as part of the program was to ship all food possible to the areas that had been liberated, including Germany. My chief job was to keep a record of all the ships and their route. Those that were going to North Atlantic ports in Europe were all sent to Falmouth for orders; those that were going to the Mediterranean were sent to Gibraltar for orders. We had to give the orders through the Navy. There was a captain on the Admiral Sims' staff. We had offices right next to the Embassy, a row there. All I'd do was to go down and pass the orders to Captain Long.

Gilb: Did you ever talk with Hoover personally during that period?

Lapham: I did before I came home. My boss, whom I got to know very well, was anxious for me to meet him, and after our offices in London were closed, we spent a few days in Paris, and I had a ten-or-fifteen-minute chat with Mr. Hoover then. I was a great admirer of him. And I think he's become a very fine elder statesman.
Lapham: By the fall of 1919, I remember the general feeling at that time was, "We'd better get out of Europe." We'd done our job in sending the food over. There was friction developing, and that was the general feeling at that time. Time for the Americans to go home.

Gilb: Did you share that feeling?

Lapham: I guess I did. I wanted to get home, I know that.

Lapham: In June, 1919, I wangled a discharge from the army in order to bring my wife and oldest son over to join me. When at the end of ten months the office was closed, we returned to the States. In the meantime, however, I had motored from Rotterdam to Hamburg and back on a business trip with my boss, and had toured the battlefields of France with my family. Upon arrival in New York I had my first look at my youngest son born Armistice night, November 11, 1918.
TO SAN FRANCISCO AND GOLF

So it was New York again and what to do next. A cold annoying winter helped persuade us to make the unanimous decision to settle for keeps in San Francisco, and we arrived bag and baggage in the early summer of 1920 -- a move we have never regretted.

For the next few years I was not too actively engaged in business. Playing a lot of golf led me into golf politics. I was elected President of the California Golf Association in 1920 and later a director and Vice President of the United States Golf Association. For some years I campaigned to bring a national golf championship tournament to the Pacific Coast. Finally, in September 1929 the National Amateur Tournament was staged at Pebble Beach just a few weeks before the collapse of the "Jazz Age" and I quit golf politics to enjoy the game without having to answer questions about the rules or to determine whether a man was a pro or an amateur.
BACK IN THE SHIPPING BUSINESS

Gilb: When you came back to San Francisco, didn't you join McCormack, McPherson and Lapham...

Lapham: I came back in July, 1920. I took offices with the firm of McCormack and McPherson, who were two old associates of mine in American-Hawaiian. Later they asked me if I wouldn't join the firm. They were acting as steamship agents. They had the agency of the American-Hawaiian down in Los Angeles and had offices both in San Francisco and in Los Angeles. They were handling Shipping Board ships, and they were also handling the Japanese line, the O.S.K. line. I was a little loath to do it, feeling it shouldn't be spread too much, but afterwards I did. I became a member of the firm, and they called it McCormack, McPherson, and Lapham.

Gilb: I understand that right about that time, when you were working with them, the port of San Francisco was having a lot of difficulties.

Lapham: In '22-'23? Well now, you spoke of the strike in...
Lapham: when was it? '20, '21?

Gilb: There was a strike in '19.

Lapham: '19. That's when the I.W.W.'s were very... I wasn't particularly interested. I didn't get back here till 1920, and I didn't go into McCormack, McPherson, and Lapham until 1922. So I wasn't following very closely the waterfront troubles.

Gilb: I have noted that the port was badly congested, that there was a rate war going on.

Lapham: There was a rate war that started probably in '21, '22. Lasted till '23. More and more ships that had been engaged in overseas traffic were not shipped out; the market dropped. 1920 or '21, those ships flocked back to the intercoastal trade.

During the war, Averill Harriman was anxious to become the topside American shipping man, as his father had been in the railroad business. And he had bought into the American-Hawaiian a large block of stock while I was overseas in London. I first met him after I got back in late 1919--only met him once--and there'd been some difference of opinion as to the policy of the American-Hawaiian, as my father opposed
Lapham: some of Harriman's ideas and Harriman very bluntly
told my father he wanted him off the board. In
early 1923, Averill Harriman had control of the
American-Hawaiian...they were losing money, rate war
was on, and I went back to New York. My cousin,
Henry Dearborn, that was George Dearborn's son, was
in the business. He came out to San Francisco--I
hadn't seen him for several years--to say that the
situation was pretty bad and something should be
done to put the company in better position. So I
went back and met with Averill Harriman's associates.
By that time, I think Averill Harriman was very glad
to have some outside help, and it was agreed that
American-Hawaiian should be set up independently,
(for a year or two before, it had been handled by
United American lines, an organization created by
Harriman), and that we should find the best "doctor"
for American-Hawaiian. That was my position.

I suggested Cary W. Cook, who had been the opera-
ting manager of the American Hawaiian in San Francisco,
from about 1907 until 1917-18. Before that, he'd
been their agent, the American-Hawaiian agent in
Lapham: Seattle. I suggested him as the best "doctor" to take over. It was finally agreed that he would. In fact, he made several conditions. One of them was that the headquarters of the company should be here in San Francisco, and the agents up and down the coast should be done away with and we'd set it up with our own offices. That meant that the firm I was with, McCormack, McPherson, and Lapham, would have to give up their agency in Los Angeles. Williams-Dimond would have to give up their overall agency for the Pacific Coast. And I think that it was in the latter part of 1923 that that was put into effect. John E. Cushing, who was a partner with Williams-Dimond (he's still in the building my office is in, became director, afterwards president, of the Matson Navigation Company), came over, in charge of traffic under Mr. Cook. And Thomas Plant, who worked for Mr. Cook before and worked for me in Seattle and Los Angeles, came in as the operating manager. At that time I took a job as treasurer, a nominal job. Mr. Cook went to work and reorganized the company and set it on its feet. Two years later, in June, 1925, he put it up to me that
Lapham: he was going to retire. He'd done the job he had promised to do, and he wanted me to take over as president. I was rather loath to do it. I had outside activities; I had become president of the California Golf Association. To go back into harness again would be rather difficult. He put it pretty strongly: "If you don't do it, I'm going to find someone else." After all, I had my interest in the company, and my family had their interest in the company, and I agreed to take over as president.

Gilb: Was your uncle still playing an active part in the company? Your uncle George Dearborn?

Lapham: No. He had died in the spring of 1920. That meant that Harriman was really responsible for it. After three years of rate war and a depression in ocean shipping, he was quite ready to turn it over to someone else.

Gilb: How about your father? Was he out of the picture too?

Lapham: He was out of the picture. He got out in 1920, when Harriman came in.
Gilb: Now, by the time you became president, the line had dropped its Hawaiian run.

Lapham: The line had dropped its Hawaiian run when it abandoned its intercoastal service through the canal in the summer, I think, of 1916. They had a contract to move the sugar, and what they did was to make a deal with the railroads to move the sugar from San Francisco east. The American-Hawaiian used a few ships to carry the sugar from Honolulu to San Francisco, and then it was shipped rail. When the contract expired a year or two later, American-Hawaiian made no attempt to move any Hawaiian sugar to the east coast.

Gilb: Was the fact that there were some refineries growing up on the West Coast a factor there?

Lapham: Yes, and of course the West Coast more and more could take over the sugar production of the Islands. That's been the case ever since that period prior to 1920; practically all the sugar produced in the Hawaiian
Lapham: Islands moves to Crockett--the C and H sugar refinery in California. There's still some going east, but in a limited amount.

Gilb: When you became president, did you initiate any new policy?

Lapham: No, I simply tried to carry on as Cook had. We bought some more ships; we...the Grace Line was operating six freighters in the intercoastal trade, and they hadn't been too successful. A deal was made just about the time I became president, initiated first by Mr. Cook, to take over those six ships. Our general policy was to increase the frequency of our sailings. We advertised more and more that we were the one line that gave more frequent services; we gave a service to North Atlantic ports of two sailings a week, and afterwards sailings to the South Atlantic ports, including Norfolk and Charleston and sometimes Jacksonville, as I recall, a sailing about every ten days. Then we bought, later on, four freighters from the Dollar Line; put them into service.

Gilb: Did you charter any government ships or buy any?

Lapham: No; we did buy one Shipping Board ship that was
suitable; then in 1928 we, in connection with the Matson Navigation Company, bought 19 or 21 freighters that had been operating to the Orient and Australia before, the Oceanic and Oriental Navigation Company, I think it was. To buy this fleet, Matson took 50% and American-Hawaiian took 50%. American-Hawaiian operated the services to the Orient, Japan and China, and the Philippines, and Matson operated freighter services to Australia and New Zealand.

**Subsidies**

Gilb: This qualified you for government subsidy, didn't it?

Lapham: When we bought it, we were not sure that we were going to get any kind of subsidy. But a few months later, Congress passed the Ocean Mail Act of 1928, which was really a subsidy. We enjoyed subsidy payments in a limited amount for the next six or seven years.

Gilb: I was talking to a shipping man who said it was the policy of many shipping companies not to allow for enough depreciation on their fleet, so that their capital stock was depreciating without provision for
Gilb: for replacement. Was this true in your company?
Lapham: No; we set up the usual procedure in writing off a ship within twenty years.
Gilb: Do you think this was unusual among shipping companies?
Lapham: I think that was the accepted practice; to consider the life of a ship twenty years for depreciation purposes. But when it got down to... when I took over in 1925 as president, we had some ships that were at that time 25 years old. Of course, ships have to be reconditioned, and you spend capital expenditures to recondition them, and we had to continue to write off the additional expenditures of the period. The government felt that 20 years was too short a time to write off a ship. I don't know what their policy is today, but we had many ships in later years that were only $1 on the books.
Gilb: Did you get any government construction loans to build new ships?
Lapham: No, we never got into that. When we got these contracts, these ocean mail contracts, and they were based on so much a mile for certain speed ships, our ships were all bought from the government in 1928 and
Lapham: had all been built during the first World War. There were a mixture of Liberty type and some better types, and our first contract for Australia and New Zealand didn’t call for any new construction. Our contract for our China and Far East services, which we didn’t get till later, did call for the construction of four freighters over a period of ten years. But in 1934 there was an investigation of the ocean mail contracts. Senator Black, afterwards Justice of the Supreme Court, was chairman of this committee to investigate these mail contracts. I think there were something like 45 different mail contracts with different companies. As a result of that investigation, we--all of us who had entered into these contracts--were charged with fraud and collusion. Congress later told us that our contracts were out the window and we were given a year--that was in 1935 or '36--to make new contracts.

Well, we had not proceeded with the construction of these four ships because we were under notice that our contracts were considered invalid, and when the time came that (Mr. Kennedy had been appointed Chairman
Lapham: of the Maritime Commission) we should negotiate new contracts under more severe conditions, we decided to get out of the business. We didn't want to continue.

Gilb: Out of the foreign trade, you mean.

Lapham: The foreign trade, the Oceanic and Oriental. I think it was the end of 1937 that we made a settlement with the Maritime Commission and divided up the fleet. Matson took half and we took half.

Gilb: I don't think the United States could compete with foreign nations with that sort of general trend, could it?

Lapham: Well, there's no question that American-built ships --and to get a subsidy, vessels must be built in the United States--you cannot build a ship in anywhere near the price that you can build abroad in Britain, Germany, or Scandinavia.

Gilb: Did you feel the subsidy was necessary to compete generally too?

Lapham: It was necessary first of all to have what they call a construction subsidy. If, for instance, you could build a ship, let's say a freighter of 7,000 tons in
Lapham: a Scandinavian yard for $2,000,000 or $2,500,000, and the same ship would cost you four or five million here, the theory was that the government would give you a construction subsidy to equalize the cost of the foreign ship. Then on top of that, they have it today, there's an operating differential. No question that American ships cost more to operate, largely through labor costs, the crew, than most foreign flags. So there was an operating subsidy as well as a construction subsidy.

Gilb: And you are entirely in favor of these things?

Lapham: It would be impossible to run American-built common carriers in foreign trade in competition with foreign vessels at the same rates unless you did have this kind of assistance.

Rate Regulation

Gilb: I understand that when you were president of the firm, you did not want to join in the rate-making conferences of the intercoastal trade. What was your reason there?

Lapham: On the contrary, American-Hawaiian was one of the
Lapham: leaders in trying to put conferences together.

Gilb: Oh, really! I got this out of newspapers.

Lapham: Well, that's wrong. We felt that rate wars didn't get you anywhere. The public wasn't served by rate wars in the long run, and we had something like 13 or 14 competitors in the trade. We were for conferences to bring in non-conference lines as well as what we termed the industrial carriers. U.S. Steel had a large fleet. They wouldn't join the conference. Finally they agreed to more or less follow conference rates. Then Bethlehem Steel Company put some ships in the trade. They wouldn't join the conference. There were some out-and-out rate-cutters like a man named Dimon, Charlie Dimon, who was going into some business to be bought out. He was a fly in the ointment. So we had a series, without checking it at all, of trying to keep the conferences together even though it meant that we would have to give certain ships—we had Class A ships and Class B ships or lines, in which Class B got a lower rate because of less frequent service. The American-Hawaiian always tried to keep the trade stable through conferences.
Gilb: You say the company was a leader in this respect?

Lapham: Yes.

Gilb: My information is that none of these conferences really succeeded, that you had...

Lapham: They'd last a certain length of time and perhaps break down, and then we'd have to have them again. Of course, under the law at the time, any conference agreement had to be approved by the Shipping Board and later by the Maritime Commission. It was rather unusual for competitors to get together and say, "We want to have a conference. By that we'll fix the stable rates, the same rates for different things, and so forth." But it had to be done with the full approval of the Shipping Board and Maritime Commission. In that way, we couldn't be charged under the Anti-Trust Act.

Gilb: Eventually didn't the company petition Congress for regulation after the rates conferences did not succeed?

Lapham: The company sought regulation. The regulation that the old Shipping Board had was very nominal. You filed your maximum rates, but there was no actual
Lapham: control of the rate established. Later on the company sought more rigid regulation. The chairman of our executive committee was active in Washington pressing for that kind of regulation. Eventually, I forget the year....

Gilb: 1933?

Lapham: Later than that. In 1933 there was a certain amount of regulation, but it was not until three or four years later that it was finally put under ICC with certificates of public necessity and all that. Today the intercoastal trade is operating under ICC regulations of rates.

Gilb: And you're all for it.

Lapham: Personally I was never for it.

Gilb: Oh, really!

Lapham: No.

Gilb: On what grounds?

Lapham: When you have regulation of railroads--one of the complaints against the railroads was the rebate system. A railroad--originally you have to condemn the right of way; you have that power. But sea transportation--thousands of ships can sail the seas;
there are no fixed lines. I always felt that we'd be better off in the long run to have free competition, and the company that had the most efficient service and the most frequent runs would be better off.

But you were overruled in this respect?

I was overruled by my Board of Directors.

Gilb: I see. Was your company badly hit by the depression in 1929.

Yes. Following '29, '30, '31--after all, the American-Hawaiian was strictly a common carrier. It had no backlog of tonnage which was their own. For instance, in the Matson Line, many of the stockholders are sugar owners, and the Matson Line always had the background of movement of sugar.

But you had that and gave it up.

We gave it up in 1917 or '18. From 1921 on, we were entirely dependent on whatever the outside shippers could give us. We did have many shipments. We solicited for all types of cargo: the small shipper, the less-than-carload rates which were always more remunerative than carload rates. We had strictly a
large package business, particularly westbound. Some of our ships going out from New York twice a week would have as many as three or four or even five thousand bills of lading. One case or two cases, scattered all over the Pacific Coast from Los Angeles to San Francisco, Oakland, Portland, Seattle, and so on.

That would make a terrific traffic management job.

Yes. It meant there was a lot of paperwork too.

So when 1929 came along, and business generally had not too much to sell, we were very adversely affected. A ship that would go out from New York usually with five or six thousand tons sometimes only went out with a thousand tons. That was particularly true in the overseas trade to China, where previously we could count on a $50,000 freight list. That meant cargo whose rates totalled $50,000. It dropped to ten or fifteen thousand. So that even with a subsidy we were losing money in those days.

What did you do to try to solve this situation?

The main thing was to cut expenses. In those days, '31 or '32, men were seeking a job for almost any-
Lapham: thing, and of course we reduced our crew wages when men were willing to go to sea simply to have food and lodging. We had to, to meet the loss of revenue; it was quite extreme.

Gilb: Did you try to reduce cost in any other way besides wages?

Lapham: Of course, the prices of equipment and supplies were down, but even so, it was hard sledding.
This brings us to the labor question.

Yes. I'd like to go way back, if I may. My grandfather, David B. Dearborn, was a part owner and agent for the Sewall ships. I remember before we went out to live in Seattle, my grandfather said, "Captain Graham," (one of the old-time Sewall shipmasters) "is living in Wenatchee. He's bought an apple ranch. I've written to him because I want you to meet him." Shortly afterwards, Captain Graham came over to call on us. He was a wonderful looking man. To look at him, you'd think he ought to be the Chief Justice of the United States. White hair, dignified, maybe six feet two or three, and very formal. We got to know him.

One day several months later, I asked him out to dinner. Just my wife and myself. He proceeded to tell us of his early days in sailing ships, when he was a mate. He talked for three hours. I wish I'd
had this recording machine there. When he left around midnight, my wife made a comment. She said, "There is one expression that I will never forget, and that is one that he used very often, 'and I reached for a belaying pin.'"

It was the days of iron ships and iron men, and you had all the evils of the boarding house keepers, who shipped the crew. I remember he told us a story of how he was getting his crew in Tacoma. He was ready to sail with a full cargo of grain, for the U.K., and he was boarding his crew. Boarding master brought out the crew. Ship was lying in the harbor. They had to sign the articles in front of the government shipping man. Some of them of course were under the weather with liquor. And all of them signed except one man. He wasn't going to sign. So he was taken out in the cabin and the boarding house keeper beat him up. Would he sign then? No! So they beat him up some more. Captain Graham said, "Let me talk to this man." He did. He said, "I know the situation. Do as you want, but I can't help you; if you don't sign and you leave the ship, you aren't likely
Lapham: to get ashore again." That was it. And he finally persuaded him that it was to his own interest to sign. He was pretty badly beaten up. So Captain Graham let him rest for three or four days. His wife was aboard and she helped sew him up, so to speak. And after four or five or six days, Captain Graham decided it was about time for him to go to work. He said, "Nothing doing. I'm not going to work." So Captain Graham said the mate had to reach for a belaying pin. And he finally went to work.

So going back to those early days, you can understand why things should be changed. Of course when steamers came along, you had the time shortened. You didn't have to, for your own safety, beat around the Horn and send the men up to the topyards in all kinds of weather—you naturally didn't expect the same conditions to exist.

Gilb: One of the objections of the seamen was against the use of Orientals. Did the American-Hawaiian use Orientals?

Lapham: We had no Orientals. Filipinos—but we had no all-Oriental crews as the Pacific Mail used to have.
Lapham: I can remember when I went down in the Pacific Mail ships to the Hawaiian Islands in 1910, the officers were all Americans but the crew was entirely Chinese. It was a very efficient crew, too. There would be a No. 1 bosun, deck crew, and a No. 1 fireman in the engine room, and a No. 1 steward. The captain and the officers dealt through the No. 1 bosun, fireman, or steward. Now they were under bond when they shipped in China; if they deserted here, why, their families would be penalized. They got good pay for Chinese and generally speaking were very efficient.

Gilb: Why didn't you employ Orientals?

Lapham: We didn't run to the Orient except with our 0 and 0 line, and by that time, 1928 or '29, we weren't handling Chinese crews.

Gilb: Did you ever have trouble with your seamen during the 1920's?

Lapham: No. No real trouble with the seamen. Many of them have served under one captain for ten years. Served in the line for ten years. After '34 and '35 one of the objectives of the union people was to break up
Lapham: long associations with one captain or one line. Serve one trip and then go on the waiting list and next time you went out would be whatever ship you were assigned to. The excuse was to spread the work, and they got more men in the union that way, more dues. But it was a deliberate attempt, in my opinion, to break up any too close relationship between the line and the men who served it.

Gilb: Did you have good relations with your longshoremen during the 1920's?

Lapham: In the 1920's we had very little trouble, as I recall. There was the so-called "Blue Book union" that the lines dealt with in San Francisco. Longshoremen were paid, as I recall, about 5 cents an hour more than on the Atlantic Coast. We had efficient operation. The tonnage that they handled per hour fully justified a higher scale.

Gilb: Do you think they had any legitimate grievances during that time?

Lapham: Of course there were grievances. This hiring from the pierhead where the foreman chooses the gang undoubtedly led to many cases of petty graft.
Gilb: Racketeering.

Lapham: Yes. But I don't think on any scale as it existed on the Atlantic Coast and it existed there long since 1934.

Gilb: Do you think the Blue Book union was helpful in preventing that?

Lapham: The Blue Book union; I afterwards got to know the Blue Book union leader, Jack Eryan, very well indeed. He was a very fine man. He had gone to sea in his early days as a sailor, knew the waterfront from A to Z, and knew his men. He was a fine citizen. But along about '33 or '34, just before our strike, Joe Ryan, who was then the head of the Longshoremen's International Federation, wanted to organize on the West Coast, and would have nothing to do with the Blue Book union and set up another union, and that leads us to the '34 strike.

Gilb: Wasn't the Blue Book union supposed to be a company union, wasn't that the objection to it?

Lapham: That's of course what we were charged with. It wasn't a company union, in any sense, except that every year we made a deal with the head of the union, Bryan and
Lapham: His associates, and the rates that were fixed in San Francisco were generally followed up and down the coast. Bryan was the type of man that was a reasonable sort, and business was generally good up to 1929. I don't think there were too many abuses.

Gilb: Did you know any other labor leaders during that time? Did you know Paul Scharrenberg, for instance?

Lapham: I got to know Paul Scharrenberg in '34, '35, '36.

Gilb: But not before then.

Lapham: I might have met him before then, but not to deal with.

Gilb: How about Mike Casey? Did you know him?

Lapham: I only met him during the '34 strike.

1934 Strike

Gilb: So, really it was the '34 strike that was your initiation into the labor world.

Lapham: From the '34 strike, I used to say "I am more in the labor business than in the shipping business."

Gilb: Had you ever heard of Harry Bridges before that time?

Lapham: No. Harry Bridges rose to power during that strike.

Gilb: And you hadn't heard of him, didn't know anything
Gilb: about him, before that.

Lapham: No.

Gilb: Were you surprised at the strength the longshoremen showed? In the '34 strike.

Lapham: Yes, I think I was.

Gilb: You didn't realize they'd been building up to this for a long time.

Lapham: My -- as I look back on it, and I think I expressed it in a letter that I wrote my directors in sometime in June, '34. I'd like to look it over again and make sure. But as I look back on it, we came to the realization...I was convinced myself, although I don't think the public was convinced at that time, that this was a move that went beyond the aims of the usual accepted labor leadership. It was to get power. To get control.

Gilb: On the part of Bridges?

Lapham: (emphatically) On the part of the Communist Party. I was convinced towards the end of that strike that it was the Communist Party that was directing it. And that, I think, has been substantially proved by the evidence produced in this last trial of Harry
Lapham: Bridges two years ago. It was pretty well brought out that the control of the waterfront, control of transportation, was one of the main objectives of the Communist element on the waterfront.

Gilb: I think you mentioned one time that you thought that Bridges was trying to get control of all transportation—east coast and west, all the way down the line. If the Communist element hadn't been in there, would this have been a stabilizing factor for labor? If there had been one union with which companies could deal, covering everything, covering the conditions in all ports, would it have had any good effects?

Lapham: Yes. Of course, when Harry Bridges—after the '34 strike, he was instrumental in forming the Maritime Federation, which was to include not only longshoremen but the seamen, the firemen, the stewards, the master and mates, the engineers, the radio operators, and all work involved on the waterfront—clerks—everything involved in waterfront labor.

Gilb: Including warehousing?

Lapham: Well, that went back, yes, that was sort of the next step. But Harry Bridges told a friend of mine in an interview he had with him...This friend met with
Lapham: him—I think it was prior to the 1936 strike. This man is still in San Francisco. I can tell you who he is. Lynn Fox, who is now the political editor of the Call-Bulletin, I think. At that time Lynn was on the Waterfront Employers' payroll as a contact man with the press. He told me that he'd gotten Bridges aside after one of these negotiating meetings and said to him, "Harry, you've gone a long way since '34; you've had public sentiment generally with you; why don't you rest on your laurels and consolidate your position now; don't risk going on and developing public feeling that may be against you." And his answer to that was, as I remember, "This is something beyond just labor relations on the waterfront," he said. "Our object is to control all transportation, and who controls transportation in the country controls the country."

Gilb: Wow!

Lapham: He's very frank. Now I haven't seen Lynn Fox for some time, but I do recall that, and I think he could check it. I might call him in and ask him whether my memory fits with his recollection. But I'm quite
Lapham: sure that was it.

Scharrenberg; Ryan

Gilb: How did you feel about dealing with men of the Scharrenberg type, who are more conservative?

Lapham: Well, of course, you've got to realize that in labor...a labor leader has got to be a damned smart politician to keep on top of the heap if he's going to keep on top. He's got to keep asking. There are many men who want his job. It isn't like a corporation, the president of a corporation usually can retain control through the support of his board of directors as long as the company is doing reasonably well. If they go into red ink, that's something else. Or there may be particular factions that want to control the company. But generally speaking, the president of a company doesn't have to worry about his own job if he is reasonably efficient and if his company is doing well. There's no one down below seeking to upset him. The usual... Whereas a labor leader, there'll always be, bound to be, the men down below who want to rise to the top and become
Lapham: the leaders. Now a labor leader may recognize that he's asking too much, but if he doesn't ask, continue to ask, he'll always be charged with appeasement of the employers and all that. I'm more and more impressed, particularly after my experience in the mediation board and the War Labor Board, the labor leader has to be essentially a pretty smart politician to keep on top, and to keep his job against the many that are striving to get his job.

Gilb: You think that the company should try to keep the kind of men they like at the top?

Lapham: Naturally, if you've got a good labor leader that you can sit down and talk with, you'd much prefer to deal with him than the boy that's more radical and refuses to see things to the same extent as the more conservative labor leader. But take Scharrenberg. In the '34 strike, it was strictly a longshoremen's strike. We didn't have any trouble in keeping our crews at that time; they weren't organized as they were later. But Scharrenberg realized that if he was going to keep control, he'd have to exercise, let's say, more drastic methods than he had, and I
Lapham: I remember his coming in to my office. We had two or three ships in Portland. He had thrown a picket line around them, and our ships were tied up. And he wanted us to recognize his union right off the reel. I remember the private talk I had with him. "This was pulling something pretty strong. There's been no election." "Well, that's so. What are you going to do about it?" To keep our ships going, we recognized his union at that time, as I remember. Of course, later on there were elections and ... as I recall, Scharrenberg shortly afterwards lost control.

Gilb: Yes, he did. What did you think of Ryan?

Lapham: Joe Ryan? Well, he's a type. He was the old leader type. He came out to San Francisco and met with us; then he was to go up and down the coast and so forth. I remember I was left alone with him; he was a pretty decent chap in his way. He said, (high voice) "Well, if I settle this,"—looked at my models—"got some good models. Can I have one of these models if I settle it?" (laughter) I said, "Mr. Ryan, you can pick what you want if you settle it." He came back.
Lepham: He said, "I guess I don't get my model." I afterwards was in his office in New York. He had offices at 14th Street on the Hudson River. He had a fine collection of models and takes quite a bit of pride in it.

Government's Role

Gilb: What did you feel about the government's role in the '34 strike. Were you happy with that?

Lapham: (laughter) I think I gave you my letter to Miss Perkins. That was about the way we felt.

Gilb: In other words, the essence of what you felt was that the government under the Roosevelt administration did not back up the employers when they abided by the agreement.

Lapham: The objective of the Roosevelt administration was to increase the power of organized labor. There was no question of that. Labor was given all the breaks and to my way of thinking didn't hesitate to use any methods to build up organized labor.

Gilb: Apart from the federal government's role, which apparently was quite negative, did you feel--were
Gilb: you happy with Governor Merriam's part in that strike?

Lapham: Governor Merriam... let's see. Jim Rolph died, as I remember, right in the middle of the '34 strike. And we used to have our conferences right in my office. And I remember Governor Merriam called on us, and we told him the conditions, what we thought were the conditions, and he was simpatico. I don't think he could do much except, of course, he went ahead and ordered the National Guard in. He was entitled to do that.

Gilb: How about Mayor Rossi? Did he give you the kind of support you expected?

Lapham: Well, I can tell you a little instance about Mayor Rossi. Towards the end of that strike, in July, and after the President's board had been appointed, McGrady, O. K. Cushing, and Archbishop Hanna, we finally agreed and they told us this was the last thing they'd ask us: to leave everything to arbitration, decision about wages, hours, union shop, and everything else. And they told us that was the last thing they'd ask us. All right; agreed. Then they did ask us again if we'd give the closed shop. "We
Lapham: "can't do that; we've given you everything you've asked."

Well, the general strike was called on a Saturday. The AFL Labor Council decided for the strike. Mike Casey was the head of the Labor Council. He said afterwards "There was nothing I could do except follow the wishes."

And I remember that was the afternoon...I've got a memorandum on this somewhere. I'll look it up. I went down to Atherton when we were living there that summer to get a change of clothes for the night, and my wife said, "Herbert Fleishhacker wants to see you right away; he's heard from Washington, a telephone call from Marvin McIntyre." Just heard of the general strike. I went over to Fleishhacker's home, a short distance away, and Herbert told me that they wanted to know all about it. He'd said, "Well, I'll get hold of Roger Lapham; he can tell you more than I can."

So we called Marvin McIntyre. I said to Herbert, "I'm going to lay it on the line." I told him that I thought that the stage was set for violence. We'd
Lapham: "done everything we could. He said, "There's one more thing you might do." "What's that?" "Give them the closed shop." I said, "I can't speak for the group, but we've done everything they've asked us to; the President's board has full power to give it if they want to; however, I'll consult the group."

Then he asked me if I'd talk to Madam Perkins. "Yes." "Where you going to be?" I gave him my home number, went back. Shortly afterwards she came on the phone and talked for 45 minutes. That was along the line, what would we do about the seamen? If we had elections and the seamen's union or whatever union it was was designated as the bargaining agency, and if after negotiations we failed to reach an agreement, we'd agree to arbitrate. I said, "That's a different picture. We haven't any issues with the seamen's union; I can't speak for the crowd; I can point out to you that many of these intercoastal ships find their crews in the East; others find their crews here; we can't speak for the whole crowd. However, I will talk with my associates and tell them of this conversation."
Lapham: Sunday I went over to see Jack Neylan at his home; I remember, Fremont Older was there. He told Jack in his emphatic way, "You tell the Secretary you can't talk about a plugged nickel as long as this general strike is on. A general strike is a strike against government, and until that general strike is called off, you can't discuss anything."

Okay. Then he said, "Tell her to confer with Senator Johnson; he knows pretty well what the situation is."

So I went back, came to town; town was deserted; never seen the produce market as empty as it was of a Sunday morning. We had our meeting and of course agreed to back up that general proposition. And I was designated to go back and tell her that. I came back here to Herman Phleger, who was the attorney for the waterfront then, and a couple of others, and I called her up. I guess there must have been four or five others on the line—that's the practice in Washington—and I told her what our decision was, that we couldn't discuss anything till the general strike was called off. She made the remark she couldn't understand it; we were a group of naughty boys fighting.
Lapham: When I mentioned Senator Johnson, she said, "What does he know about Labor?" or words to that effect. (laughter)

Then I remember we had our headquarters in the Palace Hotel. We got up there and there was a call from Mayor Rossi; would like to see us. Herman and I jumped in the car and went up there. Incidentally, in front of the Palace Hotel there was a squad car with six or seven men watching whoever went in and out. We got up to Mayor Rossi's office in the back room, and finally he came in, and said, "This is terrible; perhaps there's some way we can settle it, even at the last moment." I knew that Ed McGrady had been working on him to give the closed shop. Herman got up and said, "Do you realize what you're asking, Mr. Mayor? You're the Mayor of this town. A general strike is against the city government and all government. It would be a disgrace in the face of a general strike if we conceded anything." And "Well, that's all right; we think so and so forth." (laughter) That was it.

Cilb: Hugh Johnson came out, didn't he, right at that time?
Lapham: I'll say he did.
Gilb: Did he have any...
Lapham: You got that from Jack! (laughter)
Gilb: I'd like your version of that story.
Lapham: I remember it very well. That Monday morning, the general strike was on. I remember I put my car in the garage on California Street, and I said, "Can I get it out Monday morning?" He said, "Better get here before 8 o'clock." Which I did. Kenneth Dawson, who was then head of the States line in Portland, phoned me that morning. He said he'd seen General Johnson, and General Johnson was coming down, flying down, and wanted to meet Jack Neylan as soon as he could on arrival. I went up to Jack's office and gave him the message. Jack said (high voice) "I don't know if I'll meet that bird or not. By God, it's up to you." (laughter) "That's what he's requested." Of course he met him. In the meantime he'd been talking with Mike Casey and the group and so forth. We went over to the Palace; Jack was there in a room; Clarence Lindner was there, and word came that Johnson was right up on the floor above. Jack
Lapham: went up. We sat there talking for an hour. Jack came down. "Well," he said, "We had the ball down on the one-yard line ready for Johnson to shove it over. But," he said, "now it's way back in the middle of the field." (laughter)

Gilb: He said something about Johnson's drinking rather heavily during this...

Lapham: I guess he did. He had his secretary with him too; what was her name? Robby.

Gilb: How did you feel about press coverage? Did you feel that it was fair?

Lapham: Well, I'd say the press was generally against us; I mean, they felt there were all these abuses on the waterfront, and the public was...we should have corrected them, et cetera. Never took it too seriously. My oldest son was then working for the Examiner. They sent him down to talk to the strike crowd to see if they could get special permission to move their newsprint off the docks.

Gilb: Do you think you could have done anything differently? Made it turn out better that time, now that you're looking back on it.
Lapham: I think it's doubtful, because I'm convinced in the light of later events that they intended to keep the strike going as long as they could. That's the Communist line; keep everything boiling. Of course when they started to burn freight cars on the waterfront, it precipitated things, and these two men that were shot, remember...looking out the window with my glasses, seeing the ambulance there and all that. Police used tear gas bombs and scattering in all directions. Of course the public funeral for those men—that was quite a dramatic affair.

Gilb: You think they deliberately exploited this for all it was worth.

Lapham: If you remember, they started troubles down in the Imperial Valley that winter.

Gilb: Yes, that was the Communist...

Lapham: Among the agricultural workers. I think the strike in San Francisco spread so quickly, they didn't anticipate it. But when it was going their way, particularly after Joe Ryan was read out of town, that's when Bridges took control, why, they concentrated right in San Francisco.
Before we finish talking about the '34 strike, I wanted to get your description of the three people who were on the arbitration board: Hanna, McGrady, and Cushing. Could you tell me what kind of man Hanna was?

Archbishop Hanna was a very fine man; no question of that. He had a reputation in the community of being friends not only with his own faith but with Jews and Protestants. He was a high-class man. At the time he took part in this 1934 thing, I think he'd aged a bit; I have the feeling that he wasn't as fully alive to the situation as he would have been some years before. Shortly after, he retired and went to Rome. But I don't think he was as on top of things as he might have been some years before.

He was generally pro-labor, wasn't he? Hanna.

Yes, I think he was generally for the underdog.

And how about O. K. Cushing, what kind of man was he?

I'd never met Cushing before; he was a Democrat. I guess he was a pretty high-class fellow, although I got the feeling toward the end that he was somewhat
Lapham: biased.

Gilb: He was an attorney, wasn't he?

Lapham: Yes.

Gilb: And how about McGrady?

Lapham: Well, McGrady was an old-time AFL labor leader. I think he came up in the building trade. No, the printing trade, I think it was. And he was pretty well following orders from the Secretary of Labor. He daily phoned her, and she was his boss, and he didn't deviate too much from his orders.

Gilb: That sounds as if it was a pro-labor board, by and large.

Lapham: In the light of what I've learned since, I'm sure it was. (laughter)

Gilb: How did you feel about Judge Sloss as an arbitrator? Do you feel that he...

Lapham: Oh, I think he was eminently fair.

Gilb: It was a very difficult position he was in, wasn't it?

Lapham: Of course, when Bridges refused to obey some order of his, I remember that meeting downstairs here, he laid it on the line. Said, "There is no use my serving
Lapham: unless both parties are going to agree."

Gilb: That was over a hot cargo issue, wasn't it?

Lapham: I guess it was; I forget; there were so many of them. I never kept any diaries of those days.

**Employer Reactions to Arbitration Award**

Gilb: Were you happy with the award that was made in the '34 strike? Did you think it was reasonable in view of all the circumstances?

Lapham: I think they went pretty far when they created a six-hour day, overtime after six hours. Of course they didn't give a closed shop, but they gave control of the hiring hall to the Bridges union, and that was just about as effective, or even more effective, than the closed shop.

Gilb: Of course it was supposed to be joint control.

Lapham: It was supposed to be joint control, but the dispatcher was the man who really had the power. We shared in the expenses. (laughter) But when it came to getting new men on the payroll, we felt that no new man came on unless he had been thoroughly screened by Bridges. We used to think that only a Communist could get on as a new longshoreman.
Gilb: Did you know at the time that the award was made that the employers couldn't keep any control?

Lapham: No; of course we thought we'd been treated pretty badly on the whole, but it wouldn't have been so bad except for the deliberate program. I say it was deliberate, because I think in that speech I made before the Chamber of Commerce May 1, 1936, where I quoted from the Maritime Federation's own instructions, the program was to create these stoppages or incidents, and to extend their control that way.

Gilb: In other words, you feel that no matter what the award had been, Bridges and his men were not going to live up to it anyway, by deliberate policy.

Lapham: That was it. When we complained to the Secretary of Labor, she didn't take it seriously; it was one of those things that you could expect, so why worry about it?

Gilb: Incidentally, Miss Perkins is undergoing this sort of thing back east right at this moment. She's being interviewed by the Columbia University Oral History Project and I understand that there's a section in the interview about you and about this.

*See appendix, pages 401-408.*
Lapham: Well, you know, I got to know Miss Perkins very well later on. That letter of mine was the first time I'd ever met her. As time went on, I saw her in Washington and talked very frankly. I lunched with her there in her office several times.

Gilb: Well, when they had these quickie strikes and frequent disobediences of the contract afterward, one of the complaints was that there weren't uniform work conditions on the waterfront. Do you think this was a legitimate complaint?

Lapham: I don't think that was one of the main issues.

Gilb: Did the shippers try to improve methods of loading and ... to make it more efficient and...

Lapham: To handle more cargo per hour.

Gilb: Yes, that's what I mean.

Lapham: Yes; it was the objective to get your ship loaded as quickly as possible.

Gilb: And do you think the longshoremen stood in the way of progress in this respect?

Lapham: At that time they were charged with speedup, and the records showed they got more work done per hour per man than we got on the Atlantic Coast.
Gilb: Was this due to technological devices or to taking it out on the men?

Lapham: I don't think it was taking it out on the men too much; sure, a foreman would stand over his men and say, "You're loafing; get busy." But I don't think it was anything too deliberate. Of course you have stevedoring companies who do the work for the employer, and you naturally employed the most efficient stevedoring company. That would be their object in getting the business; they could handle their men and get the work done faster. There was competition of that kind I suppose. But I don't think it was too excessive; it didn't demand from the men that they work for eight hours without stopping, for instance, without taking a breath.

Waterfront Strike, 1936

Gilb: What was the cause of the 1936 strike?

Lapham: The 1936 strike...in my mind there was absolutely no cause for it. Except the wish of Bridges to extend his power, show his power, through the Maritime Federation which he'd created the year before. In
Lapham: that strike, as I remember, the contracts were to expire on October 1st, 1936. The shipowners, having in mind that they hadn't the public with them in the '34 strike, made up their mind two months before that they'd put themselves on record that they would arbitrate every issue that was raised, not only with the longshoremen but with the seamen's union, even to the extent of arbitrating the demand that we take our captains and officers from the hiring hall in rotation. And that we were taking a big chance on. But we felt that the public would be with us, 100% with us, if we said right at the beginning, as we did two months before the strike, "We'll arbitrate every issue." Despite that fact, the strike took place; the offer to arbitrate every issue was not withdrawn; and the strike lasted about 100 days.

Gilb: That was primarily a seamen's strike, wasn't it? Rather than a long...

Lapham: The seamen's demands, wage demands, which were finally granted voluntarily, and which I think the shipowners would have been ready to grant, maybe not to the same extent, before the strike, were the main issue.
Lapham: As I recall, the longshoremen got really nothing out of the strike.

Gilb: I'd like to know a little of the background of your making that very famous speech in 1936 on the same platform with Bridges. I've been told that none of the other employers wanted to go; is that true?

Lapham: Well, I remember that very well. The union had had a parade up Market Street a week or ten days before; they had floats and pictures of the shipowners as greedy capitalists in a plug hat and all that. I was sitting with Mr. Plant in his office with American-Hawaiian, and this invitation came in that they were going to have a meeting in the civic auditorium a week hence and inviting the shipowner representatives to attend and state the case of the shipowners. I said right away, "That invitation must be accepted."

We'd had one or two invitations of that kind before, but not on any huge scale, to address union meetings. I always felt they should be accepted. If you had a legitimate case, go up and say why your case was legitimate. Plant agreed with me; John Cushing, my vice-president, agreed with me. So we
Lapham: were having meetings every morning of the executive committee, consisting of the top people in the industry. That morning, the letter was presented and read and nobody seemed to take much interest in it, sort of one of those things we won't pay much attention to.

Well, I waited a day or so and brought it up again; I really thought this should be accepted. I remember I got Mr. Roth aside at the club with Mr. Kingsbury, the president of the Standard Oil of California. Over a drink or so, I mentioned to Mr. Kingsbury that we had this invitation and what did he think of it? Should the shipowners accept it? He thought there might be something in it; one thing led to another and the suggestion was made that I talk to Mr. John Francis Neylan about it. I called up Jack and he had a cold. I went up and saw him in his apartment. Showed him the letter. "Well," he said, "it looks to me as if you're back on the one-yard line and you'd better try a few tricks." I said I thought so too. (laughter) He said, "Who's going to make this talk?" I said, "I want to." Tom Plant wanted
it, too. I said, "I'm going to do it." So that was reported at the meeting a day or so later, and they said, "All right." So I went ahead to prepare.

As I recall, the meeting was scheduled on a Monday night. I went off on Saturday with my oldest son somewhere up on the Valley of the Moon to sort of think things over. I hadn't prepared anything. So we walked out in the fields and I just talked aloud to him. My thought was extemporaneous. I knew the background very well.

We didn't notify the union until almost Monday morning. The papers had it then. On Monday morning the man that we had as our public relations man, an outsider, said, "This is going to be on the radio. You must prepare the talk." I said I hadn't time to prepare the talk. He brought in his stenographer and said, "Just talk aloud." I sat down in my office and I just talked aloud. He asked a few questions. He went upstairs to prepare the speech and handed me the speech about six o'clock that night. It wasn't in my exact language, but after all it didn't make so much difference. It was the fact that you were
Lapham: going to appear, that was the main thing.

        And another little instance, then. Bridges' union had asked John Francis Dore, who was the mayor of Seattle, to come down. Of course he had no business to come down and butt into a San Francisco meeting, but they didn't know that John Francis Dore was a classmate at Harvard with me, in the same class, and he and I were two out of three who had been on the freshman debating team together! The other man was Clarence Dillon of Dillon Read. It was a very funny combination; we were on a freshman debating team. And I hadn't seen him for quite a while, and I remember when I went to the hall, the civic auditorium, pretty well ahead of time. They were expecting me, and they suggested that I wait until John Francis Dore arrived. I waited and went up to the platform with him.

Gilb: Had you talked to Bridges personally much before that time?

Lapham: Very little. I had sat in on meetings, but Mr. Plant, was the chairman of those meetings as president of the Waterfront Employers; I sat in more to listen; I didn't take any active part in the negotiation, at least in
Lapham: the meetings.

Gilb: Were you afraid of personal violence of any sort when you went up there? That was a huge hall.

Lapham: Absolutely not. I had the feeling that having asked us...and I said this, as I remember, to the group downstairs. They said, "You'll be booted off," and all that. And I said, "They've asked us. And having publicly asked us, and if they don't give us a decent reception, if they boo--just dance a little dance and then goodbye! They can't afford, having asked us, not to give us a decent reception." That was true.

They had the building policed themselves with their own men, and all unions except Harry Lundeberg's union were represented, and it was a very orderly meeting. There was no question in my mind that there would be any violence. A lot of my friends thought there would be, but I never thought so. If there had been violence, it would have done them much more damage.

Gilb: Did any of the shipowners try to dissuade you from going up there?

Lapham: They didn't exactly enthuse about it (laughter) but they didn't oppose it finally. Between you and me,
Lapham: I'd have made up my mind if they hadn't given me official permission, I'd have gone up myself as an individual.

Some of us, I know, in the Waterfront Association, when it came to organizing seamen, would have much preferred to deal with the topside boys in the east. But Lundeberg came to power. Lundeberg was the boy we had to deal with. It was interesting to know that in the '36 strike, Lundeberg, before that strike, had broken with Bridges. His seamen were out on strike just the same. Ships weren't working anyway. After the meeting in the Civic Auditorium, the so-called debate, Ed McGrady was out here at the time. (Incidentally, when I told him that I was going to appear before the Bridges crowd in the Civic Auditorium, he said, "Well, that's never been done before," or words to that effect. But he said, "More power to you." He was going to make sure it was an orderly meeting, too.)

Well, a day or so after that so-called debate, McGrady came in and said, "Lundeberg would like to talk to you." And he talked with Tom Plant first. Tom took him up to my office. Had an hour or two with him.
Lapham: I met him; I think that was the first time I'd met him. And in no time at all they had an agreement worked out between the shipowners and Lundeberg. He was not ready to go back to work until everybody else went back to work. But he was not a party to and his seamen didn't take part in the Civic Auditorium meeting.

Gilb: I wondered, all through this very stormy period, which companies on the waterfront were the primary ones in getting all the waterfront employers to work together.

Lapham: Well, I guess our company was supposed to be the most ardent supporter of unity. I was personally myself very strong about that. With organized labor against you, all the unions and one federation, the only way you could stand up was to organize employers.

Gilb: Did you have any trouble getting the employers to work in unity?

Lapham: Yes, you always have trouble along those lines, no matter what industry it is. Some of the employers, one or two of the East Coast employers, were ready to make a deal of their own with the union before the
Lapham: strike was over. But Bridges was in the position that he couldn't make a deal separately because it was one for all and all for one, all those unions were not going to work until everybody had settled.

Gilb: That was a partial result of this big Maritime Federation.

Lapham: Yes. We had to back that principle that nobody would go to work until everybody had signed up.

Gilb: Well, in a way this organization was an asset for you, wasn't it?

Lapham: Yes, I always felt that the very fact that he wasn't in a position to make the deal, or took that position, right or wrong, was helpful. I had the feeling too that he kept that strike going as long as he possibly dared to without being kicked out.

Reorganization of WEA

Gilb: Weren't you instrumental in forming the Waterfront Employers' Association?

Lapham: The Waterfront Employers Association had been in existence for a long while. But until the '34 strike, it had been dealing with the so-called Blue Book
union. Until the '34 strike, there hadn't been too much activity; there hadn't been much trouble. But with the '34 strike and the succeeding troubles, the Waterfront Employers became more and more important. The practice was that each year there'd be a different head of the Waterfront Employers' Association: one year, one of the officers of one of the steamship companies; the next year, it would be another man. Well, it so happened that Tom Plant, who was our vice-president and operating manager, was the president in 1934, and because those troubles were continuing, they kept him on, as president. Well, that was a little unfair against the company whose officer was the president of the Waterfront Employers. And I argued before the '36 strike was over, I argued that the president of the Waterfront Employers should be someone outside the industry. It should be a permanent job and we should get a high-class man, again, like in the Employers' Council, who would have access to the principal executives of the Waterfront Employers Association, the companies that make it up, and who could go in and meet them face to face and tell them
Lapham: why we thought this was wrong or that. And that was where we got Al Roth in. We met in my office and different names were discussed. We thought of ex-army people, retired this and that; college presidents; finally someone suggested Al Roth, who was comptroller of Stanford, might be interested. So we immediately sounded him out. Found out he was interested. A few of us made a deal with him on a contract to come in as head of it.

Formation of Employers' Council

Gilb: I know that the old Industrial Association has been said to have been strongly anti-union, that its aims were to break up the unions. Do you recall how long this attitude persisted and when the companies began to decide that they had to recognize unions and work with them?

Lapham: As I remember, I wasn't a party to it. The original Industrial Association was organized about '20, '21. Then it was largely to combat the excessive demands of the building trades union. It was organized to fight that. San Francisco had been known long before
Gilb: as a strong union town; I don't think the attitude that we must break the unions at all costs was in San Francisco, as it was in Los Angeles. Los Angeles was much more strongly anti-union, or didn't want many of them, at least; open-shop town, that was their motto. But in San Francisco we dealt with unions, and I don't think there was the same strong anti-union feeling.

Lapham: Did you ever confer with Los Angeles employers?

Lapham: In the '34 strike, Los Angeles kept going pretty well. We did in San Francisco too, as far as discharge of ships. We--yes, over a period of years, we conferred in a broader field than the Industrial Association, and afterwards the Employers Council, with many of the Los Angeles groups.

Gilb: Well, I understand, speaking of the Employers Council, that you were one of the prime movers in getting that organized. I'd like to get that story--how you got the idea, and what troubles you had getting started.

Lapham: Well, that's rather a long one. I have some files on that, but the... in the summer of '37, there was a committee, a so-called Committee of 43, organized.
Lapham: Crawford Greene, Parmer Fuller, and a large segment of San Francisco businessmen, those who felt that things were going from bad to worse, so to speak, and that an attempt should be made to talk with all the unions, the AFL boys, along the lines of "What can we do to better conditions here?"

Gilb: Do you think the Wagner Act had anything to do with it?

Lapham: The Wagner Act was passed in '36, wasn't it?

Gilb: Yes.

Lapham: Of course, that accelerated the development of unions; it gave them a legal position which they hadn't had before and put the employers under the gun, so to speak. Yes, that was accelerating the organized labor movement; no question of that. Now this Committee of 43 was formed in the summer some time, of '37, and at that time I was on a trip to China and Australia and I didn't get back until September, but Mr. Cushing had said that I would go on it. I did; went on their executive committee. And that led to later on, a public meeting, a debate with CIO people in the spring of '38. The AFL wouldn't
Lapham: participate, and after that meeting, the feeling was that the CIO wanted this more for a show, and what not, and there wasn't much use pursuing it.

I had become president of the Industrial Association, prior to the Committee of 43 organization. Senator Boynton was the manager of that, had been for a good many years. A fine man, a former State Senator. He wasn't too well; afterwards was stricken. I felt that we should follow the general practice of the labor unions that have their labor councils, the AFL council, where all unions could meet together and on matters of general policy try to get an agreement.

Gilb: Hadn't you done some study of the way they handle things in England?

Lapham: Yes, and in Scandinavian countries particularly. There was a committee that had gone overseas to study that. A report was published. My argument--I've got the papers around here--was that the various organizations, like the waterfront employers, the hotel men, the retail agents, the retail stores, any number of employer organizations, should take part in organizing the Employers' Council, along the same lines as
Lapham: the CIO and AFL Councils.

And I spent a lot of time in 1938 interviewing different individuals privately, trying to sell them this idea. And one of the main things we had to have was a capable man. I could sell the idea but they all wanted to know, "Well, who's going to head this up?" So we should have a high-class man, a well-paid man, a man with sufficient standing who could go to the head of any company, a bank, or the Southern Pacific Company, and say, "I think you fellows have got the wrong attitude on this and that." It wouldn't be someone down below like a paid secretary; he would have to be on a par with the executives that he dealt with and they should be willing to open their doors and listen to. Didn't mean they had to agree with him. But he would have the entree into any large business in San Francisco, and I had in mind Mr. Almon Roth, who we got to head the Waterfront Employers after the '36 strike. I sounded him out; I knew that he would be ready to serve under certain conditions, and we finally put it over. I've got the wild statements that were issued at the time, and the purpose of it
Lapham: was not to break unions but to secure more unity among employers as a whole. In other words, organized labor was here to stay; we might as well face it, and when you have equal strengths, you are less likely to have trouble.

Gilb: Were the members the same ones that had been in the Industrial Association, more or less?

Lapham: Some of them were, yes, but we got in a lot of outside groups that hadn't been paid members of the...

Gilb: I know some of the groups which joined both associations were groups like the banks and insurance companies which had no union problems. Now why—what was their motive in joining?

Lapham: The banks were interested in doing business with everyone. Strikes and stoppages in work don't make for good business; maybe they make for bad loans. The banks were willing to help finance it and did to a very large extent. The insurance companies had an overall interest in the town's well-being.

Farmers and Distributors

Gilb: And didn't the Industrial Association help finance the Associated Farmers too?
Lapham: Yes, I think they did. I think they did.

Gilb: You didn't? You weren't in on any of that?

Lapham: Yes, I was in on it when we got letters from the Associated Farmers cussing us out, so to speak, asking why San Francisco put up with Bridges and all this, and I suggested, I remember very well, "Let's go to them instead of asking them to come up here and all that; tell them we'd like to meet with them and tell them about some of our problems." The first meeting we had with the group of Associated Farmers was in Sacramento. Adrien Falk went up to that. It must have been around '37 or somewhere along there. We went up and spent the whole day and evening with them. And after they'd blown off in telling us why we were such weak-kneed boys in San Francisco for giving in to all these fellows, I remember I began to tell them something of our problems with the Federal Government. Which they hadn't come into direct contact with in their troubles. And the position that the Federal Government had taken in supporting organized labor and that we perhaps were facing conditions as we found them, not that we were happy about the
Lapham: situation, but that there it was.

Gilb: In other words, they felt that San Francisco was not keeping unionism down enough and that that in turn was affecting them.

Lapham: Yes, of course. The farmers' trucks were coming in to San Francisco, and if they didn't have a union teamster's driver, they would be turned back--I forget all the incidents--and they just felt that we were not good Americans in standing up for our rights. And there was a lot of merit in what they had to say...

Gilb: You were positioned so you couldn't do much else, wasn't that it?

There wasn't as much trouble in warehousing as there was on the waterfront among the longshoremen, was there?

Lapham: Of course, they started organizing the warehousemen after they had pretty well organized the workers on the waterfront. Spread back from the waterfront, there you had a group formed, as I remember, the Distributors' Association. Where they had some hundred and fifty or sixty or seventy members of
varying kinds employing warehousemen. Some of them only employed five; others, several hundred. And the main problem there was to get a uniform contract, because one man would have a contract of so much per hour and another man so much more, and what they wanted there was uniformity. It was the same type of work, and there was no reason why that same type of work should not be paid the same wages, whatever they were. That was what they were driving at.

**C.I.O. - A.F.L.**

Gilb: Did you ever find yourself caught in a bind as an employer in struggles between AFL and CIO? During that period.

Lapham: I'm trying to think, when did the Bridges go CIO? It was the time of John Lewis?

Gilb: It would have to be after '36 or '37.

Lapham: Oh yes. That trouble came. (laughter) The Distributors' Association, too. They had the AFL warehousemen and the CIO warehousemen.

Gilb: Did you ever find that CIO people were more willing to cooperate than AFL people?
Lapham: That's a pretty broad question. (laughter) To go back to National Defense Mediation Board, or War Labor Board...

Gilb: Before that, in San Francisco.

Lapham: Let's put it this way. I think the CIO people were much more willing to talk and sit down with any kind of group than the AFL boys were.

Gilb: Why was this?

Lapham: I don't know. The AFL boys at that time were very hot against the CIO. They didn't want to meet the CIO boys together, and maybe some of them looked upon some of the employers who were willing to talk to the CIO boys as "Because you're willing to talk with our enemies, you're an enemy of me too."

Gilb: And the employers were willing to talk to anybody they could get an agreement with?

Lapham: I wouldn't say that generally. I think the general feeling of many employers was that they looked askance at the CIO as a left-wing crowd and were more ready, if possible, to do business with the AFL.

Gilb: Did you ever personally feel an inclination to favor one as against the other?
Lapham: Well, I don't know—with the left-wing CIO boys, as with Bridges, was an agreement worth anything?

Gilb: Oh.

Lapham: What you want, when you make an agreement, is that it will be lived up to. Lundeberg had that reputation. And he did carry out his agreements, even if it meant fighting with his own people. I didn't feel the same way about the Bridges crowd.

Some General Conclusions

Gilb: Do you think the waterfront situation would have been different all these years if Bridges hadn't been around?

Lapham: Oh, I suppose somebody else would have come in. After all, when Roosevelt took office, and the Wagner Act was passed, it was a policy to develop strong labor unions.

Gilb: So you think it was inevitable no matter who...

Lapham: I think it was inevitable. I always said that if I'd been a working man, and knowing some of the methods of some of the employers, I'd have willingly joined a union. Maybe I would have become a leader.

(laughter)
Gilb: Do you think San Francisco employers ever participated in efforts to deport Harry Bridges?

Lapham: Well, of course, many of them were working day and night to bring that about.

Gilb: How did you feel about it?

Lapham: Well, the more I got into it, the more I felt--it might have taken some time to develop this feeling--that it was a move that would only stir up more trouble, would tend to make him a martyr. And that was the case. I mean, when he was a CIO man, Phil Murray and those boys had to come to his help. And it wasn't till later that they fired him out. But as I remember from his first trials, they were raising money to defend him. He was one of the crowd, and after all, when you have two groups who were fighting for power as the CIO and AFL were throughout the country, nobody wants to cut off any section of his army.

Gilb: You seem to have attributed the labor problem all during the thirties to federal legislation. Is that a fair statement? Do you think it would have occurred without the NRA and the Wagner Act?
You had that situation in '32: a large mass of unemployment. There was no question that it was real unemployment and real hardship. In those days they could have gotten, and did get, men who would go to work for us for the food and lodging. You had a serious situation. As I look back on it, of course Hoover was blamed for it, but I don't think one man can be blamed for those things. But there it was. We had an era of wild speculation where everybody was buying stocks and the economic collapse which affected the whole world, and with mass unemployment, people who were willing to work and capable of work could not find any work to do (rising inflection)--it's a situation that you've got to face. That's not theory.

In other words, you didn't really oppose the Federal legislation? You felt that something was necessary to help those men?

It's hard to say just what I thought 23, 24 years ago. But as I look back on it, I'm becoming more and more reconciled to the fact that with the mass industries that we have, where employment is not a hundred or two, where the boss knows his workers, where you've got
Lapham: Industries like the steel industry, the automobile industry, where you are employing two or three or four hundred thousand, the boss then is the particular foreman of a particular plant that's he's working in. He's not the Chairman of the Board or the President of General Motors, and it inevitably lends itself to mass organization on both sides. And organized labor is here to stay.

Gilb: And organized business likewise.

Lapham: And organized business. And I think over the period of the future, we are going to have larger and larger businesses. All business men just can't stand the gaff, and the public in the long run can get cheaper prices and better quality from the mass production. We've shown to the world what we can do in mass production.

Gilb: What does this mean to the old concept behind the anti-trust laws? It means it's doomed, doesn't it?

Lapham: Well, that's another subject. Most businessmen feel that they'd like to know what the rules were when it came to anti-trust. What can we do? Anti-trust question, monopoly, that of course is the predominating
Lapham: thing. We want competition.

You take the automobile industries. There's a case of mass competition. When it comes to service, the way you see three or sometimes even four service stations on one corner, and you can say, "My lord! One service station will do the job." But you don't want to have a nationalized oil industry, as they have in Mexico, for instance. You--prices are bound to seek levels. But you have the competition in service, in research, in development.

Gilb: And you want to keep that kind of competition.

Lapham: I want to keep that kind of competition. Yes. And I'm not saying that if one company controls more than 50% or a big percentage of one industry that that's a good thing. But the main objection that most businessmen have is that we don't know the rules. Is bigness itself evil? Is price-fixing something to be deplored? We don't want the cartel system, such as they have had in Europe. We've developed a theory that if we produce more, we can sell at less. Now the European theory--and I saw that in Greece--(laughter) is to get the most for the least. Ours
Lapham: is more or less along the lines of producing the most for the least.

Gilb: Getting back to the labor legislation, I understand that you were quite critical of the Wagner Act. You felt...

Lapham: The Wagner Act, no, I didn't take any of it to heart. The Wagner Act was passed and then they found they--we thought there were many injustices in the administration of the Wagner Act.

Gilb: Oh, the administration.

Lapham: In the conduct of the elections. I think history will show that the National Labor Relations Board did more harm in administering the act than the act itself.

Gilb: When the Taft-Hartley Act was passed, did you feel this remedied some of the situations?

Lapham: Taft-Hartley Act, let's see, when was that passed? '46 or '47? Somewhere around there. Well, of course, it was called a slave labor act and what not. But all you got to say is, did labor suffer from it? Look back since the Taft-Hartley Act was passed. Is organized labor stronger or weaker? It's a damn
Lapham: sight stronger. You can't say it's a slave labor act (rising inflection) by the results of its development.

Gilb: You know, I have talked to a lot of labor leaders and privately most of them admitted it isn't bad at all! (laughter)

Lapham: Wayne Morse came out right after that act was passed to make speeches about it here. He addressed the Labor Day meeting. Well, I know Wayne pretty well. I sat alongside him on the War Labor Board for a year and a half. I remember having a talk with him at that time. I think he had an act ready to pass, but Taft's act passed first and I think--this is just a hunch--his personal prejudice was that it wasn't his act.

Gilb: Well, you know, labor relations were definitely better in the late thirties in San Francisco. There wasn't the violence, and things smoothed out a great deal. What do you think was the cause of this?

Lapham: Yes, they were better than they were in '34, certainly. Everybody gets tired of fighting after a while, maybe. I will say this, that as labor unions become bigger
and more powerful, labor leaders will have to live in the open, and there ought to be some requirements that financial statements from the unions, showing financial statements and what not, receipts and expenditures, to be filed under oath, just as the Securities Exchange Act was passed to protect the individual stockholder from undisclosed or illegal acts of officers and directors. I'm arguing that for the benefit of the worker down in the ranks, the union member, he should be protected in some way against the unauthorized expenditures of his labor leaders.
Back in 1941, about February, 1941, there was a little item in the press that Miss Frances Perkins was coming out here. Developed later she was to be given a degree at the University of California. I read the item and that night I said to Mrs. Lapham: "How would you like to entertain the Secretary of Labor?" I don't think she took me seriously. But I wrote her the next day and I said, "Press reports you're going to be here, and if you have any free time and could spend an evening with us, I think I could invite a few people who are interested in our mutual problems." I got a very warm letter back; she'd be out here on May the ninth. I proceeded to ask seven other men and their wives. There were sixteen of us at dinner; Miss Perkins had one of her assistants with her.

Employers, mostly, these people you asked? What kind of men were they?

Well, there was Gregory Harrison; he was our attorney.
There was Keith Middleton, who was at that time in Seattle, the Dodwell and Company man. There was Adrien Falk. There was Frank Foisia. There was Wakefield Baker. I can't remember just who. It wasn't confined to the waterfront.

And after dinner, a very pleasant dinner and Miss Perkins is very easy to meet socially, we sat down, and the wives sat on the outside, and for the next three hours we began to talk of various things, asking questions, and so forth. As time went on, one man said, "Miss Perkins, you're wrong about that; you don't know the facts; it's so-and-so." It was an interesting evening. Next morning, several of my friends called me up and said, "We didn't mean to be, but we think we were pretty rude to your guest of honor." I said, "That's all right. She could take it." (laughter)

And then it was only a few weeks later that she called me on the phone and said, "The President's going to appoint this Mediation Board consisting of labor and public and industry members, and I'd like to send in your name to the President as an industry
Lapham: member; if it's offered, will you accept?" I said, "Madam Secretary, in today's conditions, I'll be glad to." That afternoon it was announced.

Gilb: I'd like to go in now to a discussion of your work on the War Labor Board. First of all, how much time did you devote to it?

Lapham: The industry members on the Defense Mediation Board—I was on that first, from March '41 to right after Pearl Harbor. It was wound up really before Pearl Harbor when John Lewis refused to accept the findings of the Mediation Board. Then afterwards I served on the War Labor Board from January '42 until I resigned in June to run for Mayor of San Francisco. The industry members were not on a full-time basis. They were paid so much a day whenever they attended. Due to the fact that I was one of the four members from the Pacific Coast and therefore didn't run home as often as the men in New York or Chicago, I served probably more continuously, more days, on that board than any other industry member during the year and a half I was a member. Living in Washington most of the time, why, I could give my full time to it, whereas
Lapham: many of the others would give one week and...

Gilb: By this time you had retired from the presidency of the company, hadn't you?

Lapham: No. I hadn't retired. I didn't retire from the presidency, the chairman of the board, until just before I took office as mayor in January, '44. But after Pearl Harbor, why our fleet was practically run by the government. It was simply an operating matter. We had no traffic problems. So I could spend more and more time away from my company. I would attend directors' meetings in New York.

Gilb: Who were some of the men who served with you on the War Labor Board?

Lapham: The original four industry appointees were Walter Teagle of the Standard of New Jersey, Albert Hawkes, who was president of the U.S. Chamber of Commerce, and shortly after elected Senator from New Jersey, and a man named Ed McMillan from Tennessee, who was a textile man, I think, who was a National Association of Manufacturers—and myself. Those were the four regular members. But many more substitute members were added as time went on. Our meetings sometimes
were only a committee of six--two public members, two labor members, and two industry members. Sometimes it might be a committee of three, and then in some of the big cases a committee of twelve.

Did you find that the employers generally voted and thought as a unit?

That was the tendency.

I notice in your memorandum, you suggested that they ought to organize more than they did.

That's right.

Did they take your suggestion and...

Not too much. No. I got them together; I established a practice--I became more or less the informal leader of the industry men and every Wednesday we'd have dinner together and we'd invite other employers who happened to be in town--maybe they had cases before the Board--and led the discussion of many things. What position should we take on this or that? I encouraged, as far as possible, frank expression of views. But I always did feel that we were at a disadvantage with the labor boys because, whether they were CIO (there were two CIO members and two AFL

* See appendix, pp. 422-447.
Lapham: members) or AFL, their general objective before the Board was the same. Whether it be a union shop or increased wages, or better working conditions. And of course all labor leaders, it was a one-time job with them; that was their business. Whereas with the industry members, they had their own businesses to look after; and when you're in business, you are in competition with others in the same industry, and it's awful hard to be in competition with one hand and at the same time try to agree on operating matters such as labor matters.

Gilb: Did you ever find yourself voting with the labor men?

Lapham: Well, I think I--one of the first cases that I voted with the public and labor men was in the case where Al Hawkes wouldn't go along with me. That was a voluntary checkoff, as I remember; I can look it up.

I remember that Wayne Morse took me to task once for voting what he considered against my principles. We had a case--I forget the particular case; I remember Walter Teagle and George Mead and myself were on the industry side, and--I can't remember the
incident. But we asked for a postponement of the vote until next morning. And we three talked it over again, and I was inclined to vote with the public members in that case, but they felt we'd be subject to a criticism, and I agreed, and for the sake of unity among our own crowd I went along with it. It wasn't anything too serious in my mind. And then Wayne Morse got up and read me a lecture, "Each man should vote his own convictions, irrespective and so forth and so on." We shouldn't be blinded by trying to maintain unity inside. Later on, I got even with him. He came in a case, and he wasn't sure how to vote, and he asked for a private conference with the public members and they all left the room. And as they left the room, I said, "Caucus! caucus!" He came back and voted with them.

Gilb: What did you think of Wayne Morse?

Lapham: Wayne Morse is an interesting bird. No question of it. He was a man of extreme ability in his way. Of course he was the youngest dean of any law school when he was appointed to the University of Oregon at Eugene. Wayne...Wayne has never been a team play man.
Lapham: He's a maverick. And Wayne had trouble, I know, with his associates, the public members. In fact at one time, I'd been away for ten days and came back, and the public members asked me if I wouldn't talk to Wayne along the lines, "Don't have public differences with your associates." I went to him and told him very frankly that I thought he and I had been brought up in different kinds of schools and business; I'd had to do business with a dozen or more competitors, whether I liked them or not, and he'd been more or less the boss in his own field, and I didn't think it did the cause any good when he differed so publicly as he had in one or two cases, made his own comments to the press. I told him that for the overall interests, he should thrash out his own troubles with the public members without blowing off to the press, and if he couldn't play ball with them, perhaps he'd better resign. He took it from me.

Gilb: Mmm! He approved?

Lapham: He quit the Board after I did, to run for senator.

Gilb: Did you feel, during this period, that the labor unions were taking advantage of wartime conditions
Gilb: to try to get ahead?

Lapham: Sure they were. Sure, they were taking advantage of anything they could to further their objectives. I don't mean illegitimately, but if they could convince the public members that—to vote for this or that, why, that was their job, and they did it pretty well.

Gilb: Would you say the employers were more conscious of the war as a prime objective?

Lapham: Well,...I think we were all of us conscious in a way. I remember Bob White; he had a son in the Air Force and he was one of the fellows who was thinking of the overall good of the country, and I think we all were. But just the same, the labor boys had their opportunity to figure their own interests, and with that background, of course they got what they could. Legitimately.

Gilb: I get the feeling that you respect a labor leader who plays the game right and is good and strong, gets what he can for his men; is that true?

Lapham: Yes! I don't know whether I've said this before, but
a labor man has got to be a smart politician to stay 
on top. I think I've said this before.

Yes. And you respect the quality that it takes.

It's inevitable. Whether you like it or not, if he's 
going to stay on top, he's got to have the votes of the 
union.

Were you on the Board at the time all the trouble 
with Sewell Avery occurred?

Yes. Well, not at the end. But I remember Sewell 
Avery wasn't there at a particular time and had 
agreed to do something or other. Then he came back, 
or his attorneys came back, and made some other con-
ditions, something like this, that unless he was 
ordered by the President, or something of that kind. 
I publicly took issue with him.

You thought that he was unjustified in...

Yes. He'd agreed to do something and then made 
another condition. I...we even wrote him a letter. 
Oh yes, he made some statements that the industry 
boys didn't really represent industry and so forth. 
And I took time out to answer him by letter. I have 
the letter somewhere. I'd met him once before. He's
Gilb: a strong anti-union man. Whether you like him or not, he's a strong individual.

Lapham: In other words, you would say that you felt he had no more right to defy the Board than John L. Lewis did.

Lapham: That's right. Of course, we didn't represent industry in the same way as the labor boys did; they were officers of the International unions they were associated with. And we were just representing...well, Al Hawkes was president of the U.S. Chamber of Commerce and could speak for the Chamber of Commerce, although there were many different views among members of the Chamber of Commerce.

Gilb: You were a director, too, weren't you? In the Chamber?

Lapham: Not at the time.

Gilb: Oh, you had been.

Lapham: I had been. And the National Association of Manufacturers. There were many members of that. They don't all feel the same, but their spokesman could speak for the National Association of Manufacturers.

Gilb: It does sound as though it was big business that was represented rather than medium or small business.

Lapham: Yes, it was largely big business that was represented.
Lapham: And of course, big business was doing most of the war work, a large part of it.

Gilb: Incidentally, I wanted to ask you about the Chamber of Commerce. Did you feel that was primarily dominated by big business?

Lapham: No, I don't think the Chamber of Commerce is...I don't like the word "dominated," but composed as much of big business as the National Association of Manufacturers. The Chamber of Commerce in my day, and I think it still is, was made up of representatives of different kinds of business and also representatives from different sections of the country. When I served on it I represented the Northern California area. And the membership was 50 or more members. The N.A.M. was largely composed of those who were manufacturing. Not so much banking interests or sectional interests or farmlands or whatever it might be. It's essentially a manufacturing representation.
To move on into another topic, I'd like to know how you happened to run for mayor.

Well, in May, 1943, while I was in Washington, I got a telephone call from Charlie Page, who was head of the Fireman's Fund then. He asked me to come out. He said a few of his friends and people I knew wanted to ask me to run for mayor. I said I was coming out anyway and would be there in a week or ten days. I came out, met with them. They'd been trying to find a candidate who would run against Angelo Rossi and George Reilly. And they had agreed that I'd be the right man if I'd run. There was a group of maybe eight or ten of them. Well, I said I'd think it over.

Did they represent any special interest? How would you describe these people?

I remember Jim Lochead of the American Trust was on the committee. Frank Kingsley...oh, I can't remember all of them...and they were not happy with
Lapham: Rossi; they felt a change was needed. They were far from happy at the thought that Reilly might be elected. They had been seeking some man who they thought would have a chance.

Gilb: I wonder how they picked your name.

Lapham: I don't know; I'd been a little bit in public life since my debate with Bridges and as a member of the Defense Mediation Board and War Labor Board; I had also been active in the Committee of 43, the Industrial Association, and the Employers Council. So I went north to Oregon, fishing, to think it over.

Gilb: What was your reaction when they asked you, first?

Lapham: Well, I think I was intrigued. And I came back and told them that I would run under two conditions. Number one, I wouldn't make any commitments to anyone. Number two, I would have nothing to do with raising funds; in fact, I didn't want to know anything about the fund-raising thing or who was going to contribute. They...I was going back to Washington to resign; they asked if I would talk with the man who they thought should manage my campaign, Don Nicholson...I'd never met him. He came down and had
Lapham: a chat with me. I told the committee it was okay with me and it was okay with him.

So I went back to Washington and tendered my resignation to the White House and, incidentally, I phoned Steve Early, whom I knew, told him I was sending in my resignation. He said, "Well, that's fine. I'll get you a good letter from the President." I've got that letter here.

I remember, too, George Mead, who was an industry member of the War Labor Board, who was spending a lot of time on it, a man from Mead Paper Corporation. I came in, and told him, "George, I'm going to resign." He said, "WHAT!" He said, "What are you going to do? What are you going to be?" I said, "I'm going to run for mayor of San Francisco." And he said, "I thought you were a damn fool but not that much of a one." (laughter) And he said, "I want to resign, too, but now I guess I've got to stay on."

Gilb: What was there about it that intrigued you?

Lapham: Well, I'd never been in that field; it was something new. I'd had two years and a half in Washington on
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Gilb: What was there about it that intrigued you?

Lapham: Well, I'd never been in that field; it was something new. I'd had two years and a half in Washington on
Lapham: this. labor trouble board; I thought a change would do me good.

Gilb: Had you known Jim Rolph in the old days when he was mayor?

Lapham: Yes; not very well; he'd been in the steamship business. I remember I met him first time in Seattle when he came up there to talk to some group; he had just been elected mayor of San Francisco. I didn't know him. Not too much contact with him.

Gilb: You didn't follow the details of his administration too closely?

Lapham: Well, of course, Rolph was succeeded by Angelo Rossi. I knew Angelo slightly.

Gilb: Didn't he pick Rossi to succeed him, sort of?

Lapham: I think he did. Rossi was a supervisor at the time Rolph was elected governor, and I think Rossi was the man that they wanted to succeed him.

Gilb: When you went in there, did you have the idea that you wanted to reform anything? Did you have a platform in your own mind?

Lapham: No; I'd had very little contact in a business way with the city government. In the shipping business
Lapham: there is little occasion to contact the city government. Knew very little about it. I remember a meeting which I attended at which I was to make a small talk before a community club. One old-timer, a lady who was plugging for Rossi, got up and asked me, "What makes you want to run for mayor of San Francisco?" It sort of took me by surprise. My answer was, "I'd like to get out of Washington." (laughter)

Gilb: Did labor oppose you when you ran?

Lapham: Labor was not for me; no endorsements from labor, either the CIO or AFL. Like all candidates, I appeared before them, made my own little pitch.

Gilb: How about the labor districts when the vote came in? Did they vote for you?

Lapham: I think many of them did, that I ran fairly strong in what was considered pro-labor districts.

Gilb: Yes, I've heard that, too.

Lapham: Ten days before the election I had to stand trial in a State Court on the flimsy charge that I could not qualify as a candidate because I had a summer residence in an adjoining county. The judge
Lapham: decided in my favor. But I learned something about dirty politics when my wife was put on the witness stand and cross-examined for two hours by an attorney who has since been disbarred and is now serving time for evasion of income taxes.

I was elected in November 1943 in a non-partisan election (the City Charter so provides) and took office in January. During the next four years I learned more than could ever be learned in forty years of post graduate work in any university. The thing that impressed me most was how people in a city of 800,000 could hold so many different views, and have so many different objectives. Too, I came to realize how alone and aloof is any executive in government. Legislators can always pass the buck but when a bill or ordinance comes to the executive for approval or disapproval it is he, alone, who must make a decision and bear the responsibility—whether he is right or wrong. On one occasion, puzzled about a certain bill on my desk, I called in a good friend of mine to ask his advice. I saw he was just as puzzled as I was. When I pressed him for an answer,
Lapham: he said, "Roger, you're paid to make the decision."
That lesson remained with me from then on.

Appointments

Gilb: Well, then you went in as mayor and, as I understand it, you made a clean sweep of the appointments, asking the resignation of everyone you could get the resignation from, wasn't that true?

Lapham: Yes, I guess that was substantially so.

Gilb: Did you have in mind what kind of person you wanted to appoint for various commissions? Some general quality you were looking for?

Lapham: Well, I wanted to appoint what I thought would be the best fitted, and a mixture too. Not necessarily all from the so-called downtown group; of course I had the support of Bill Malone, who was the Democratic boss in town. I met him first through Maurice Harrison. Bill Malone wanted some commitments, that I'd make some appointments. He didn't spell it out, but I emphasized that I was not going to make any commitment to anyone; I would consider anyone he might suggest, but I wasn't making any promises.
Did he suggest people?

Yes. He suggested a few; and I did appoint a few of his people who I thought were well qualified, at least acceptable.

I read in the papers that Rossi still had some control behind the scenes during your administration. Do you think this was true? That he had an in with some of the people who were working with you?

Well, of course there were certain commissioners, like the Public Utility commissioners and the Civil Service Commissioners, whose terms hadn't expired and who you could not ask to resign except on charges. And I think a few of those still were for Mr. Rossi.

I had a list of some of the people you appointed. It's a very impressive list. Adrien Falk; Marshall Dill; Byron Hobbs, Jerd Sullivan; Maurice Harrison; Charles Page; George Johns, who was a labor man, wasn't he?

Yes, George Johns was an AFL labor man, that's right.

Also I've run across the statement that the labor council condemned you for not naming more labor
Gilb: people. Do you think this was a fair charge?

Lapham: I think that that was occasioned by my refusal to appoint a labor man to the Civil Service Commission.

Gilb: That's right.

Lapham: Jack Shelley wrote me a letter about that condemning me for that failure and charging me with anti-labor bias; and I answered it.

Gilb: Your answer was what intrigued me. Your answer was that a labor leader couldn't put the interests of the city first...

Lapham: In the Civil Service Commission.

Gilb: In the Civil Service Commission. That's a very intriguing philosophy.

Lapham: Well, (long pause) the former comptroller who died while I was in office, Harold Boyd, told me this, that when there was a vacancy on the Civil Service Commission, and the commissioners were appointed for six years and can't be removed except on charges, proved charges, that Mayor Rossi asked him to find a labor man, suggest a labor man, and Harold Boyd came back with a recommendation that he appoint Mr. Maxwell, who was head of the Butchers Union.
Lapham: And this is what Mr. Boyd told me before he died. When Mayor Rossi interviewed Mr.--was it Milton Maxwell?

Gilb: I don't know.

Lapham: I've forgotten. We can look that up. But Mr. Maxwell was frank enough to say, "Do you want me, really, Mr. Mayor, to be appointed to this job? Do you understand that I'm a labor leader and that my first loyalty is to labor? Perhaps you'd better think it over." But Mr. Rossi said no, he wanted him, and he appointed him after Maxwell had put himself on record that he was essentially for labor. Now I can look up the letter I wrote Mr. Shelley in reply to the one he wrote me, but I did take the position that if a man was a labor leader and wanted to continue to be a labor leader, he could not afford to offend labor by denying them any raise in wages or working conditions or shorter hours. And for that reason, for that particular commission that had a great deal of influence on city salaries and wages and working conditions, I refused to appoint a labor man because I didn't think he could be as objective as another man
Lapham: not identified with labor.

Gilb: Do you feel that a man identified with business interests would be capable of objectivity whereas a labor man would not?

Lapham: I think a man identified with business interests generally speaking—there may be exceptions—could serve the city with let’s say more objectivity particularly in the Civil Service Commission, or any other commission, where he was not up against labor pressure. A labor leader could not afford to oppose the pressure of labor interests if he wanted to stay in office as a labor leader.

Gilb: That is an important distinction.

Transportation Troubles

Gilb: What do you consider your major accomplishments as mayor?

Lapham: (laughter) Well, the number one thing that was facing me was what to do about the transportation system. When I took office, it was in war time and the city had been ordered by Joseph Eastman, who was the national or federal transportation czar, to combine
Lapham: with the Market Street Railway in operating certain services. It wasn't actual consolidation, but to conserve manpower and equipment, and so on.

The city was to work hand in glove with the Market Street Railway in cutting out certain services and generally trying to work as far as possible as one system. Mayor Rossi and the Public Utilities Commission opposed that; letters had been exchanged; and right after I was elected, before I took office--I had two months before I took office--I went on to Washington. There was to be a hearing. Mr. Eastman was to hear the city's decision. And I'd known Mr. Eastman, had had a little to do with him when he was in the Interstate Commerce Commission, and he knew me, and I had two hours with him alone. Prior to this official meeting. And he said, "Of course, there's only one solution in a city of your size, and that's one transportation system. You can't have duplicate systems, one privately owned and one city-owned, with different carfare rates and conditions. And that was obvious. I agreed. And he said, "Well, I'll give you time to see what you can do." He knew
Lapham: that the previous attempts to buy the Market Street Railway had been turned down by the voters. But he would hold off forcing anything on the city until I could find out what could be done.

So that was the number one thing that I had before me when I took office. The Market Street Railway at that time was charging 7¢, if I remember rightly, and the Municipal Railway 5¢. The Market Street Railway had also been ordered by the State Utilities Commission to reduce its fare to 6¢. I read that order. It seemed to me an unfair order. And I had good reason to believe that the Market Street Railway was rapidly going broke.

We discussed ways and means of doing it with the Public Utilities Commission, the city attorney, and the comptroller. It was first thought that we could make the deal whereby it wouldn't require the voters' approval. If we could make a deal with the approval of the Public Utilities Commission and which the Board of Supervisors wouldn't reject, that that would be the easiest way to do it. But it was also pointed out that the taxpayers could institute a suit that
would hold the whole thing up. So it was finally agreed that we put it up to the voters in the form of a charter amendment. Under that agreement, the city was to pay, I think, two millions down—I can check this—with a balance of $5\frac{1}{2} million to be paid out of earnings according to an agreed percentage. And the fare would be 7¢—raising the city fare from 5¢ to 7¢—with universal transfers. So that was put up in the spring election, in May or June, in 1944.

Now the interesting thing about that was that I had to campaign, make many speeches, to help sell the amendment to the people. I remember the city hall reporters, representing the four papers. Their spokesman, Mr. Donald Cleary, was quite emphatic in telling me, "Mr. Mayor, you're not going to sell this to the people unless you adopt extraordinary measures. Go out and talk on the streetcorners to anyone who will listen to you. Pick up the telephone and call up any voter. Stand on your head, do anything that's different, because these bond issues have been turned down years before and you're not going to put it down unless you really do something different." That made
Incidentally, the next morning, when they came in to interview me, I coached the telephone operator in the city hall—I said, "When I give you the word, you make up a list of men and women in different parts of town, and when I give you the word, you call up whoever they might be. I don't want to know who they are, except you tell me this is Miss Smith or Mr. Jones." I started right while they were in the room. "This is Mr. Jones." "This is Mayor Lapham. I wonder whether you have heard about the proposal to buy the Market Street Railway and the charter amendment so-and-so." Well, most of them hadn't. Some of them said, they'd be for it. A few of them said, "No." I followed it up in each case by writing each man and woman a little note, giving them literature and saying that if they were for it, I hoped they would persuade their friends, and that if they were against it, I hoped they would reconsider. I must have telephoned maybe 150 people when I had time. And I also went out and spoke maybe three or four or five times for the local community clubs. And it
Lapham: passed. Incidentally, I didn't say anything about that at the time, I went out and placed a pretty good sized bet, and then I had to go to work. (laughter)

Gilb: But you had a lot of trouble with the transportation system later on, didn't you?

Lapham: Well, the amendment was passed in May or June, to take effect the end of September. And the last six weeks before, Mr. Cahill, the manager of the public utilities, and Mr. Newton, who was the manager from the Market Street Railway, came to see me together. They said, "Well, Mr. Mayor, you're going to have a streetcar system all right, on September 29th, but the chances are you won't have enough men to operate it." "Why?" Well, the city wages, as I recall, were about 5 cents higher than the Market Street Railway's. But they had a system in the city, if I remember rightly, the beginner got 90 cents an hour. After six months he got $2\frac{1}{2}$ cents. After a year, 95 cents, and after 18 months, $97\frac{1}{2}$ cents. Market Street Railway started at 85 cents and worked up to $92\frac{1}{2}$ cents. But under the civil service rules, the Market Street
Lapham: operator, even though he'd worked as a streetcar motorman or conductor for twenty years or more, would have to start at a beginner's wage. In other words, he'd have to start at 85 cents instead of 92½ cents and instead of the 97½ cents he'd get if he'd been an employee of the city as a conductor or motorman for more than 18 months. And it was obvious that he wouldn't stay on the job, particularly as manpower restrictions wouldn't apply and he could get another job.

So we called a meeting of the city attorney and Mr. Brooks, the chief administrator, head of the Civil Service Commission, and what not. And everyone agreed that I should use my emergency powers provision in the charter, giving the mayor certain emergency powers. This was an emergency. Because gasoline was rationed and the streetcar system was essential to carry the workers to work. The only one objecting was the head of the Civil Service Commission, who wanted to live up to the rules that they would have to start as beginners.

Well, I decided that it was an emergency and the
Lapham: city attorney drew up a proclamation exercising my emergency powers. Now there was another angle which cause the trouble. The big thing in operating a railway as far as the workers are concerned is not so much the union shop as it is seniority. Now seniority means the longer a man is on the job, he has the choice of run and hours, and that means a lot. Here was the Market Street Railway group, and here was the municipal group of employees. It was a question in consolidating the two, this question of priority of runs and hours. The public utilities commission had told both groups that anything they agreed upon would be okay, but get an agreement. But they couldn't get an agreement. The city employees were loath, and there was only a handful, relatively speaking, to give the Market Street boys any advantages. And there was a Mr. Henry Foley who was the head of the union which composed the city employees, a union which we didn't officially recognize, but one that existed. I called him in alone, told him what I was going to do. (He knew roughly what it was all about.) He agreed it was wise. And
then he said, "We haven't agreed upon this seniority on preference of runs. But why don't you put it in according to the union rules?" The AFL had a rule that when two companies merged, why, the employees would rank as to seniority according to the date of employment in either company. And that was a sensible rule.

So I put that in the emergency proclamation, so that the Market Street men, as well as the city men, would all come in on that basis. If he'd been employed by the Market Street Railway for twenty years, he'd be a twenty-year man as against a ten-year man of the city railway. It was a reasonable thing to do. But because that was in, the city employees union took it into the courts and held it up. And I was--they had a temporary injunction, and then the--it was tried on its merits later.

But meanwhile the comptroller felt that he couldn't pay the Market Street boys the scale of wages that they were entitled to under my proclamation, that he would have to withhold and put in escrow the excess of wages that I'd granted them until it was finally decided in the courts. The case was tried on its merits
before Judge Robinson, who afterwards succeeded me. And he decided that I had not abused my powers in granting this emergency increase, on the grounds that it was an emergency. Later he was upheld by the Supreme Court and the men were paid the wages which were called for in my proclamation. But it took quite a while.

Hetch Hetchy

Didn't you also have trouble during your administration over Hetch Hetchy?

Ha! I did.

What was the story about that?

Well, I knew very little about Hetch Hetchy; I knew there had been a controversy with Secretary Ickes, that he had been ordered to do certain things. But I knew little of the background. After I'd been in office six months, Mr. Dion Holm, who was then the deputy city attorney, came in to tell me that he was going over to ask the federal court judge, Roche, to extend the period to comply with the Raker Act. He was going to ask them for a year more. He came back
and he said, "I got a pretty rough calling down. I only got a two-months extension." And a day or so later, Mr. Abe Fortas, who was the assistant secretary or under-secretary of the Department of the Interior, came into my office. It was the first time I had met him. He said, "Well, Mr. Mayor, what are you going to do to comply with the law?" Well, I was pretty ignorant of the whole background. And he gave us to understand that we'd better be back in Washington before the two months were up with a plan that would comply with the law.

So Mr. Cahill and the Public Utilities Commission dug into it and made certain recommendations and suggestions on how we could comply with the law. And I went back to Washington with Mr. Dill, who was chairman of the Public Utilities Commission, and Mr. Turner, who was in the Public Utilities Commission at the time. And we submitted this plan. And a day or so later Mr. Fortas told us it didn't comply with the law. And he said he would agree to ask the court for further extension for six months but only on the condition—and this would be our last chance—that we'd
come back within four months with a plan that would comply with the law. We endeavored to find out just what he thought would comply with the law and went back. Studied it. And returned to Washington the next January, the end of four months, and submitted a plan. We had a formal hearing before Secretary Ickes and Undersecretary Fortas. I'd like to refresh my memory on this, because I wrote Mr. Fortas or Secretary Ickes. But the interesting part to me was that after the hearing the first day, Mrs. Lapham was with me. Mr. Fortas asked me up to his office. Mrs. Lapham and I went up. And off the record he talked to me along the lines that we should install our own distribution system—the main point was that under the Raker Act, passed in 1912, distribution could not be made legally as it had been through the Pacific Gas & Electric. You see, the city had built the dam at Hetch Hetchy, which was for supply of water primarily, but incidentally had built these power plants and had built a transmission line to Newark, some 40 miles away. But from Newark on, the power had been delivered to the Pacific Gas &
Lapham: Electric to be sold through their system.

Mr. Fortas, in this off-the-record meeting, urged me to sell the people of San Francisco the idea that using its own distribution system would be a fine thing and would be a money-maker. Well, it meant—obviously, if we tried that—a long case in court; we would have to try to condemn for our own use and pay for that part of the PG & E distribution system applicable to the city. Just what we'd have to pay was unknown; might be sixty, seventy, eighty millions or more. And of course the PG & E would fight it and there'd be a case that might last several years or more before it was decided in the courts. Mr. Fortas pointed out that I'd sold the Market Street Railway to the people and if I'd get out and campaign to buy the distribution system of the PG & E and go into the city itself selling power, not only using it for its own purposes but selling it to the consuming public, it would be a gold mine, more or less, and I ought to do it.

Well, I didn't comment at the time, but when a few days later he really spelled out the same thing
Lapham: on the record, then I was in a position to say that I couldn't sell anything I didn't believe in, that the money required to buy this and the delays incurred -- the city needed to spend its money on other things first, in my opinion. And that after all, the PG & E rates were regulated by the state and there was no pressing reason we had to force the PG & E out of business, particularly when the money needed was--I considered--more needed for other civic improvements.

Governing a City a Housekeeping Job

Gilb: In general, when you inherited the city, it was pretty run down--things like the sewers, the need for better street system--

Lapham: Yes. Of course, the war was on, and the city, even if it had had money in hand at that time, there were many restrictions on what it could do. But even prior to the war, there was no doubt that the money hadn't been appropriated necessary to maintain existing facilities or to build new facilities. As I recall, the first thing we did was to recommend the bond issue to build new sewers. You know, sewers, city government--nobody thinks of sewers much; they're
Lapham: in the ground and not seen, not like the Municipal Railway--everybody rides the Municipal Railway and everybody is an expert on city transportation. But sewers are one of those essential things.

Now that leads me to the general observation that city government is essentially a housekeeping government, that people expect so many things and take for granted so many things. We must have good streets, well-paved streets. With sewers underneath, yes. We must have street lighting. So many things that we take for granted in the city that nobody thinks of particularly, just accepts. And a city of course has a police department; that's of course essential. And the fire department, yes. And we have our park and recreation. And in the case of San Francisco, the Municipal Railway. And water. Water is absolutely essential.

Gilb: Well, since it is a housekeeping function, it's a good argument for the mayoralty elections not being partisan.

Lapham: I agree with that, and I'm glad the charter of the city government provides for non-partisan elections.
Lapham: for mayors as well as supervisors. As you know, under the charter, any citizen who has been a citizen for five years, can run for mayor provided he gets ten people, maximum of twenty, to more or less say that he's not a crook.

Gilb: Would you go even further and advocate a city manager plan for a city of this type?

Lapham: Well, as a matter of fact we have a limited city manager plan and the fact that the chief administrative officer, Mr. Brooks, who's held the job for some time, is directly responsible for certain departments like the public works and purchasing department, and he has appointments under those. The only control the mayor has over the chief administrative officer is that when the budget of the departments of the chief administrative officer are submitted, he can cut those budgets. As to new personnel or the amount of the budgets, and he can add--recommend--I'm not sure of this--the capital expenditures--the Board of Supervisors can. So to some extent, we have a city manager system. Sometimes called--our charter is somewhat of a hybrid charter. And strange to say,
when I took office, the salary of the mayor was $10,000 a year. But the salary of Mr. Brooks, the chief administrative officer, was $12,000, and the salary of the manager of utilities, Public Utilities Commission, was $12,000. Those were the two permanent employees who got more than the mayor. In the last six months of my term, that was changed and the mayor got an increase in salary; I think I got $20,000 in my last six months; the chief administrative officer and the manager of the public utilities commission, their salary was fixed at $18,000.

Recall Movement

In trying to get sufficient things for the city, I think you must have stepped on a few toes. I remember the cable car issue was one which... (laughter)

Well, the mayor, under the charter, must deliver an annual message to the Board of Supervisors, and in that annual message, he recounts the needs of the city and makes any recommendation that he cares to. I did make the recommendation that the cable cars be done away with. And this caused not only citywide
but nation-wide comment. Perhaps I received 500 or more different messages, letters, even telephone calls. And I'd say at least 80 to 90 percent were opposed to it. They said, "Oh, how could you, Mr. Mayor, advocate such a thing!" or else called me names for advocating it.

What was the specific reason behind the recall movement that came after you'd been mayor for two years?

Well, I've never been too sure. I've stepped on some toes; the man that was mainly responsible for circulating the recall petitions was a Mr. Budde, who published a small throwaway paper. Mr. Budde had been a member of the Park Commission appointed by Mr. Rossi. His term had expired when I took office and I didn't reappoint him.

A disgruntled office-seeker.

I think he didn't like it. But what brought things to a head, I think, was the fact that Mr. Budde, right after our forces liberated Manila in the Philippines, came out with an article in which he urged the Mayor of San Francisco to head a movement to raise money through voluntary contributions to turn over to the
Lapham: city of Manila to help rebuild Manila. And the article was called to my attention next morning.

I asked my secretary and others in the office whether Mr. Budde had approached them at all as to this movement, and they said, "No." And I called Mr. Budde in. I said, "Of course this is a bitter surprise to me; I don't deny that this is a nice thing to do, but you're asking me to head this movement, to go to work to raise money. I've got plenty on my hands; I'm perfectly willing if you can find someone as a chairman of this committee who will do all the work, to do it." "Oh," he said, or words to this effect, "this will be a great chance for you to publicize yourself," and so forth. I said, "I'm not so much interested in that as I am in running the city, but if you can find some private citizen who will chairman the committee and do all the work, it's okay by me." A man was suggested; afterwards this man, who had been a good man for it, came out to see me, and said, "I can't take it on; I've got too much to do." I said to Mr. Budde, "If you can suggest anyone else..." He had no one to suggest; I should
Lapham: do it; but I just couldn't do it. It was only a short time afterwards that he had this recall movement. I may—there may have been other interests behind it; I've been told that that man in Sacramento who's gotten into trouble—you know—Samish.

Gilb: Samish? Oh, really!

Lapham: I've been told; I don't know. I never had any contact with Mr. Samish. But I've been told that he was behind that movement. I don't know.

Gilb: You were accused of making the city a closed corporation for the downtown interests. Do you think this was fair?

Lapham: No, I probably had appointed more downtown men than perhaps Mr. Rossi had, but I was trying to find the right type of man. For instance, I appointed Mr. Charles Page, head of the Fireman's Fund Company, as head of the Fire Commission, and he naturally was interested in better fire protection. As we all should be. I persuaded my friend Mr. Jerd Sullivan to head the Police Commission. And I made it a point, when I appointed these men, that I was not going to try to tell them what to do. I thought they were
Lapham: honest men and would do their best and I was not going to lay down the law, particularly in the Police Commission, what police captains should be appointed in charge of the traffic squad, and what not. And I was taken to task for that. Mr. Malone came in to see me. He didn't think I was handling it right, that I should interfere, tell Mr. Sullivan and the Police Commission that this was the man for that and that. I said, "Well, have you spoken to Mr. Sullivan?" "Yes, but Mr. Sullivan won't pay attention to me and won't grant my requests, and if you're going to be boss of the city, you ought to be boss all the way down the line and tell your commissioners just what you went done even to the extent of appointing so-and-so down the line." "Well," I said, "it hasn't been my policy and I don't see any reason to change it. I appointed people I had confidence in."

Gilb: That's how you would run a business, isn't it?

Lapham: I think I said substantially that in my inaugural address, which I wrote myself and I used to keep a copy of it in my right-hand drawer and refer to it.

Gilb: It sounds to me that what you wanted to do was run
Gilb: the city as if it was a business, and the people who were against you wanted you to run it on political...

Lapham: Well, I ran on the platform, when I was a candidate, that I was not a politician. I used to say jokingly that after I got elected, many of my friends tried to make me a politician. Even though I was elected on the platform that I wasn't one.

Gilb: Of course one of your chief errors, and it is one I think a politician wouldn't have made, was to say you weren't going to run again when you started.

Lapham: Yes, that's been discussed quite often. I don't think I regret it. I know this, that if I hadn't openly and publicly declared myself at the beginning of the campaign, I would have been tempted to go on. And I found out this, in my recall election, I remember it so well. As you know, in a recall election, you've got to have a certain percentage of the voters to sign the petition. And when finally the registrar had examined the petition and certified that there were the right number of names and that I'd have to have this recall, Mr. John O'Toole, who was the city attorney, came in to me, and said, "Mr. Mayor, this
Lapham: is terrible; now you've got to go to work and win this election." Now my first reaction was, "Why should I turn over my hand? If I'm recalled, I'm not going to hang my head in shame. Why should I go out and beat the drums and demand the elective to hold me in office? I'm not going to turn my hand over." Then some of my friends came to me and they put it up to me this way: "Listen, we put up money to elect you. You've only served two years. We want to keep you in office. You've got to take this seriously." Well, there was a certain amount of sense to that.

And they said, "Have you any objection if we put up money to employ Clem Whitaker? As your campaign manager." Well, Clem Whitaker had been campaign manager for George Reilly, whom I'd defeated two years before. I'd never met Clem; I knew he was a professional and that he had a reputation for doing things very well. I said, "No, I've no objection to him if you want to employ him." So I met Clem and got to have quite a bit of respect for him, both he and his wife. Leone Baxter, wasn't it? And I
remember, I had blown off about something in a public statement. And he came to me the next day and he said, "Well now, listen. As the mayor, of course you're free to do anything you want, but after all, my job is to re-elect you. Now please let me see any statement of this kind before you put it out. What you do if you are re-elected or at least not recalled, that's all right, but between now and then, please don't step on any more toes than you have to." Now that was sensible; I agreed.

Of course, prior to my recall election, I had the streetcar strike, where they wanted me to use my emergency powers in the same way that I used those emergency powers to bring the Market Street Railway employees on the equal wages and equal seniority. They wanted me to use it to raise the wages of the streetcar men at least to a par with the wages that had recently been granted to the Los Angeles street railway, a private system, a month or so before.

Well, I admitted that if it was a private company, I'd meet the wages raised by my competitor, but I said, "Here's the charter. It provides that
Lapham: All city wages must be fixed by the Board of Supervisors, approved by me then, on April first, for the fiscal year, beginning July first. I don't think it is the proper use of those powers to arbitrarily say we are going to raise these wages of the streetcar men because Los Angeles has done it, any more than we should raise the wages of some other classification of city employees because Oakland had done it. If I get into that field, there'll be no end to it, and I don't think the same emergency exists. I grant that if it was a private corporation, I'd meet the wages of my competitor, but under the city charter, it would be abuse of powers if I granted this."

They told me that was all wrong. They said that the city attorney would give you any opinion you tell them to give you, and we're going to strike. I remember that I called in the publishers of the city papers, the Chronicle and so forth, and put the situation up to them, told them that I didn't think there was anything to do but stand firm even though there'd be a strike.

There was a strike. That was only a few weeks
Lapham: before my election. If they'd stayed out for five
days, they were subject to losing all their jobs
under the city charter. And after I'd addressed the
Board of Supervisors and talked over the radio and
made plain my position and even attended a meeting
of the unions, a joint meeting of them—that was
quite an experience—I thought the strike was going
to last until my recall election, but some of the
boys decided that I meant what I said and went back
to work on the understanding that I would advocate
a charter amendment, which I did do, that would
grant them wages equivalent to the highest wages in
other cities in California. I forget all the details.

A Japanese American

Gilb: Wasn't it during your time as mayor that the Japanese
were evacuated from the coast?

Lapham: Yes. Well, they had been evacuated from the coast
before I took office as mayor; that was shortly after
Pearl Harbor.

Gilb: I see. You didn't have any problem...

Lapham: No, I had nothing to do with the start of that. While
Lapham: I was mayor, the restrictions were removed. Maybe what you were thinking about was the incident when a Jap was employed...

Gilb: No, but I'd like to hear about it.

Lapham: Well, of course during the war there was a shortage of employees. The civil service commission had given temporary jobs, temporary tenure, to policemen, motormen, and conductors. Mechanics were needed. Well, the first I heard of this instance, was that the civil service commission had granted a job to a Japanese-American. I think he was a Nisei. At any rate, he was a citizen. As a mechanic in the Utah Street car barns. But that the men working there didn't want him. He was a Jap. I didn't hear about it until after he had been employed, assigned to the job. He'd gone to the job and the manager of the car barns, threatened with trouble, told him to go away for a few days but come back. And it was then brought to my attention.

I called the little fellow in. On a Monday morning, I remember. He said, yes, he wanted the job, but he didn't want to cause any trouble. "Well," I
Lapham: said, "we did need mechanics," and he was, at least so the civil service said, a qualified mechanic. I said, "If you want the job, it doesn't make any difference. We'll give you the job. We can't protect you a hundred percent, but we'll do our best." Then I received a delegation of the other mechanics. And I remember they came in, five or six of them. The spokesman had been an ex-Marine, had been down in Guadalcanal, and he blew off that not one of them were going to work with a Jap. They knew what Japs were and so forth.

"Well," I said, "this fellow is an American citizen and he is entitled to a job. If you fellows are going to quit, you do so at your own risk." And I went down to the car barns with Jack Shelley, who was with me on it. He was the head of the AFL Council. And we both talked to these men. And largely through Jack Shelley, he went to work. Oh, they kept him on the outside, working by himself. I don't know how long he lasted, but at any rate, the interesting part of that was, I must have received 150 letters. It was reported in the Stars and Stripes in Europe that I'd
Lapham: taken this position, that this Jap-American citizen was entitled to work, even though we were at war with Japan. And I'd say that 90% of those letters, at least 90%, and practically all of them came from overseas, were complimentary, glad you stood for it.

Gilb: I should think so. Of course.

Civic Unity Committee

Gilb: Weren't you the mayor who organized the civic unity committee?

Lapham: Yes.

Gilb: Where did you get that idea?

Lapham: Well, you remember there'd been race riots in Detroit. People killed and all that. Now of course during the war, our Negro population increased tremendously. I think before the war there were something like 5,000 Negroes in town. And before the war ended, I think there must have been 30,000 or more. I remember some group talking to me along the lines that I should set up a committee to stand for civic unity and give the Negro and any other minority group a fair chance. I was a little loath to do it; I was doubtful about it, but I talked to Mayor Bowron of
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Los Angeles and also Mayor Devin of Seattle, who had appointed committees of that kind, and they thought it was working all right.

Now if you appoint any committee of that kind, and it can only be an advisory committee, the most important man, the man you've got to select first, is the chairman. Any committee of that kind, so much depends on the chairman. I made up my mind that I'd try and find the right chairman and I went to Maurice Harrison, whom I looked upon as a very high-class citizen and all that. Talked it over with him. He agreed to be chairman. "All right," I said, "who do you want?" So we got a mixture of all kinds, right and left. And all religions. Now one thing I suggested to him, "How about a communist?" And he said, "Well, maybe." Now during my campaign there was a woman called Dieta Yates—what was her middle name? She was a graduate of the University of California, a Phi Beta Kappa. I'd listened to her campaign. She'd made no bones about it; she came out and said she was a communist and running as a communist. A well-educated, good-looking woman. So I
Lapham: said to Maurice, "How about Oleta Yates? If we're going to have a cross-section of every kind." (And at that time the war was on, Russia was an ally; communists were not quite looked upon as they are today.) And he agreed. She was the last person I appointed, and I called her in. And I put it up to her. I could see she was so surprised she didn't know what to make of it.

Gilb: I should think she would be!

Lapham: She asked if she could have time to talk to some of her people. She came back and said she would. So the committee started to meet once a week. Well, Maurice Harrison really did the most effective work. He went around and talked to the publishers in the different papers and asked them to play down any incidents, you know, that might arise. Don't give it any headlines. He finally came to me after a few months, and said, "Instead of having weekly meetings, I think we'd better call them at the pleasure of the chairman. I find that some of the left-wing boys like to use these meetings to make speeches." I'd had an idea it might work out that way. But I--it
Lapham: certainly didn't do any harm, and I think we were fortunate, have been fortunate, not having any real racial troubles here.

Harry Bridges in Wartime

Gilb: While I'm thinking about it, you mentioned, not on the record, that Harry Bridges came in to talk to you. I'd like to talk a little about that. What was the occasion?

Lapham: Well, of course Harry Bridges was tried several times or more. At that time, his case was before the Supreme Court. It was up to the Supreme Court to say whether he should be deported or not. Harry Bridges phoned me one morning and said he wanted to see me. I think it was in the spring of 1944, if I remember rightly. The Supreme Court had not ruled in this particular case, but all the arguments were in and it was up to the Supreme Court. And after a few pleasantries he said if I felt like it, he'd like me to say that he shouldn't be deported.

"Well," I said, "Harry, your case is before the Supreme Court. What difference what I say or anyone
Eapham: else? Presumably whatever their decision is will be
binding."

He gave me to understand, though not specifically,
that even if the Supreme Court decided against him,
that he should be deported, it wouldn't necessarily
follow. He never quite explained that.

"Well," I said, "of course I've been asked
about you many times. Both before and since I was
elected mayor. They usually ask me two questions.
One, is Harry Bridges a Communist? My answer to that
has been, 'I don't know whether he is a regular mem-
er of the Communist Party, but I do know that at
least up to now he has been following the party line.'
Two, as to whether he should be deported, if I had my
say, no. I'd rather put up with the devil that is,
so to speak, than with an unknown one." But I said,
"Now you want me to make a public statement. Is
that it?" I said, "I'm trying to get along with the
AFL boys and both of them think you are--call it an
s.o.b., and I'm also trying to get along with the
back country, the farmers. All of them think you are
an s.o.b." So I said, "Public statement is a little
Lapham: different." Incidentally, talking with him, this very friendly talk, I made the remark, "Well, Harry, I guess I wouldn't be today where I am in the city hall except for you." (laughter) And he laughed about that. And--the upshot was that I didn't make the statement, but he asked me to repeat what I'd said off the record to others. To Paul Shoup in Los Angeles and Donald Douglas. Which I did. And he told me his troubles about organizing Don Douglas and his advice to the CIO people not to attack Douglas personally, that he was doing a good job, but the CIO boys decided to attack Douglas personally and he stepped out of it.

Now the interesting part of another incident to that. I went East shortly afterwards, stopped at Washington--that was the time I was, I guess, going to see Ickes, and Phil Murray and Van Bettner, whom I had known in War Labor Board days, were there at breakfast, and I went over and joined them. And they asked me, "How are you getting along with Harry these days? And I told them this story, and Murray laughed and said, "He's trying to be a good American these days."
Gilb: Now you were mayor when the war ended and the United Nations came in, weren't you? I do want to get something of that in the record. Were you a friend of Secretary of State Stettinius?

Lapham: Yes, I've known Stettinius for some time. It so happened, think it was in February, 1945, and I had just returned from Washington. I had been on for a hearing with Ickes. And the day or so after I got back, I was lunching at the club and I got a telephone message. First one of the papers, "What do you know about this United Nations in San Francisco?" I said, "I know nothing about it." And they read me the dispatch. I had no more than put up the telephone than I got a call from a State Department man here, one of the lower-downs. He wanted to see me immediately. I said, "I'll be back in the city hall in fifteen or twenty minutes." No, he couldn't wait. He came up to the club, and he handed me the dispatch which I'd already heard from the papers.

Gilb: You had nothing to do with choosing the...
Lapham: I had nothing to do with it, but they more or less assumed that I had, because I knew Stettinius and I'd just gotten back from the East. Stettinius was in Moscow at the time, I remember.

Gilb: You did have something to do with trying to get a permanent site here, though.

Lapham: Oh yes, that was different.

Gilb: I'd like to know what you did to go about trying to do that.

Lapham: Well, the conference ended late June, 1945. And President Truman came out to make the closing address. He was coming down from the North and was flying into Hamilton Field. And with Governor Warren and Stettinius, I rode out to Hamilton Field in the same car to meet him. Stettinius I'd seen a few times during the conference, but I think that was the first time he said to me, "You know, Roger, this would be an ideal spot for the United Nations and you ought to go to work on it." Governor Warren nodded assent. That was the first time.

Well, we met President Truman and rode him back to town and all that. So then we started to go to
work on it. Board of Supervisors, and we got the endorsement of the State Legislature, and we got the endorsement, as I remember, of the Los Angeles Board of Supervisors, and all kinds of local organizations. And I had some friends in the State Department out here at that time whom I'd met, including Jack Peurifoy, who was afterwards Ambassador to Greece and Guatemala and Thailand until last summer. And we really began to organize. And as a result, I went to London in late November, 1945, to attend a meeting--it wasn't a General Assembly meeting--of the United Nations. This time the question of the permanent location came up. We stayed on a few weeks. I had Jesse Coleman with me, who was a senior member of the Board of Supervisors, and also Mr. Walter Haas, who was then the president of the Chamber, I think. We had finally one-day hearings, presided over by the Yugoslav delegate who had been out here and whom I knew, and there were something like eight or ten different cities or locations that had appeared to plead their case. We were taken in alphabetical order, and San Francisco was last.
Lapham: Well, I remember the Black Hills man from North Dakota made quite a spiel and told them that they could have the cheapest meat there. (laughter) That appealed in London at the time. And Governor Tobin of Massachusetts was there pleading for Boston. And the senator from Florida, what's his name, Senator Pepper. And I made the last speech, and by that time they were tired and I made it a joking one more or less about, "You all know about the wonderful climate of San Francisco, etcetera and so forth and so on."

They finally voted to leave it open to six cities, including San Francisco, in the United States. There was a question of whether it was going to be in Europe or the United States. The United Kingdom was strong for Europe. They didn't want it in the States. On the other hand, Russia wanted it in the States. Incidentally, I had lunch with Mr. Gromyko in London; I'd met him here. Had lunch along with him in the Savoy Hotel. His position was that anywhere in the United States would do; he didn't commit himself. Mr. Adlai Stevenson was a U.S. delegate.
Lapham: I had lunch with him, but of course the U.S. position was to be neutral. We left London on a Saturday morning. Had to motor 100 miles to the airport in those days. Then I got word at the last minute, the last morning, when many of them had left, they passed a resolution confining it to a location east of the Mississippi and ruled us out. Then it was opened up again the next fall. Went over and lobbied again before the United Nations at Lake Success, and were finally turned down.

It was decided to leave the choice to four cities, to choose between four cities. Boston, New York, Philadelphia, and San Francisco. And a committee was appointed to visit the four locations and make their recommendations. There was a committee of a dozen or so different nations. So Mrs. Lapham and I hurried back to San Francisco to receive the committee. They came out and were in San Francisco for three days. The city definitely offered them three square miles in the Spring Valley properties down on the lower end of the Spring Valley lakes. And then they saw the Presidio. The Presidio was afterwards offered by the Federal Government, although I afterwards felt
Lapham: with strings.

During the three days here, the Chronicle and the News reported the doings on the front pages. The Examiner and the Call-Bulletin had it back on the third and fourth pages. It was very noticeable that they were lukewarm. Right after the committee left, I went down to see my friend Clarence Lindner of the Examiner, and Bill Wren was with him. I said to them, "It was quite noticeable that you haven't played up this committee's visit as the other papers have. It may well be that the Presidio will be offered. What's your position?" Bill Wren spoke up. "What do we want the United Nations here for anyway? We'd be the first target for the atomic bomb. And besides which, one or two conventions a year would do much more for the city than a bunch of foreigners would."

Gilb: Hearst was anti-U.N. anyway, wasn't he?

Lapham: Well, I said, "Bill, I don't agree with you. I won't argue with you." And I said to Clarence, "Where's the big boss these days?" He said, "He's down in Beverly Hills." I said, "Have you any objection if I called on him?" "You're free, white, and twenty-one; I'll
Lapham: give you his phone number." So I called him up, told him I'd like to come down and see him. (high voice) "Any time, Mr. Mayor, any time after two o'clock." I said, "Mr. Hearst, I'll let you know." So I telegraphed him that I'd be down on such-and-such a day at 2:30, even arranged to get a car to drive me from the airport to Beverly Hills. Got in the car and gave the driver the address. "You know where this is?" "Oh," he said, "Marion Davies?" I said, "I guess you're right."

So I got there promptly at 2:30, and Hearst was walking in the courtyard. Greeted me and walked into the house. He said, "We're sort of doing over this house; I don't know just where to sit down." However, there was a long hallway with sofas on both sides. I finally sat on one sofa and he sat on the other. I had my spiel all ready and I talked maybe ten minutes, explaining what it was and all that, and ended up by what I thought might be the clincher. I said I thought it would be a material asset to the state of California, to the Bay Area, to the city of San Francisco, if the permanent headquarters could be located somewhere here.
He had listened to me intently, hadn't said a word or asked a question. He said, (high voice) "I think it would be a liability. However, I'll keep my trap closed." I said, "Thank you, Mr. Hearst; there's nothing else to say after that." "Had your lunch?" "Yes, thank you, I've had my lunch." "Come down again; glad to see you." So I came home, phoned Lindner just what we'd said. They did keep their trap closed until the U.S. plugged for the East Coast, and then when I got back again, they were after me to go after the Federal Government to open up the Presidio to private housing.

Successor

Gilb: Then after you came to the end of your term as mayor, you must have had to think about the problem of who was going to succeed you. Whom did you consider, or did you consider the problem?

Lapham: Yes, I did consider the problem. There were three candidates. There was Judge Robinson, there was Franck Havenner, the Congressman...

Gilb: Whom I have interviewed, incidentally.
Lapham: And—oh, you interviewed him? And Supervisor MacPhee. I felt MacPhee was the best qualified man, and I openly plugged for him on the radio address I made shortly before the election.

Gilb: Well, hadn't you suggested privately that you'd like to have had Maurice Harrison run?

Lapham: Where'd you get that one?

Gilb: Out of a letter in a scrapbook in your home. (laughter) A very good letter, that I understand your wife wrote, and that I'd like to read into the record if you're willing.

Lapham: I don't know whether that should be published before my death or not.

Gilb: Oh, really? Will it put you in any difficult spot?

Lapham: I don't think Mr. Phleger liked it.

Gilb: I thought it was a wonderful letter, a wonderful expression of your sense of civic duty.

Lapham: It resulted from a talk when I had had Mr. Phleger at lunch. I suggested that Maurice might run, and he said, "Oh, well, he's a type that was considered for the Supreme Court," and he gave me to understand that this job, the mayor's job, as I took it, would be
below him. I wrote Mr. Phleger and then I saw him, and I said, "Have you given that letter to Maurice? "No," I said, "I'm going to give it to him." And Maurice was a good friend of mine, now legal advisor to Secretary Dulles.

Conclusions

All in all I've never regretted my four years experience as Mayor. I learned that running a city is actually a housekeeper's job on a grand scale, that you must listen to all varieties of complaints. Particularly, if your city owns and operates a municipal transit system. With 18,000 employees on the payroll, all with a few exceptions under Civil Service status, you find out it is vastly different from running a private corporation. I learned, too, that in a legislative body of eleven supervisors things are frequently done for political effect without regard to the merits of a matter. One of the greatest difficulties was to find sufficient time to devote to my housekeeping duties when I must greet admirals, generals, the consular corps and national conventions
of Rotarians, Legionnaires, wool growers, plumbers, and what not. I learned, too, that the press frequently abuses you for not being able to walk on the waters and that the better part of valor is not to talk back but rather to toughen your hide and throw some things over the left shoulder.

But the job had many compensations. For I met all types of public officials - mayors, state legislators, and governors. For a short time I was President of the League of California Cities (over four hundred incorporated municipalities) and attended sessions of the National Municipal Conference. I had close contact with Governor Warren and served on his Civilian Defense and Disaster Council. All in all, my faith in what I term "Democracy in the Raw" was strengthened immeasurably.
This leads up to your appointment as chief of the ECA Mission to China, which was sort of a bolt out of the blue for you, wasn't it?

Secretary of State Marshall made his preliminary talk, the foundation talk, at Harvard, when he received an honorary degree in June, 1947. And then a committee was formed to help propagandize for it. And I was asked to be--I was Mayor at that time--I was asked to be a member of that committee. And I accepted. I suppose there were several hundred. Even contributed to the expenses of the committee.

I remember--I was still Mayor in the fall of 1947. Dean Acheson came out here. He wasn't in the government at the time. He was given a luncheon at the Bohemian Club, some sixty or seventy San Francisco men were asked, and I was asked to introduce him. I said to him at the time, "I suppose the reason for this plan was to put Europe on its feet." He said, "Yes. There's the thing in Europe. You've got
Lapham: every government there tottering; Europe has suffered immensely; and if we don't—they're turning to us—if we turn them down, they're bound to turn to Russia, who will promise everything in exchange for political control. It's essential." It had been shown by that time that the Russians didn't want us to do it. The Czechs, as I remember, had agreed to become the recipient of the Marshall Plan Aid, but when the Russians turned their thumbs down, they didn't dare. So it became more and more evident as time went on that the Russians were opposed to the Marshall Plan primarily because they thought their best chances for political control would be if Europe were kept in a chaotic condition, there's where they could make their entry.

Gilb: How long had you known Paul Hoffman at the time he asked you to join?

Lapham: Let's see. I think I probably met Paul back in '41. I became a member of the Business Advisory Council to the Secretary of Commerce, and Paul was on that group. I remember having various discussions when I was in the labor end of things there, and Paul was the first chairman of the Committee of Economic
Lapham: Development. I suppose I've known him for fifteen years.

Gilb: And you agreed with most of his ideas on the field of foreign relations?

Lapham: Of course Paul was the first administrator appointed by Truman for the Marshall Plan. And I was the first Chief of Mission appointed. I can tell you the story. I was on my way to Europe with my wife to spend a few months there and visit our daughter in London, and we attended a Business Advisory Council meeting in Hot Springs, Virginia. And General Marshall was there, and also Paul Hoffman. Paul had just been appointed about a week or ten days before. Marshall explained the ideas, and then Paul took it up and then Paul grabbed hold of me that night just before dinner and said he wanted to talk to me. I had no idea what he wanted to talk to me about, and I said, "Don't bother me tonight; I'm having a good time and I'll be in Washington Monday morning. If you want to talk to me then, okay." So he called me first thing on Monday morning. I went around, and he said, "I want you on this team."
I said, "I'm sympathetic to the aims of the Marshall Plan; I'll be receptive." He said, "Talk to Averill Harriman, the deputy." That afternoon I saw Averill for a few minutes and he began to talk along the lines of "You live on the Pacific Coast and you're closer to China, and I think China would be the right place for you. Besides which, you won't be checked as often in China as you would be in a European Mission, where you have an overall deputy in Paris." So the next noon Paul called me up, talked to me in his office and said, "You're going to China." (laughter) Then I said, "All right, two conditions. One, I'm no expert on China. If you can find anybody else better qualified at any time, I won't be hurt if you put in someone else. Number two, I've got to take my wife over to London, or else she won't speak to me, but I'll be back in ten days and if that's satisfactory, okay." He said, "Okay." So they were going to announce the appointment.

This was rather interesting. I was the first Mission Chief and under the Act, the Administrator had all power to make all his appointments, without
Lapham: approval of the White House. They had a little
debate in my presence whether they should notify the
White House ahead of time or not. They finally de-
cided to notify John Steelman a half an hour before
they made the public announcement. That's the way
they proceeded. They thought it might be dangerous,
even though they didn't have to, to consult with the
White House before they made any appointments of
that nature.

Gilb: How were you and Averill Harriman getting along at
that time?

Lapham: I'd known Averill since 1919; he'd been in the ship-
ping business in the American Line. He took over
active control of the American-Hawaiian Company for
a time after the first World War.

Gilb: You didn't hold this against him when you were both
working for ECA.

Lapham: Hell, no, you forget those things. By the early
twenties Harriman was very glad to give up active
matters within shipping concerns; they didn't turn
out as well as he thought.

Gilb: Of course he came in right in an unfortunate time.
Lapham: Oh yes, that was true. In 1921, the bottom dropped out. We had rate wars and the company was losing money and I think he was quite ready to give up active control.
Gilb: Before we go into your work as Chief of the ECA Mission in China, I'd like to ask you a few questions about your views on international relations and on domestic politics.

In the 1920's, did you approve of the League of Nations?


Gilb: Did you take a very strong interest in international affairs during the twenties and thirties?

Lapham: Maybe not too much except in connection with shipping. Our main business was the intercoastal trade. We chartered out a few ships at different times for foreign trade, and then in 1928 bought this fleet together with Matson--the American-Hawaiian, together with Matson bought nineteen freighters from the old Shipping Board, nineteen or twenty-one, I've forgotten, and we operated then. The American-Hawaiian operated the service to
Lapham: the Orient, and Matson operated the services to Australia and New Zealand.

Gilb: When Japan went into Manchuria in 1931, were you...

Lapham: When Stimson took the stand and the British refused to go along with it, I think I was sympathetic to Stimson's views at that point. Trouble in Shanghai in 1932, wasn't it?

Gilb: At what point did you start to feel that the Japanese were going to become really aggressive in the Far East?

Lapham: I think in the twenties they began to show it. In 1937 I was in China for the first time, in Shanghai.* There was a feeling around then that the Japs were surely going to attack them sooner or later, but were

* (Added from biographical note) In the Spring of 1936 I took advantage of an invitation to fly to Germany on the first east-bound trip of the dirigible Hindenburg, an easy, comfortable, forty-eight hour voyage. Before I returned home I visited Berlin, Paris, and London. In the following spring my wife and I travelled for four months in Japan, China, the Philippines, Malay, the Dutch East Indies, Australia and New Zealand. We sailed on nine different vessels under five different flags. We met people of all kinds and nationalities and gained a passing insight into the problems of the Far East.

In June 1947 I was invited, in company with twenty-odd newspapermen and women, to fly around the world on a Pan American preinaugural flight. It was a strenuous fourteen day trip - four days in the air and ten on the ground, and about the only rest we got was in the air. Starting from New York we stopped at Shannon, London, Istanbul, Dhahran, Karachi, Calcutta, Bangkok, Manila, Shanghai, Nanking, Tokyo, Guam, Honolulu, and finally home to San Francisco. As the only politician in the party I was called upon to speak at everyplace we stopped at - even to addressing the City Council at Calcutta and reviewing with the Mayor of Manila his armed police.
Lapham: hoping that they'd hold off a few years until they were better prepared.

Duncan: Were you there at the time of the Marco Polo Bridge incident?

Lapham: I came about two weeks before. We were down in Hong Kong, I guess, somewhere further down, when we got word of that. And of course I think the American sympathies were all with the Chinese at that time, because there was no question that Japan was the aggressor. Then there was the Panay incident, which we could have gone to war over if we were so inclined--the bombing of the river gunboat there, on the river Yangtze near Nanking, and the rape of Nanking. The bombing of Shanghai followed about the first of August, 1937.

Gilb: Did you find yourself saying that we ought to watch out about the Far East before many of your friends felt that way?

Lapham: I think so. I think we of course were primarily interested in the shipping situation, but I know that after I visited Shanghai and Peiping in '37, I was strongly pro-Chinese.
Duncan: What did you think of Peiping? As a city?
Lapham: Beautiful city. My wife and I, my wife particularly—it's the only city she wants to go back to. She's afraid she's not going to get there. The Imperial City.

Gilb: How did you react to Franklin Roosevelt's foreign policy? I know he was a little bit ahead of the American people. Did you go along with that?
Lapham: My own hunch is that history is going to record one of the best things he did was to foresee what was coming and to, as far as he could, prepare the country. He took chances.

Duncan: The Quarantine Speech was in 1937, wasn't it, in Chicago?
Lapham: Yes. I'm more sympathetic to what he did along the lines of preparing us for what I think was inevitable if we had to be in it, sooner or later, than most of his domestic policies. I think our general feeling in my San Francisco office was that war with Japan was inevitable almost. Reading over what happened at Pearl Harbor, you begin to think that maybe there was something in the charge that has been made by
Lapham: certain military people that F.D.R. deliberately hoped that the Japs would attack, and failed to give other people in Washington all the information that they did have. But that's hard to believe that it was deliberately done.

Duncan: Circumstances perhaps were taken advantage of.

Gilb: Speaking of F.D.R., I'd like to question you a little about your past political beliefs. In general, you have voted Republican, have you not?

Lapham: Yes, I guess, most of the time. I voted for F.D.R. for the first term for entirely different reasons than most people. In the late twenties I'd served on a Federal trial jury for four months. And practically all our cases were Prohibition cases. And I made a pledge to myself that I'd never vote for anyone who wouldn't advocate repeal of Prohibition. But when Hoover was nominated, I said, "Well,"--I had a lot of respect for Hoover--"if you see the light." But after he turned down the Wickersham Report, "Uh-uh, that finishes me." I even drafted a statement that I could show of why I'm voting for F.D.R. He'd come out flatfooted to repeal Prohibition,
Lapham: you remember? I considered that very important.
After you've sat on a jury and seen these men charged
with violating the law and being sentenced and fined
and whatnot, and you were just as guilty as they were
of buying liquor from a bootlegger!

Gilb: How had you felt politically in the twenties toward
Harding and Coolidge?

Lapham: Harding and Coolidge? I was for Hoover for President
in 1920. In fact, subscribed to his campaign. Of
course Harding was an old-line Republican, and of
course Harding's fault was the men he had around him.
His attorney general and the Secretary of the In-
terior, Fall. That Teapot Dome. But of course in
the twenties the goose was hanging high and every-
body was making money and speculating and whatnot.
I guess I voted for Coolidge when he ran on his
own. In 1932 I voted for F.D.R.

Gilb: And, I take it, switched over to Landon and Willkie.

Lapham: Yes. In 1934 we began to have experiences on the
waterfront, and I had the feeling that we weren't
being played fair with by the Secretary of Labor.

Gilb: What did you think of Truman's first Administration?
Lapham: First Administration? When he succeeded F.D.R. I was told a story, came very straight from this friend of mine who had been in the Navy, newspaper man, was a friend of Jim Forrestal's, and he had an interview with Truman. He dined with Forrestal that night. And Forrestal said to him, "What do you think of the President?" And he said, "I think it speaks volumes for the American people that in the middle of a war, while war was still on, a man like that can assume control and get away with it. I don't know how often it can be done."

Forrestal said to him, "I know. After Truman was elected Vice President, before he took office, he sent word he hoped that he would be taken in on all the secret stuff. Which he should have been. Anyone who's Vice President. But he was welcome. And when Truman took office in April, 1945, he had none of the knowledge he should have had, the inner knowledge." And Forrestal said, "That's one reason I'm still here."

Gilb: Did you approve his decision to use the atom bomb?

Lapham: Well, that was a tough one, but after all, war is war,
Lapham: and we wanted to get it over with as soon as possible. Of course we didn't, none of us appreciated, the President didn't appreciate, the effect it might have, I mean the future effect, but it was another weapon and we had it, and the invasion of Japan was planned in the fall of 1945.

Duncan: They were estimating somewhere close to a million casualties in the invasion of the homelands at the time.

Lapham: I had a son in the Navy over there at the time, and I think I'd have made the same decision as Truman. Why not?

Gilb: And then, of course, when the war was over, you were all for the United Nations, and, I gather, all for the Marshall Plan too.

Lapham: I was very strong for the United Nations and still am. I believe the United Nations has served a purpose in the fact that it's become the town hall of the world. The American people would not have been alive to the threat of Communism as much as they are today except for the fact that the Russian delegates to the United Nations, by their own actions and words, opened the
Lapham: eyes of the American people, and I'd like to see the United Nations kept, whether it does anything else but that. On the other hand, it's done many other things which are recognized throughout the world. The World Health Organization. Even UNESCO. Much has been said about UNESCO. The more people can meet each other, sit around the table, as long as they come back the next morning. They can cuss each other out and say what they want one day but as long as they come back the next morning and keep things going...! Sure, I'm strong for the United Nations.
THE U.S. AND CHINA

ECA Staff

Gilb: Coming back to ECA, when you became chief did you recruit your own staff?

Lapham: No, only a few. It was a problem of--I came back to Washington; I had a week's briefing there. I remember Paul Hoffman took me down to meet John Taber, who was then Chairman of the House Appropriations Committee, and John Taber was a pretty hard-boiled Congressman.

Duncan: Called him "The Axe" sometimes.

Lapham: Of course you remember this, that at that time, in '48, was a Republican Congress and a Democratic President. That's the Congress they called the "Do-Nothing." And when it came to the appointment of the Administrator, Vandenberg pressed for Hoffman and Harriman was his deputy. He was stationed in Paris, and that made it easier to put the appropriations over for the Marshall Plan. But I remember this meeting with Taber which Hoffman took me to. I sat
Lapham: through three hours of it and Royall, Secretary of War, Bill Draper, and Bob Lovett were there. I just sat there as a quiet observer and listened, and at the end of it I said, "Send me out to China quick; I couldn't stand this back here." The questions that all administrators have to answer in Congress and the various committees.

Gilb: Did you have any trouble getting people to go out to China?

Lapham: No. In fact, Paul Hoffman had 20,000 applications for jobs, whether in China or Europe or anywhere else. And in those days they had to get things done quickly. There wasn't the security check that they've evolved since. I was checked later after I'd been in China three months; I was notified I'd been officially cleared as a loyal citizen. I did, however, select a deputy. I was anxious to get a man who knew more about finances than I did, and I tried to get one of my friends here to go along with me, but he couldn't do it for personal reasons, and then my son happened to mention a man I knew only slightly, whom he'd seen in Monterey a day or two before and who had
Lapham: expressed an interest in my job, by the name of Allen Griffin. The owner of the Monterey Peninsula Herald. And he told me that he thought Allen might be willing, and I called him on the phone. At least, I asked my son to sound him out. He did, and Allen called me back that night and said, "If I can take my wife, I'll go." I said, "I'm taking my wife." She didn't join me until several months later. He came out as my deputy and was a very valuable man. He hadn't seen service in China. He had been in the first World War, as a colonel. Second World War, commanded an infantry division in the Battle of the Bulge there, travelled extensively and was a good administrator. He was a valuable assistant to me.

Gilb: He, however, apparently didn't know China. And you had had just limited experience in China.

Lapham: That's right. But we had others there, a few of the younger people, who had lived there, could speak the language. One young fellow who proved to be invaluable to me was a man named James Grant, who had been born in Peiping. His father was a medical missionary. Jim Grant was then in the Harvard Law School, but I
Lapham: persuaded him to take leave of Law School, which he was able to do, for a year, and stay with me. And he was my chief interpreter and sat in on all the important meetings.

Gilb: How helpful was Ambassador Stuart to you?

Lapham: Ambassador Stuart was an extraordinary man. I don't think I've ever met a man whom I quite admired as much. He was a man not easy to know, but I got to know him very well as time went on. I remember my first meeting with him in China in Nanking, and that was the first ten days in June. We got to Shanghai, I think, on June 7th and I was up there and paid my respects to the Ambassador the next day. And Stuart said to me, "I'm glad you've come. I'm glad this aid has been given. I'm afraid it's probably too late unless Chiang will change his spots."

And then the man who had been out there as the head of the China Relief Mission, which we took over, wanted me to (our office and main quarters were to be in Shanghai) take a house in Nanking for the sake of face. And it was a pretty expensive house. He'd picked out a brand new house there. It was twelve
Eapham: thousand dollars gold or something like that, and he wanted me to maintain a residence there even though I would be there only occasionally. That didn’t sound sensible to me and I went to the Ambassador. I said, "Is it necessary for the sake of face for me to have a house up here?" He said, "No. Listen." He was a widower at the time. "Any time you come here, there are two air-conditioned rooms in my house and you can have either one of those you want." In that way, after I had visited him a dozen times, I got to know him very well indeed. A man who was born there and lived there for fifty years, he not only spoke the language but wrote the language. He was essentially a teacher. He told me as time went on how he happened to take the job, that Marshall was over there that year. He finally met Marshall and he was able to do a few things for Marshall, and much to his surprise one day Marshall said the Ambassador was retiring—Gauss, I think it was—and Marshall said to Stuart, "I’d like to recommend the President appoint you Ambassador. Will you take it?" And he said, "Anything my country
Lapham: "wants I'll take."

So he was appointed Ambassador. He was new to the State Department procedures and maybe he was naive, but in those closing days, before the Commies walked into Nanking, he said, "I want to stay. I may be able to do something if the State Department will let me stay." Which they did. But he was in a terribly difficult position because he had so many close personal friends, Chinese friends, who had studied under him at Nanking. He'd been confined by the Japs in Yenching, you know, house confinement with two other men, for four years. And these men would come to him for personal advice. He was Ambassador; he couldn't open up everything, you know, and he was really suffering because a country he loved was going to the dogs and what could he do?

Gilb: I wanted to ask you about the local staff you recruited, the Chinese. Did you have many Chinese in very responsible positions?

Lapham: Not in many responsible positions. We had many Chinese helpers, of course, in the lower grades. Chauffeurs and janitors. We had quite a number of Chinese clerks,
Lapham: yes. But the topside staff was all Americans. I think we intended to have, according to schedule that they had laid out in Washington, a hundred and twenty, including the typists and what not. But we never filled it. So I think the most we had was about a hundred Americans, maybe a few more.

We had regional offices. Shanghai was the main office. We had, I guess, a half a dozen Americans in Peiping and three or four in Tientsin and a couple in Tsingtao and half a dozen more in Canton. And a couple in Nanking, because the plan that had been instituted by the China Relief Mission and had been serving for six months, one of the main parts of our program, was to ration all the major cities to a limited extent, so that everyone could get some rice or, in the north, flour, could count on it at a price much lower than the market. But the efficiency of that was largely dependent on how the local governments cooperated with us. In Shanghai we had the utmost cooperation from Mayor Wu, whom I got to know very well indeed.

Duncan: He was Mayor for many years.
Lapham: Yes. Fine man. He's now here in exile. On the other hand, in Nanking we didn't get as much cooperation; it didn't work so well there. In Tientsin it worked well, and Canton reasonably well.

Duncan: Mainly at the ports where there had been a long series of overseas activity, like the British in Canton, other foreign people in Shanghai or Tientsin, a commercial city too.

Gilb: When you were recruiting Chinese staff, did you run into nepotism? Pressures to...

Lapham: (laughter) It suppose it was there. We didn't...

Chinese staff had been recruited before I got there largely, and they didn't hold any real important positions.

Gilb: So it didn't matter one way or the other.

ECA Program

Gilb: Your first job, when you got there, practically, was to sign the bilateral agreement with the Chinese Government, wasn't it?

Lapham: Yes, that had all been prepared by the State Department, and pictures taken of the signing of it and
Lapham: what not. It had to be signed by July first, as I remember.

Gilb: I know that some of this you may not want to answer. Did you feel at the time that it contained the provisions that it should have contained?

Lapham: Well, my deputy, who had been head of the China Relief Mission, wanted me to put in some more clauses which would give us more controls, spelled out. But the Chinese were loath to do that because they said it hadn't been put in any other bilateral agreements, and they didn't want to be treated any differently than England or what not, and they had quite an argument about that, and I went down to see the Chinese foreign minister to see whether he would change it. "No." But if it was going to be made an issue, I talked it over with the Ambassador, and he said, "Well, it's either going to work or it isn't; it's largely going to be a matter of good faith, and words won't make so much difference." His advice was, "Let's not object and try to put in more stringent clauses than prevailed in the other bilateral agreements." And that was true. Words meant nothing; it was a
Lapham: question of ability to perform and willingness to perform.

Gilb: Apparently they didn't live up to their agreements anyway, to a large measure.

Lapham: Well, I wouldn't say that. Remember that China was in that period—I didn't realize it at the time, but when we got there, the situation was almost hopeless. Inflation. In June, when I got there, it was a million four to one. It had been about fifty thousand the year before; I'd been there about two days in 1947. Before that, the year before, I think it had been about two thousand to one. But from June 7 to August 19, when they put in the new currency, the exchange rose from a million four to something like twelve million to one. Now there was the problem we had. We paid our Chinese staff twice a month. We'd have to make up the payroll a few days ahead of time. If the exchange at the time it was made up was five million to one and three days later it was six million to one, we had to make it up in the supplementary payroll, because we endeavored to keep up to the time with it. Under those conditions, when there
Lapham: was no check on inflation, nothing but printing more money, it soon led to hopelessness. The man on the street—what the hell. They told me a story, some American or foreigner was going to a safe deposit box and a Chinese man and woman came in with a suitcase. They had a box near him, and he was wondering what they were doing with the suitcase. They opened the suitcase and the suitcase was filled with wristwatches. They dumped them in the safe deposit box. Wristwatches were their hedge against inflation.

Gilb: Didn't you evolve a system of buying cotton or storing cotton as a hedge?

Lapham: We imported a lot of cotton. The program, as I remember, was largely based—I've probably got the figures somewhere—here's a pile of stuff that's all China—but if I remember it, we had seventy million U.S. for rationing; I think seventy million for textiles; I think it was fifty million for oil, petroleum, to keep the power plants going and the railroads and whatnot, non-military petroleum. Then we had seventy million set aside for capital improvements, which we never proceeded with.
Gilbi: I'd like to go into the subject of your reconstruction policies, even though you didn't actually put them into effect. You did work out a program?

Lapham: Yes. We had a special mission that was going to be more or less independent, headed by Charles Stillman, who was the Executive Vice President of *Time*, *Time*- *Life*. And he had a group of experts, utility experts, railroad experts, and whatnot, who travelled around the country for three months. That decided that we'd spend three million dollars or four million dollars in Tientsin for a fertilizer plant or a power plant or a railroad; it was all drawn up and submitted, but never put into effect, because when Paul Hoffman visited us in December, we had a conference on it. We had the whole scheme laid out and how to proceed and how to let contracts and so forth. And his comment was, "What would you do if it was your own money?" I said, "Why do you ask me? Paul, I wouldn't spend a cent of it." And he said, "If you feel that way, I don't think we can afford to spend any American taxpayer's money, because to complete these projects will take a year or two years or even three years, and what
Lapham: would be the situation then?" In December, it looked inevitable that the country was going to the Commies.

Gilb: What would have been the purpose of the program, had you been able to put it into effect?

Lapham: Well, we would have--power was needed, fertilizer plants were needed, railroads should be repaired, maybe built; I forget all the details, but it was a large program. The only thing that we laid aside--we had, as I remember, maybe ten or twelve million dollars set aside for Formosa. We set that aside to decide later.

Duncan: Was there in China at this time a man named Savage who had an idea for a hydroelectric power...?

Lapham: In the Yangtze?

Duncan: In the Yangtze. Savage.

Lapham: I don't recall that name, but that was discussed for future possibilities.

Duncan: How would that have benefited China in the long range?

Lapham: I imagine that would have run into millions. Of course any industrial development would depend on power, and...

Gilb: I read somewhere the accusation that the Stillman group didn't approve power projects enough to suit some
Gilb: people. Was this true? That they neglected the
idea of power?

Lapham: As I recall, they had power included. There's always
a record somewhere.

Duncan: They worked about six months or so on drawing up these
plans, didn't they?

Lapham: They were originally there for only three months, but
Stillman stayed over there for several months longer.

Gilb: You say nothing was accomplished in the field of in-
dustrial construction at all, because you just figured
it was money down the drain.

Lapham: Yes. By December, after Mukden had fallen and shortly
after Chiang retired, active retirement, it was...
Our military people, whom I used to see all the time...

Duncan: Did there still seem to be some hope of our holding
the southern part of China?

Lapham: That was one thought, that we should concentrate on
south of the Yangtze, and maybe include Tsingtao and
Nanking. But we never attempted that.

Gilb: Did you accomplish anything in rural reconstruction?

Lapham: We had this J.C.R.R., Joint Commission of Rural Re-
construction, and I remember very well when I first
met Stuart, after he'd said, "Looks pretty bad. But," he said, "there's one thing I wish you would concentrate on, and that's this Joint Rural Reconstruction."

As time went on, I was convinced that he was right. That would have been our best bet, if we could have done that. That took a long while to get under way. The commission was to be composed of two Americans appointed by the President, and three Chinese appointed by Chiang. Stuart used all his influence with Chiang--he had a lot of personal influence--to appoint the proper Chinese.

Have you ever heard of a man named Jimmy Yen? I first met him in the early twenties. Somebody gave a lunch for him here. Really an extraordinary character. He was a Chinese student at Yale at the time of the first World War, and then he got over to France. The French have a lot of Indo-Chinese and others, you know, as camion drivers and all that. And he began to realize for the first time how many different dialects there were and that the written language is the same but the spoken dialects vary a
Lapham: great deal. You know, the Mandarin can’t be understood in Canton. And he came back convinced that the salvation was to reduce the number of Chinese characters to, say, a thousand or something like that instead of fourteen thousand. And he went to work on that. And he got support in the United States and financial contributions, and that was one the things that they were—I visited one of the schools there, north of Chungking, I remember, where you had both men and women trying to learn the written language, memorize the characters. So Jimmy Yen was included on that. He’d been lobbying for that in Washington. He had many good friends, including Justice Douglas, Marshall Field, and I don’t know whatnot. But he was a promoter type, and Stuart said, "Now we can’t let Jimmy run away with the show. We need some balance. We can’t let him..." He had a high-class Chinese named Cheng Lu-lin, I think. He was a University of California graduate. Was chairman. And a Chinese agricultural expert named Shen. And then when it came to the appointment of the two Americans, there was one man who was in the Mission with me who had been over
Lapham: to China and was an expert in the agriculture field, Raymond Moyer; he's still in government now. Still in charge of the Far East Division of whatever they call it now, I.C.A.

And they discussed three or four other Americans. Well, I didn't know any of them, but Stuart finally suggested one man who is a missionary type, and we made our recommendations back to Washington. But Hoffman couldn't appoint these men. This was appointment by the White House. And there was a delay. Mean-while we wanted to get going. I found out that the boys in the White House said, "Uh-uh. Mr. Hoffman's not going to--or Mr. Stuart's not going to select the men; we are." And the man who was selected was a good man, but he was somewhat advanced in years and his name had been considered by the Ambassador and he eventually arrived. I remember I said to him, "Now you understand at the beginning that..." We were a little suspicious that he had been working to get the appointment; that wasn't so. "...your name was not recommended by the Ambassador, and I backed the Ambassador up, but that's that, you've been appointed;
Lapham: okay." But that's the way politics come in.
Gilb: How much did they accomplish, that group?
Lapham: I think they did pretty well, particularly when they eventually moved over to Formosa. They did good work in that field then.
Duncan: This is a key field, isn't it, because the Communists were playing the same thing.
Lapham: It's a Point Four! That was exactly Point Four. It's getting down to the grass roots. Getting people to do things for themselves.

We had it in Greece, when we had the field service men. I classed them all as the right kind of nuts. A fellow willing to go out and live in the villages and take an active interest in the people of the villages. More can be done along those lines with "the right kind of American nuts," as I put it.

Gilb: That sort of person is hard to find, I think.
Lapham: Yes. Who's willing and anxious to live in the community and get to know the people and let them get to know him. It's the individual that counts.

I said to this fellow, Jim Grant, who was ideal for the purpose, "If you give me twenty-five more
Lapham: Jim Grants, they're worth twenty-five divisions."

Gilb: When you came to carrying out your commodity program, did you run into Chinese graft?

Lapham: Nothing extensive. We had the use of our counterpart funds. They had all kinds of projects started on that. Even started before I got there. But the darn trouble with that was that fluctuations would occur so that by the time we got the currency in the field, instead of having a hundred dollars, they had fifty dollars, and in the end, the only way we could get the boys like—we had irrigation and river control work—the only way that we could pay them was to pay them in sacks of rice. That was the only currency that was worth while. This was Hong Kong silver dollars.

I remember particularly the mayor of Canton. He brought in a half a dozen of his topside people; they laid out programs, what they wanted, so many million for this and that. When we sent our files home, there must have been boxes of requests from different localities, how to spend our counterpart funds.

Gilb: Was there a lot of feeling that one part was being
Gilb: slighted in comparison with another part of China?
Lapham: You mean whether we were favoring the north or the south?
Gilb: Yes.
Lapham: I suppose there was, but we couldn't...
Duncan: You couldn't do too much, up in the north, could you?

Chinese Military and Political Situation

Lapham: After Mukden fell, defeat was inevitable. After all, they'd had twelve years of war. They were tired and sick of war. Anything was better than what they had. And to match that point, there were many of them educated Chinese who were far from being Commies who said, "Oh lord, anything's better than what we've got."

Duncan: Having been on the scene, can you tell us why the Chinese Communists moved so quickly after they started breaking through? After the fall of Mukden and the sweep across the north China plains. Seem like everything collapsed very quickly, didn't it?
Lapham: Yes. Of course, maybe I'm seeing it with prejudiced eyes. Chiang was the No. 1 man. I met the Vice
President in Peiping in late July. Our first meeting with him was simply a formal one. Then he sent word to us two or three days later that he'd like to see us again. Griffin, myself, and Grant, whom we used as our interpreter, went to his home, his residence, and he had another Chinese as his interpreter—I forget his name, a Harvard man. And the Vice President said, "Now I'm going to take my hair down and tell you confidentially why we are losing to the Commies." He said, "You know everything in China was built around the family. The family comes first. Chiang considers himself the father of all China. Now in the immediate family it's the sons who are Number One. If one of the sons," and he was meaning the Whampoa School generals, "is incompetent, loses a battle, 50,000 men and all his equipment, that's too bad. But he's got to be set up again. You've got to take care of your black sheep son. It may be the seventh cousin down the line whom you recognize as a competent general and much better than your own son, but he's your son, and you must always look after your immediate children first. That's why we're losing China." And I think he was right.
Duncan: Really military nepotism.

Lapham: Yes.

Gilb: What did you think of General Li, the Vice-President?

Lapham: Li-Taung-jen? That was his name, wasn't it? He's now an exile in New York, somewhere near New York. I think he was a pretty high-class man. Maybe not too powerful. I remember the Ambassador told me this story: a month or so before we got there, the Kuomintang had had their convention to name a President and Vice-President. Of course Chiang was named President. Then there was a fight on as to who was to be Vice-President. And Chiang didn't want Li. Li represented, let us say, the more progressive side of the Kuomintang, progressive elements. And he was finally named by an honest election. And the Ambassador went to Chiang and he said, "Maybe you haven't got the candidate you want, but after all, this was an honest election. Why don't you take him in"—although the Vice President had very little power under the Constitution—"Why don't you take him in and play ball with him?" Not at all. Chiang just shoved him aside and he went up to live in Peiping. And it was
Lapham: only when he retired and Li took over, and then their one idea was to make a peace of some kind. But it was too late.

Gilb: Didn't you have the feeling that Chiang sort of left Li holding the bag there at the time the Government was falling?

Lapham: Yes, but Chiang's retirement was a very active one. (laughter) There was—the Ambassador told me this story. This was along about February, 1949. This general whom Chiang had left there in charge of the immediate sector north of the Yangtze in Nanking came to the Ambassador and said, "I have word--instructions, in fact--from Chiang not to defend on the Yangtze." The only military place to defend, if you're going to defend, was on the south bank of the Yangtze. And he said, "Of course if Chiang wants me to withdraw south of Shanghai, that doesn't make sense." And the Ambassador said, "Well, have you got to take orders from Chiang? Why don't you play with Li?" "How can I? Chiang has made me what I am. I'm his son."

Gilb: I had the feeling that Li didn't have enough power to
Gilb: do what he was supposed to be doing at the last. And that Chiang deliberately—could have had it different.

Lapham: By that time the Commies knew perfectly well that nothing could stop them, and they'd even been named war criminals by the Commies. Now if you're a war criminal, why do you want to go making peace? An effort was made to send a delegation up to see the Commies, but the Commies wanted unconditional surrender.

Duncan: What were Chiang's motives during this time? How did he seem to you—what he wanted. Why, for instance, was he against Li?

Lapham: I don't know, except that he was a real totalitarian dictator in his way.

Duncan: He was pretty conservative in his way.

Lapham: He was pretty conservative; I don't know if he had anything legitimate against Li or not. I do know when we got down to Canton and Li was there, we got this from one of the topside Kuomintang boys, that Li had taken the position with Chiang, "Get out altogether or come back and take over." And Chiang came back; that was a definite position he was going to take. And Chiang came back, "How can you say this to
Lapham: me?" He just didn't want to give him a direct answer to that alternative. Li eventually threw up his hands and quit.

Gilb: I have four criticisms you made of Chiang and I wonder if you could illustrate some of these. You said that he was an incompetent military leader. What were your grounds for saying that?

Lapham: I mean his actions in that summer in Chinan, when Chinan was surrounded. He got his troops, instead of war movements, he concentrated his troops in the walled cities.

Duncan: Siege-like.

Lapham: And war movement, that wasn't in his--that's what the military people I know felt. And we did hear of an incident--we were told this in Tientsin--I can't vouch for the truth of it, but it shows, I am sure, the way that Chiang attempted to control, not only his division boys but even down maybe to the regiment. At that time, in the summer of '48, the Commies were raiding the rail line between Tientsin and Peiping. That's only about 100 miles. There were raiders at night to cut the rails and blow up a bridge. And the
Lapham: Chinese had their air force, which the Commies didn't. That's one thing I didn't understand, how with equally matched armies, one with an air force and one without, and today, how you could lose? Well, the air force reported that they had seen four or five thousand Commies mass-marching somewhere, and they wanted permission to attack them. They could not attack without word from Nanking. And that came two days later. That was the story.

Now that may be a story, but I think the evidence was there, that the local commanders had very little freedom of action. That was even evidenced by an interview that we had with General Fu-Tso-yi, who was in charge at Peiping. And who wasn't one of the Whampoa School boys, but a pretty efficient military man. We had half a dozen talks with him. And Griffin, as a military man, began to question him, "Where is your area? What is the line of your field?" Here was Mukden, in command of another general, and here was an army in between Mukden and Peiping. "Where do you end and where does he take over?" He said, "It hasn't been defined." The man in the middle was
Lapham: one of the Whampoa School boys and not so hot.

Gilb: This will go along with your criticism that Chiang surrounded himself with yes-men and wouldn't delegate the authority.

Lapham: I think that's it. And they were all afraid of him.
I remember going off one day to one of the Chinese we were working with. He was a banker. Got to know him very well afterward. I mentioned to him, "My Lord! Why doesn't Chiang see this and that? Why can't..." He said, "Mr. Lapham, you could tell him, but we couldn't."

Duncan: You know, it's amazing that he held onto this allegiance so long, because it was 1924-27 when he was down in Whampoa, and those boys twenty years later are still the key to the....

Lapham: Well, you can't take away from Chiang. He could have sold out any time to the Japs. The Japs would have made any kind of deal with him. He didn't.

Gilb: You also made the statement that he was rather ignorant in the field of economic affairs, that Chiang didn't know much about economics.

Lapham: Yes, I think that's true.
Gilb: Can you give us illustrations of that?

Lapham: Well, we've never had any direct dealings with Chiang when it came to the government ourselves; socially, a few times, at dinner parties. Our contact was with the group of some of his--his Prime Minister, who was Wong Wen-hao, the first Prime Minister when we got there, who was a leading geologist. The only reason he took the job was because no one else would take it, or no one else acceptable to Chiang, at any rate. But this man took it, although he was the least qualified of all, because he was a friend of Chiang's and Chiang told him to. That man is now working with the Commies, and I have read in the last six or seven months some of the broadcasts he's made from Peiping. And knowing the man as I do, I'm--it's positive evidence to me of so-called brainwashing. Because he was the most kindly little fellow imaginable, and these broadcasts that were sent to me from a friend of mine in Hong Kong, Asia Foundation people, were just damning the Americans right and left and all that. And yet I know perfectly well that that man didn't really think so himself. He had been
Lapham: educated in Europe. He left China. He finally threw up his hands. You had a Prime Minister who wouldn't go to the office. Chiang wouldn't accept his resignation for a week or so, and he just wouldn't go to his office. And he went to Europe and then he came back. After all, it was his homeland. And now he's searching for oil or whatever it might be. He's a leading scientist.

Gilb: Were there any officials you especially admired? Any that you thought were especially good? Chinese officials—any top kind of people?

Lapham: Yes, this Mayor Wu was one of those, and the Committee, the Minister of Transportation, I forget his name—oh, there were a half a dozen of them. In the end, we were primarily working with a man named H. J. Shen. A very high-class man. He broke with Chiang. He stayed in Hong Kong and he passed through here about six months ago, and he hopes to get over here to settle. He didn't go over to Formosa.

Duncan: Do you remember the C. C. clique?

Lapham: Yes. What was their names?

Duncan: There were two or three of them. Chang Chih-chung was
Duncan: one, I think. How did these men impress you? They were more on Chiang's side.

Lapham: I remember he called on me once. We really had too much to do to stop and figure the conflict in Chinese politics.

**ECA Evacuation**

Gilb: Well, I haven't asked you a bit about the ECA attitude about what you were doing, back in Washington. Did you feel that people in Washington understood the Chinese situation sufficiently?

Lapham: I think my own theory is that after General Marshall had been over there a year that he'd made up his mind that it was a pretty hopeless situation. Let them stew.

Gilb: Do you think it had been better if you hadn't attempted anything over there?

Lapham: No, I wouldn't say that. I've sometimes said that our mission was a successful failure. (laughter) Lord knows, I think that's going to be debated for years to come, but my own feeling is that a change was inevitable. How long it's going to last, who knows?
Gilb: What would you say were the primary accomplishments of your Mission?

Lapham: Just to keep them alive a little longer, that's all.

Towards the end of November, 1948, when it looked as if the Commies might take over North China overnight, our mission having received no instructions from Washington as to what our personnel should do in those areas like Tientsin and Peiping, where we had our personnel, what they should do if the Commies walked in, we wired Mr. Hoffman in Washington pointing this out and suggesting that there were several alternatives and that we would like instructions as to what alternative, what course of action, we should take. We suggested, I think, three alternatives, maybe four, and we simply wanted instruction whether any of the alternatives we suggested should be followed: (1) "Shall we complete the present commodity program, subject to minimum conditions, including publicity as to the source of supplies granted the Chinese people, freedom of activity to ECA personnel, and cooperation?"

In other words, if the Commies walked in, one
alternative, "All right, if you let us continue distributing this food, rationing this food, doing everything we have been doing, under the same conditions as the Nationals have, can we stay, at least until our moneys are exhausted?" That was one alternative. (2) "Carry this out only to the extent of permitting distribution of foodstuffs and other commodities already landed and en route; get rid of what we had and then cut it off." Or (3) "cancel all future shipments and simply shut down." "We'd like to know what to do. Our recommendation is, provided the Commies walk in and let us continue, to do exactly what we have been doing."

Well, of course, that came under State Department policy. If our recommendation, the one that we made, was carried out, it would mean that we were feeding people under Commie control. And our idea was, this aid was to be given to the people of China, although the Republic of China is mentioned in the bi-lateral agreement. And provided the Commies let us use the people we had there, not interfere with them, and that it is known that this is American aid,
Lapham: let's go on to do it as long as our money lasts, until our next appropriation bill.

That was debated. Hoffman backed us up in it. But that was debated in the Cabinet, and eventually no soap. And we were to cut off everything, but our people on the spot would endeavor to get rid of what we had with the Commies as best they could. They were going to take it anyway, unofficially or not. And those were the instructions we finally sent. And got them into Tientsin just about twenty-four hours before the Commies walked in.

Gilb: Was there a division of attitude on the part of your staff? Were some of them pro-Communist and some against?

Lapham: No, I wouldn't say they were pro-Commie. Maybe all of us were somewhat disgusted with the way the Nationalists had failed to operate.

Gilb: In other words, your staff shared your viewpoint more or less.

Lapham: Our staff were going to do whatever they were told to do, but we felt that it would be the wise thing to do to keep on going just as long as we had the cast.
Lapham: to do it. At least to—if the Commies drove us out, if they came in and said, "Go! We won't let you operate," why that's too bad. Then we would have to get out. But the world would know it and the Chinese would know it.

Duncan: What kind of cooperation did you have from the other foreign businessmen in China at this time, such as the British in Shanghai?

Lapham: The British, I think, felt—their feeling was at the time, "We've been through this sort of thing before; we'll weather the storm somehow; this is just another incident." Of course remember it was not too clear at that time how close the relationship was between the Commies and Moscow. There were still hopes that we might have some kind of a Tito. But of course as it developed, it wasn't so.

Gilb: Did you find some Chinese not very grateful for what you were doing?

Lapham: I don't know how I can answer that; I think they were grateful at all times to get their rations at a price below the market.

Gilb: I've read in some Chinese sources that they thought
Gilb: what the Americans were doing was prolonging the war and they wished the Americans would get out. There was that feeling. You didn't run into that?

Lapham: No. Of course the Commie propaganda at all times was for us to get out. It was accelerated towards the finish.

Gilb: Among the nationalists, you didn't encounter any hostility?

Lapham: No, no, we didn't come into any direct hostility of that kind. Of course they were working underground to a large extent. This H. J. Shen that I mentioned, this Chinese banker. Right after the fall of Nanking, when we got out in a hurry, H. J. Shen was confined to his bank by his employees, who were demanding severance pay. They planned to let him out at seven o'clock in the morning. I learned the full story afterwards. Mr. Griffin got him out, and the way he got out himself, he told his driver to take him to his sister's house. And he told his driver just, "Come back in an hour or so; I'm going to be here." Instead of that, he got right over to our Mission, and we took him down to Hong Kong. He's told me since that
his Chinese driver was a Commie, and one of the top-side boys said that he, the driver, was almost liquidated for Shen's escape. They wanted Shen for a while, because they knew he knew banking and he knew something about the business and all that, and their idea was that they were going to keep him there and force him, as long as it served their purpose, to help them.

Lapham: Did you come out by Canton and Hong Kong?

Duncan: Our evacuation? Forty-eight-hour evacuation? Some twenty-five of us flew down to Canton in two Navy planes, and the rest of us went out on the Navy destroyer. Shen was put aboard this Navy destroyer. Off Whampoa, off Shanghai.

Gilb: Didn't you maintain your office in Canton for a while?

Lapham: Oh yes. That's when we started to disband. But the way that happened, I'd been up in Nanking on a Friday afternoon. Got the date somewhere. The Ambassador didn't want us to spend the evening, stay there overnight. He said, "Anything can happen. Rather not have you here." So we flew back in a Navy plane and we circled over that British ship that had been shelled...
three days before. We got back to Shanghai. On Saturday morning we got a telegram from the Embassy saying that the Commies had walked in. And he had a representative there who'd had a heart attack, and he got out on the last Navy plane that morning.

I went to see Badger that afternoon. Badger was in command, had his command ship right off Shanghai. And he allowed it was about time for us to get out. We'd had plans to do it for some time. And I said, "We can have an orderly evacuation and take a week or so?" He said he thought so. And we spent all day Sunday making arrangements about who'd go when and whatnot, what to take and etcetera. Monday morning had a call from Badger's Chief of Staff, "There'll be two planes leaving tomorrow morning at eight o'clock; so many pounds aboard, and the rest of you to get out tomorrow afternoon on the destroyer."

We took all the women and children we could on the two planes. I went down on one and Grant in another, and left Griffin to get the rest of them out. They got out on Wednesday morning instead of Tuesday afternoon. And by Wednesday morning, the
Lapham: Only remaining Navy boys in Shanghai were a lieutenant commander and two warrant officers. Badger was out; his ship was out.

Duncan: It's about a five or six-mile run down the river to get into the main stream there, and very dangerous.

Lapham: Badger never told me, but I knew what his orders were. "Avoid at all costs an incident where you're going to be locked in there."

U.S.-Chinese Relations

Gilb: I want to backtrack a bit and ask, were there any American interests you were trying to serve? You've stressed what you were trying to do for the Chinese in the ECA program. Was your policy trying to serve any specific American interest, such as American business?

Lapham: No.

Gilb: None at all.

Lapham: No. We were strictly there to furnish aid to the Chinese people; we weren't there to furnish aid to the American businessman. Of course American businessmen profited an awful lot from the Marshall Plan because there were a lot of American exports that wouldn't have been exports except for the Marshall Plan.
Gilb: Some of the goods that you sold in China--you bought those from Americans, some of them, didn't you?

Lapham: We bought our rice from Southeast Asia. Practically all the flour came from the U.S. We even made shipments of coal from the U.S. when the mines were in trouble. We had American petroleum largely. I think it was all American petroleum.

Gilb: But in your mind, the primary purpose was not to provide this market for the Americans but to help the Chinese.

And how about in the field of social philosophy, I know you tried to work through private business whenever you could. Do you think that was a mistake? The Chinese Government criticized the ECA for working with individual businesses rather than with the Government. Bringing in petroleum--you brought it in through private companies, didn't you?

Lapham: Yes.

Gilb: There was some criticism of that.

Lapham: Well, where were we going to buy our petroleum except from private companies? I don't think we bought anything from Shell. All those purchases were arranged
Lapham: in Washington. I had nothing to do with that. The program would be allotted for so many tons of rice or flour or cotton or whatever it may be. The cotton— that was a very big movement that came from the U.S.

Gilb: So you could say in summary that you were interested in helping the Chinese and you bought wherever was most convenient and that you yourself weren't in charge of that program of buying.

Lapham: If they needed cotton for their textile mills, we'd furnish cotton. Washington directed where that cotton would be shipped from, but it was largely, if not altogether, American cotton.

Gilb: I wanted to ask another general question. What did you think of American press coverage of this whole period in there? Do you think it was fair and do you think it was thorough?

Lapham: The American press had the AP and the UP and the INS, a Time-Life man. Of course we didn't see what was printed back here, very much of that. But any time there was anything said about China in Washington, there were headlines in the Shanghai papers the next morning. And I've never forgotten the meeting I had
Lapham: with the Indian Ambassador in Nanking. This was only a month or so before we got out. I had lunch with him. A man in Nanking, an American, who is now Ambassador of Ceylon, told me, "I want you to meet this man. Name is Panniker," He's been the Indian Ambassador to Peiping shortly after we got out. He was well educated, educated in Oxford or Cambridge, and he made this comment: "You Americans must remember that a whisper in Washington today is thunder in the rest of the world." If some little-known Congressman had blown off or given a statement about China, whether it was good or bad, that was headlines the next day in Shanghai. And there it is. The rest of the world is watching us, and no matter whether a Congressman of whom we think little or nothing blows off, and it has anything to do with the country spoken of, it's headlined, whether it's good or bad.

Duncan: Do you remember the American editor, Gould?
Lapham: Randall Gould? Yes. Used to see a lot of him.
Duncan: He'd been in China for a very long time, hadn't he?
Lapham: Yes, he'd been there a long while, and he had his
Lapham: troubles to get out. They had to pay through the nose to get him out. Who was the man that owned his paper? You know, C. V. Starr. I think C. V. Starr had to pay fifty thousand or a hundred thousand to get him out.

Gilb: How did the Chinese react to Truman's re-election in the fall of '48? The year Truman was elected and everybody thought Dewey was going to win.

Lapham: That was the saddest news all fall. They were all counting on Dewey.

Gilb: The Chinese, you mean?

Lapham: They were all counting on Dewey. They felt that they had a much better chance for more assistance and aid from the Republicans than they did from the Democrats. Their faces were very long after the election.

Gilb: Was there any reaction to Henry Wallace? Remember, Wallace was running on the Third Party ticket.

Lapham: I don't recall. It was just a question of whether Truman or Dewey was going to win, and they felt that they'd had better treatment from the Republicans. (laughter) I remember I left for here on election day; I'd been back in Washington. On the plane going
Lapham: down, the pilot gave us some announcements. I met some friends in Honolulu and they were throwing up their hands. They were good Republicans. Completely lost.

Duncan: How did the Chinese--they must have been rather disconcerted. Did they come to you to find out if you could enlighten them on what would happen to their aid?

Lapham: We couldn't enlighten them. It was whatever Congress did.

Gilb: There's another area that we should get into, and that is the general American policy toward the Far East. I know you personally have stood for recognition of the Communists, have you not? The Chinese Communists.

Lapham: We never had any direct contact with them.

Gilb: But I mean afterward, in the overall picture, you personally have felt that the United States should have recognized the Communists once they were in.

Lapham: My feeling after I got back here and after the White Papers were released and I felt free to express my views, the main idea in the talk that I made before
La9ham: the Commonwealth Club,* you want to keep your foot in the door, don't you? Don't run away from your enemy. Now the only practical way to keep your foot in the door is to recognize it as the de facto government. If you want your businessmen, if you want your teachers and missionaries to stay there, you have no chance unless you say, "We recognize you as the de facto government and if you'll accord us all the privileges that any responsible foreigner is accorded in any other foreign country, yes." It was of course very evident, as it later developed, that's the last thing they intended to do. But it wasn't too clear at that time.

Gilb: In other words, you now feel, looking back, that it was probably best not to recognize them.

La9ham: Do I think now? I think sooner or later, you can't hold the Iron Curtain or the Bamboo Curtain up. You can't prevent the flow of trade, and I think our position is extreme to say to anybody, "Because you trade with them, you're no friend of ours." If you and I are friends, and we have a mutual friend, and you have a fight with him, and you take the position,

* See Appendix, pages 448-462.
"Because of my fight with that fellow, you've got to cut him off your list," I'd say "No!" I think the same way about our disposition to force other people to not remain neutral, either be for us or else. It's the only human position to take.

Duncan: This is the position that the British took too.

Lapham: Yes. The British are practical people. This group they've had to get a thousand signatures, a million signatures, never to recognize China is foolish! You don't go on record to that extent; sure, if you're going to recognize them, you've got to have some quid pro quo on the deal, today.

Gilb: Do you think the United States could have done anything to stop the Communists from taking over?

Lapham: I don't know. As I say, I have the feeling that this change was due, this change from, let's say, "the family is the Number One and everything else is subordinate to the family," that that was bound to come in this modern world, a different change. And of course you have the problem of the absentee landlords, which is not only confined to China. And that was the appeal the Communists were making. "You don't
Lapham: have to give seventy percent of your crop if you own your land." Of course after they've gotten control, what they've done since hasn't worked out.

Duncan: Do you think that at the present time, with the Chinese Communists moving over, as they have, closer to Russian Communists, is there any chance still of swinging back to some kind of a Tito position?

Lapham: I've heard a Hungarian, who knows the Commies in his own country, say that if you can break the connection between Moscow and Mao, if you could deal directly with Mao, you'd get along better than to say, "We'll have nothing to do with you" and let the Russians speak for Mao. But how to do that!

Duncan: They're also moving strongly on the industrial picture, the Chinese Communists, using Manchuria as a base, which is what you, in view of the industrial part of the program, had as a long-term program. How do you think this might work out for the Chinese?

Lapham: I think the Chinese Communists today are trying to do two things: industrialize and increase their food production. And they've bitten off more than they can chew, from what I've heard. You can't squeeze
Lapham: the people both ways. And if you're going to impose collective farming on the individual Chinese farmer, you've got an awful hard row to hoe. But of course, they've adopted the Russian tactics of educating the youth in only one thing, liquidating those elements that disagree, or the older elements.
CHIEF, ECA MISSION TO GREECE

Gilb: How did you happen to get your appointment to head the ECA Mission in Greece?

Lapham: In September, 1950, my friend Paul Hoffman got me on the phone at the golf club just as I was ready to tee off. He came to the point at once and said, "I want you to go to Greece, take charge of the Economic Mission." I said, "Paul, I won't talk with you now; I'll be back in Washington a week hence and I'll see you then."

So I went back and had a long chat with him. I wasn't going into Greece sight unseen as I had agreed to go to China. It so happened that my friend Jack Peurifoy had just been appointed Ambassador, and Paul Porter, the man whom I succeeded in Greece, was being assigned elsewhere, and Hoffman put it up to me to go. He even suggested I go out and take a look at it before deciding. But knowing that Jack Peurifoy would be there and having a personal relationship with him and feeling that I certainly could work with him, I
Lapham: said, "Yes." And so a few weeks later I came back to San Francisco, a few weeks later went on to Washington, got the usual briefing, flew over to Paris, where I was briefed some more in the ECA Office under Milton Katz at that time, and arrived in Athens early November, 1950. Paul Porter was still there; he remained a few days or more to introduce me to the staff and bring me up to date. So that was the beginning, and I stayed there until October, about the first week in October, 1952, when I resigned, and Mrs. Lapham and I came home.

Gilb: What kind of man was Porter?

Lapham: Porter was a very decent chap; I think an efficient administrator; he built up a good organization. When I took over from him, it was well organized. There were something over 200 people in the Mission. I was astounded to find out the many activities the Mission was engaged in, its contact all along the line with the Greek government. There were some ten or twelve different division chiefs, and practically all of the staff stayed with me, except as time went on, we had to cut down. The amount of aid was
Lapham: decreased, and when I left, I think we got the staff down to something like 115 people instead of 210.

Gilb: What was Porter's work before he went into ECA?

Lapham: He had been in various parts of government during the war and afterwards. He'd been in Geneva for awhile, it seems to me in connection, I think--I'm not sure--with some United Nations program or such. And afterwards he was in Washington with the ECA, MSA, in Paris. Now he's out in his own business.

Gilb: Did you know Nuveen, the man who was there before Porter?

Lapham: John Nuveen of Chicago, who was before Porter, came over to Greece while I was there, and we got together--yes, I knew him, and he told me something of his early troubles.

Gilb: He had a great deal of trouble there, I understand. I have talked to Ambassador Grady, and--

Lapham: Oh, you did!

Gilb: Yes, I did.

Lapham: Yes, there was some friction there. Ambassador Grady, whom I've known for over twenty years, had left before I got there. Peurifoy was there when I arrived, and
Lapham: my relations with the Ambassador and his staff and the Economic Commissions were very pleasant.

Gilb: There was no conflict.

Lapham: No. It was a personal relationship, and while Peurifoy was a much younger man than I was, I respected his position and we always conferred on any matters of broad policy and worked together. The staff was an excellent staff. Peurifoy was the type of man who was a good team-play man; he didn't try to hide everything from his subordinates. He laid things on the table with everybody. And with the Greek government boys too.

Gilb: Was it Hoffman's policy generally to appoint businessmen as head of the ECA Missions, in preference to academic or professional government people?

Lapham: I think certainly at the beginning he wanted to get men who had had some experience in business; he felt that they would have a business viewpoint, let's say, more than the ordinary foreign service man or government man. He sought, of course, to get those men who'd had some experience and were free to do it, at least for a while. That was his initial thinking, I'd
Lapham: say. As time went on and it became more of a routine job, why, then it was less easy to get businessmen to go over and start something.

Gilb: I also talked with a labor man who was over in Greece, and he said that he felt that the ECA program was operated on the "trickle down" basis, that it was operated primarily by big businessmen or people who were pro-big business, and that it primarily benefited large money interests. Do you think this is a fair statement?

Lapham: In other words, that the aid we gave them benefited the top layer of the business rather than trickle down to the bottom? Well, in Greece, you have the top layer, the businessmen who are pretty rich guys, so to speak, and then you have the extremes of the peasant, whose standard of living is very low, and there isn't too much middle class. That's particularly true in the country, of course. Everything is concentrated on Athens; it's a centralized government, too centralized. One of the things that the Mission was interested in was decentralization. They had I forget how many provinces, and the nomarks, which is
Lapham: the name of the head of the province, were appointed by the central government, and we were trying and did succeed, instead of making these nomarks a political appointment subject to change with every change of government, to establish more or less a civil service status for the nomarks. And that we've done to quite an extent, but the nomark's authority was very limited. Before they spent five dollars, so to speak, they had to get permission from Athens. Maybe not that extreme, but it was much too limited, and one of our main objectives was as far as possible to persuade the government to designate or give away more authority to the local governments from the county and even from the villages.

Gilb: Economically, what were you trying to accomplish in Greece?

Lapham: You've got to remember this. The Greeks were attacked in the last war first by the Italians, overnight. That, as I recall, was in the fall of 1940. The story is that the Italian ambassador in Athens woke up the Prime Minister at four o'clock in the morning and said, "Unless you agree to what we want, by 5 a.m. we invade"
you." And he said, "No." That was Metaxas. And they did invade throughout Albania. The Greeks shoved them back almost immediately, and penetrated into Albania during the winter, but in the spring of 1941, when the Germans were planning to attack Russia, a month or two later, they realized that they would have to settle Greece and hold that, and they sent a few of their very best divisions down through Jugoslavia. The Greek army was cut off; they went through right away to Athens, occupied Athens; afterwards a few weeks later abandoned their airborn troops on Crete. During that period, the Germans sent back their best troops and the Italians were largely the occupying troops, and all Greece suffered. They were cut off from food supplies, and from the stories I've heard in Athens, people were dying in the streets, and it was a bitter struggle for survival among the local inhabitants.

Now that continued until the fall of 1944, when the Germans decided they would have to shorten their lines. They withdrew. It then developed that the two resistance bodies--I can't remember their Greek names--one, let's say, was the non-Communist resistance movement, and the other was the Communist re-
Lapham: resistance movement--while the Germans were there, they worked reasonably well together in making it difficult for the occupying troops, but once the Germans withdrew, then the Communist resistance group endeavored to take over the country. And moved into Athens. The British, who had landed their troops there, a small force, when the Germans withdrew, immediately threw in I think two more divisions, and if it hadn't been for the British strengthening their forces at that time, the Communist Greeks would have probably taken over the country. As it was, there was fighting in Athens right in the main part, Constitution Square, and finally Athens was held, but the Greek Communists throughout the country were raiding different villages and what not, and in early 1947, the British told Washington, "We can't afford to try to hold this country any longer." They were in trouble in Palestine. "We've got to move out."

At that time President Truman sent over a mission. It was headed, I think, by Mark Ethridge. I've met Mark Ethridge since, while in Greece, and there was no question, if Greece was to survive as a
Lapham: free country on the Western side, that we had to help. That resulted in the Truman Doctrine, where he announced that if people needed help, we'd give it to them, both in Greece and in Turkey. And the military mission and an economic mission were sent over there, I think in the summer of '47. That was headed by Governor Griswold of Nebraska, afterwards U.S. Senator.

The main thing they had to do at that time was to repair communications. When the Germans withdrew, they left the main railroad from Athens to Salonica a shamble; they blew up every bridge; they left a car of explosives in every tunnel. Also the port of Piraeus, that had been bombed during the war and all that, and the Corinth Canal. The Germans blew up slides and so forth.

So the main problem was to restore communications—railroads, railways, and what not. And that was done under difficulties, because the Greek Communists were still active and raiding. But in the summer of '49, with General Van Fleet advising the Greek army, the Communists were finally cornered. The Communists
probably made a mistake, instead of confining themselves to raiding, to one pitched battle, and they were driven out of Greece.

So when I arrived a year or so later, the internal situation was straightened out and there was no organized resistance except a few brigands here and there, which can always be expected.

So that was the Number One job of the Griswold mission. Then along came the Marshall Plan, the organization of ECA in April, 1948, and the ECA took over the economic part of the previous mission.

I said transportation restored was the Number One thing, and then of course it was to develop food production. That was one of the main things. Greece had always been an importer of food. Another thing was to rebuild the power that was so essential, build new power plants, restore telephones. We had experts from the telephone companies over there building new exchanges and helping in that respect. We had an advisor to the Greek government suggesting that they reform their tax laws. We didn't succeed too promptly in that. While they had income taxes, it's a very
Lapham: complicated system and there were no penalties for evading income tax, such as we have here. There were many changes in government, coalition governments. Paul Porter had much more trouble in that respect than I did. I think while he was there, he had to deal with five or six coalition governments. When I succeeded him, there was a coalition government formed by the liberals who had Venizelos at the head and Papandreou the Deputy Premier, the Vice President, so to speak, representing, I think it was, the populace. I couldn't keep track of all the parties that were represented in the Chamber of Deputies; probably segments of six or seven different parties.

One interesting thing we found out pretty shortly, at least I did: when you deal with coalition governments, you're really dealing with two governments. For instance, when I sent a communication, and I only signed the more important communications to the government, and I addressed Venizelos, I'd find out that Papandreou would know nothing about it. And the same way, if I addressed Papandreou, and each party had a certain number of ministries the head of, the
Lapham: other side wouldn't know. So I said, "All right--any letter to Venizelos, a carbon copy goes to Papandreou, and vice versa." And I remember Papandreou--met him next--was a little bit annoyed that I should send a carbon copy of a letter to him to Venizelos, and I said to him, "Mr. Minister, we just want to make certain that both sections of your government know immediately and at the same time what our policy is or advice is in respect to this and that." But he was hot and bothered about that one.

And then later on there was another election during my period there. That was when Papagos started to run, the Greek Rally Party. Papagos, the general who had commanded the victorious troops against the Italians, but who had had to surrender his troops and who had been a prisoner of the Germans. Papagos--I can't remember the date, but I think it was, was it '51?-- sometime or other--polled the most votes and had the greater number of the deputies--his party did, but not enough to be in the majority. He refused to form a coalition government with the next party, and as a result, the government was organized
Lapham: by Plastiras, who was another ex-general who made a name for himself in the Turco-Grecian war, a young officer, and Venizelos. So we had another coalition government to deal with there, and just after I left, they held an election, and in that election in the fall of '52, the Papagos party secured an overwhelming majority.

Gilb: Did the American embassy or you attempt to influence politics in any way?

Lapham: There was no question we wanted a stable government, and the Ambassador, I think, let it be known that our one objective was a stable government, and you don't get a stable government through a coalition government.

Gilb: So what he actually wanted was a revision of their system of representation, is that right?

Lapham: Yes. It's hard to explain this proportional representation; there were variations of it, but the parties would get a certain proportion of deputies in proportion to the vote they polled. But the way it was voted in the fall of '52, Papagos got an overwhelming majority and his government took over after I left.
Gilb: Did you feel that the Palace had much to do with politics?

Lapham: The Palace had much more to do in Greek politics as a constitutional monarchy, let's say, than they have in England. And there was the personal influence of the King, and the Queen was interested in what went on too, and there was criticism, so to speak, of the Palace guard, but the will of the people generally prevailed throughout elections, and they were honest elections.

Gilb: If the Palace had wielded a large amount of influence, would it have been in a direction that Americans would have approved of—in other words, did the King and Queen have the sort of political attitudes that would appeal to Americans?

Lapham: Well, after all, as I recall, the King's family came from Denmark; they were tied in with the British ruling house through relationships; they were even tied in with the old Tzarist regime, at least in family connections. They had—they were royalty. Perhaps they were a little bit loath to give up their powers, although as far as the trimmings were concerned, I think the King and Queen were very highly regarded.
Lapham: The Queen was a strong character, good-looking woman. She was the granddaughter of the German Kaiser; she had married Paul when he was Prince, and when the war came, she went down to live in South Africa. And she hadn't been brought up, in her early days, in the Palace, because the Kaiser was kicked out about the time she was sixteen or seventeen. She'd gone to a private school in Italy, where she mixed with American girls' and British girls, and she knew how to mix with the villagers, and she was popular that way, and yet she didn't stand anybody taking liberties with her position. She was informal in a way, but also she stood on her dignity.

Gilb: Did Peurifoy and perhaps you have frequent contact with the King and Queen?

Lapham: I think it was a very friendly relationship, particularly between Mrs. Peurifoy and the Queen. The Queen would drive her own car, and I know on several occasions she would call up Betty Jane Peurifoy, "How about going on a picnic with me today?" The Queen was very fond of Mrs. Peurifoy's oldest boy, who was a cripple, and they took him off on one of their small
Lapham: islands where they live very informally. There was an unusual relationship between the wife of the American Ambassador and the Queen, because they were both somewhere near the same age and both informal.

Gilb: Mrs. Peurifoy's a very charming woman, I hear.

Lapham: She is an unusual woman, very unusual woman, who was born and brought up in Arkansas or Oklahoma and taught school for a while. Natural with everybody, a very gracious woman, and she and the Queen were very much alike and took to each other. The Ambassador himself didn't hesitate to be very frank with the King on occasions, I know, in a dignified way.

Gilb: Was he particularly friendly, within the limits of discretion, with any other political figures, major political figures, in Greece?

Lapham: Peurifoy? Yes. I think he was personally liked by all of them.

Gilb: Did he meet with socially or talk with any one more than others?

Lapham: Of course he had to deal with the head of the government, the President, the Vice President. He mixed around socially a lot, and they travelled out in the
country and went to different things that the American Mission was interested in.

Maybe I could ask this question: officially, did the American Government favor any one faction over any other?

I think they left it largely with the Ambassador. They knew what the Ambassador was trying to do, to create a stable government, rather than have these constant shifts of coalition governments that you can't get anywhere with while elections are going on--government business goes by the board to some extent, and when you have the situation that existed before I got there of a different government every two or three months, that doesn't stand for economic progress or any kind of progress.

If they changed the system of representation, which group would have come into power through that change? The Left, the Middle...

The Papagos election, the other parties claimed that that had been largely engineered; they blamed the Ambassador for encouraging the election of Papagos.

That's what I was after.
Then I wondered also about the relationships of the Americans with this group that's been described as the Konlonaki crowd.

Well, when it came down to financing business enterprises, to developing lignite mines, whatever it might be, that group knew more how to do it. You spoke of Bodossakis-Athanassides, who was quite an unusual character. He was a moneymaker, but he, more than any other Greek was capable of getting a business on its feet. He had an American advisor in his office with him, and he devoted his time 100 percent. He'd been a big businessman before the German-Italian occupation, and it was natural--those were the boys that you could count on more than the fly-by-night promoters to take over, accomplish what you wanted.

And did you find they did what you wanted satisfactorily, or were there any conflicts?

Nothing was satisfactory compared to our method of doing business. A lot went by political pull and so forth, and of course one thing, they never did business by check; it was practically all by cash. (laughter)
Gilb: I've heard several charges. First of all, that they openly evaded income tax. I've heard that this particular group evaded taxes of all kinds.

Lapham: Well, look at it this way. For over, I don't know, a thousand, fifteen hundred years, the Greeks had been ruled by the Romans and then of course the Turks. And it was a struggle for existence. To get by. The Greeks developed ways and means of evading the law, and this wasn’t considered a--if you could get away with something and there were no penalties to it, why, you were a smart guy, weren't you? The Greeks are pretty darn good traders, you know, and perhaps they've learned that after a thousand years or more of being dominated by people not Greeks.

Gilb: Also, there was a great deal of speculation at the time.

Lapham: Oh yes, oh, lordy, yes. Hoarding of English sovereigns, and I guess, many of the richer Greeks put their money outside of the country, I know that.

Gilb: Did you try to remedy this situation, and if so, how?

Lapham: When I got over there and began to find out how many things we were in--we had a very good crowd of men--
Lapham: we were trying to make it the perfect government. I said to them, "Lord, you know perfectly well we're not as perfect as that in the States; you can't expect to cure all ills overnight." It was just a constant urging them that they do this and that.

There was one minor thing that always annoyed me. There were a lot of cars in Athens, automobiles. There were no systems such as we have here of strict registration. You know, you've got to have a license plate every year and pay your license dues or whatever it is; there, if you got a car, all right, you pay a small fee and then you put on your own registration number. And you were never checked from year to year. And we were working on that all the time, just to get Congress or the Chamber of Deputies to pass a bill similar to our State Registration Acts. It was so simple, and that was stalled, but after I left, I understood they finally got something through, and then it developed there were about twenty-five thousand cars running around that had never paid any registration. It was a means of revenue and—but they just didn't like to do it.
Gilb: Is it true that the ECA, among other things, built a racetrack over there?

Lapham: No! (laughter) There'd been an old racetrack there and as I recall, there was--I wouldn't say he was an Englishman; maybe he was married to an English woman--at any rate he developed it. We didn't give him any money to develop the racetrack. I think they imported a lot of race horses and maybe they evaded the tariff on the race horses--to import anything, you had to get a license. Maybe there was some monkey business in that--I don't know.

Gilb: Just before you arrived, there'd also been some question of corruption in connection with the highways, hadn't there, and that was investigated.

Lapham: Yes. That was another thing. Of course that was a means of transportation. And our military boys, our military mission, from the standpoint of military defense, wanted certain roads improved, so that instead of going 10 miles an hour, you could travel 40 or 50. Now--they were working with the Greek Armed Forces to determine what roads should be developed or improved, and we made it a practice not to put money
Lapham: on any roads unless it had the approval of our military and the Greek military, because we had a limited amount to spend. But a deputy from some little village in the mountains might want some little side road built, and he would try to get the money spent on that. Lots of things that we had to watch in that respect.

And there was a question because of our counterpart funds, which we used for local expenses, for the construction of roads, we only had a limited amount to spend. We were trying to control inflation; we got orders from Washington that we were only allowed to spend so much each month. And that delayed construction of many things. We were also interested in—we had a large public health section, headed by one of the public health officers, and one of the things that we first did was to stamp out malaria. That was prevalent. They were successful in that. Then we started to build many hospitals and health stations; when we got to a point where we were restricted in the use of counterpart funds, it was annoying to see a hospital only 50 percent completed, and we'd have to say, "Well, we can't do anything more on that for the
Lapham: time being; we'll concentrate on this one and that one."

Gilb: In connection with industry, did ECA make an effort to make sure that labor, Greek labor, got a good deal?

Lapham: Well, we had a labor section of the mission headed by a very capable American labor man. Of course what we were trying to do there more than anything else was to develop free and democratic labor unions, on the basis that when you have free and democratic labor unions, it's darned hard for the Communists to squeeze in. We were trying to build up the organized labor movement. I think every month I had a long session with the leaders of the Greek labor. They were always driving at us to tell the government they must do so-and-so. Well, we couldn't tell the government. They felt the government ought to raise the minimum wage.

Then we had problems of strikes among government employees. That happened quite frequently, before I got there. Now they had many more government employees than was necessary; that's prevalent even in the United
Lapham: States, let's say. And it was also understandable, because when the Germans and the Italians occupied the country, they endeavored to use the existing government, the administrative people, as far as possible, and those people got extra rations. So to exist, they tried to wangle to get on the government payroll and get the extra rations. And the number had been increased.

It developed that government employees were paid twice a month, and were paid on May first in advance till May fifteenth. And if they struck for fifteen days, they had no deduction of pay. I woke up to that. It's easy to strike under those conditions, when you're not penalized. I remember there was a threatened government strike, and General Plastiras was the deputy then. There was a strike for a few days, and he was going to cut off the pay; whether he really did or not, I don't know. He made quite a pitch against--on the theory that government employees had no right to strike against their own government.

Gilb: Do you think ECA succeeded in getting the Greeks to get democratic unions?
Lapham: Among the labor crowd? I think it was more so than before.

Gilb: When anything was being built, any factory or anything else, did ECA supervise the labor contract, the contract about what labor would get?

Lapham: No. We didn't do anything directly like that.

Gilb: You left it up to the...

Lapham: We were trying to get the government to set up some kind of War Labor Board, a different series—where grievances could be handled. We heard a lot of talk about that but I don't think we ever got anywhere where it was working.

Gilb: What did ECA do in the field of agriculture? What were its main accomplishments?

Lapham: Well, I think we did quite a bit there. You have a man living over in Berkeley now, Walter Packard—do you know him?

Gilb: I know of him.

Lapham: That reminds me, I haven't looked him up. Walter Packard was one of these—let's say fanatics. And he was loved by the Greeks. He was the one man older in the Mission than I was. I think he was a year older.
Lapham: And there was this property out near Thermopylae which was a plain that a lot of salt water had come in. He urged the villagers to drain this land and then raise rice. And he got the cooperation of them—oh lord, Walter Packard was a little god in that area. And before I left, I think they were producing more rice than they needed; there was rice available for export.

The same way up in some areas near Salonica. I remember we had a man named Brice Mace who was the head of our agriculture department; Walter Packard worked under him. He was a very practical man. And of course all this theory that you should send in modern instruments and so forth—well, that may be all right in Nebraska or Iowa, but you look at Greece, the area of the whole country is only twenty percent arable, and a lot of that is on hillsides and sandy soil. Lack of fertilizer. I remember Mace said to me, "You know, you can't tell these fellows that this is the way you must do it. They've been used to doing it as their fathers and grandfathers and so forth, and they're sure of a living if they get it that way. If
you can do something alongside their farm whereby you're getting twenty-five percent more produce than with the old mode, then they see it. They'll follow you. But you can't ram it down their throats and say 'Do it this way.'"

And one of the big problems in the farming area was the tobacco. In Northern Greece. That was a mess. Large part of the Greek tobacco before the war was bought by the Germans, and of course the Greek tobacco was in competition with the Turkish tobacco. Generally speaking, the quality of Turkish tobacco was better than Greek.

Gilb: No competition with American tobacco?

Lapham: No. During the war, in Germany, or after the war, the Germans got used to American cigarettes. And that affected the amount of tobacco that the Germans would buy from Greece. And the Greeks thought it was very unfair that we allowed the use of American tobacco in Germany, which went up by leaps and bounds to supplant the former use of Greek tobacco. We had all kinds of discussions on that because there was only a relatively short time in the year when the
tobacco farmer raised his crops and then it meant drying the tobacco and warehousing it, and there was an awful lot in the warehouse unsold, and the Greek tobacco farmer felt that the government owed him a living throughout the whole year even though he worked only six months a year on his crops. What we were trying to do was to see if we couldn't get other crops, induce them to curtail the amount of their tobacco land and raise other crops, but that was pretty hard to sell. Lord, the number of conferences we had on that and the tobacco price!

Gilb: Did you find among the Greeks whom you met that there was very much latent sympathy towards the Communists?

Lapham: No, I don't think so. A Greek is an individual. He's a real democrat in that way. The Greeks are not naturally collective operators, or cooperative operators. Of course the Communists would promise everything and the usual procedure of a drive against the rich, but I wouldn't say the Greeks were natural preys to Communism. As long as things were getting better. Communism would thrive, as any movement would thrive, when people get to the point where anything is
Lapham: better than what we have today. That's why we were anxious at all times to gradually raise the standard of living.

Gilb: And do you feel that the ECA really got its money's worth over there, that it really accomplished something?

Lapham: You look at Greece on the map. It's a pretty important geographical position. Prior to the First World War, the Turks were kicked out in the War of Independence in 1820-1830. After that, Greece received many foreign loans. British, French--those loans were never paid off. They were political loans. At that time, maybe they--it was to block Russia and Turkey from the Dardanelles, and the Greeks knew that their country was geographically important. They were quite aware that it was in the interests of the U.S. and the freedom-ocracies to keep Greece out of the Russian orbit. And they--I always had the feeling they took full advantage of that knowledge.

Gilb: That would be natural!

Lapham: That's right.

Gilb: When you say that, it sounds as if they were naturally
Gilb: inclined to be more favorable to us than to the Communists. But it helped their natural inclinations along for us to give them aid.

Was there ever a problem of coordinating American military, economic, and diplomatic aims in Greece?

Lapham: Well, I think that during my period there, the coordination between the Ambassador and the Economic Mission and the military mission was probably as good, I'm sure better, than it was in other missions. For instance, every week I'd meet with the Ambassador and the commanding general and a few of the others, and we'd just talk aloud the military problems and what not. We all knew pretty well what the other fellow was doing. The military mission was housed in the same office building as we were, and we had sub-committees that worked together under military boys, with our boys and a state department boy sitting in, particularly after Greece became a member of NATO (I think it was recognized that the United States had as much to do with that as anyone else), and the Greeks began to receive more military aid in the way of planes and what not. The military mission was a large
Lapham: mission. I think there were over 500 officers and non-coms. They had the Army section; they had the Navy section, commanded by the Admiral; and the Air Force section. And there was a problem of procurement for NATO after Greece became a member, and all our sub-committees sat in on that. I do think, sure that the cooperation among the various parts of the Americans there was as good and surely better than most missions. I found that out in different ways.

And that's so central. I'm convinced—I've written papers on this—that this matter of foreign aid, whether it's five billion or one billion, is going to be a continuing affair as long as our Russian friends are what they are. Now the top man representing the country of course must be the Ambassador. He's the personal representative of the executive, and the executive is responsible, the President is responsible, for foreign policy. So much depends on the Ambassador. If he's a man who is a good teamwork man, who insists on cooperation and raises hell if some fellow gets fighting another section, he can go a long way. On the other hand, another type of man can't. It's so essential, from now on, that our chief of the diplomatic
Lapham: Mission be a capable man and with the leadership that requires teamwork.

Gilb: When you left Greece, did you feel that you had failed in anything that you wished you could have accomplished more in?

Lapham: Well, of course, there are so many things that you would like to see done better, but generally speaking, no; I felt that we made considerable progress. And I think what impressed me when we visited outside Athens... It's like if you come to the United States and only saw New York or Washington, you wouldn't know the United States, and that was equally true in Athens, because there the wealth was centered and the bright boys from the country, their one idea was to get down to Athens and rise in Athens.

But when we went into the villages and saw the low standard they had there, how glad they were to see us--it was real; I felt it was real then. I remember going to a little village up in the mountains, where we were going to give them a plaque or something, and it was way up in the hills. And, my lord, the whole village turned out, and then they
Lapham: gave us a luncheon. Well, it wasn't a luncheon that we might have enjoyed, but one of my staff who knew them all said, "You realize that this lunch they put out, they probably sacrificed everything they'd had for a couple of months to entertain you." That was probably so. They—that feeling we had in many places, that—lord, I can remember visiting in Northern Greece, somewhere we were building small stone houses, and we'd been helping in that, and this old woman knelt down and kissed my hand!

Gilb: I had the feeling, Mr. Lapham, in reading over your diary of Greece that you left because you were disgusted with something.

Lapham: Well, I tell you. I left, I wasn't feeling too well physically—had ulcers while I was there—and I didn't like the particular set-up the way it was working in Washington. We'd had our differences between taking orders in Paris and Washington, and I'd agreed to stay for two years, and the two years were about up. I thoroughly wanted to get home.

(Added from biographical note) I handed in my resignation on October 1. We flew back to San Francisco via the Pacific, stopping
Lapham: off a few days in Beirut, Hong Kong, and Manila, and we arrived home in time to vote. Since then we have been enjoying life in California with an occasional trip East. In the winter of 1953-4, we spent several weeks in Guatemala with our old friends, Ambassador Peurifoy and his wife. More recently I have visited Honolulu as the guest of the Navy, making the trip down on the aircraft carrier Essex and returning by Navy seaplane.
Going back to Paul Hoffman, I was reading a book yesterday on the Ford Foundation. The articles were originally printed in the New Yorker. Did you read that series?

I did. I've got the whole file.

Yes. And the description there of Hoffman is of a visionary in a sense, and...

Paul is a crusader type. He's a salesman and he believes thoroughly in the Marshall Plan and idea. He went overboard, gives everything. Paul's the type of man that inspires following. I know he's been criticized plenty by some of my friends; he's considered too liberal; too far to the left. But not in my book.

It's a little incongruous for him to be considered liberal and at the same time like to work through businessmen as he does.

Yes. He's having his troubles right now. Fulton Lewis is criticizing him because the Studebaker-Packard combination is losing money hand over fist and
Gilb: Yes, that's going on in the whole automobile industry.

Lapham: More and more, it's going to be more and more that way.

Gilb: This leads indirectly into a discussion of your current work. You have some connection with the Ford Foundation now?

Lapham: I am one of fifteen or sixteen directors of the Fund for the Republic.*

Gilb: Which is a "wholly disowned subsidiary..."

Lapham: Many people call it the "Subversive Branch" of the Ford Foundation. What happened there, I think it was four or five years ago, Ford set aside fifteen million dollars for the general purposes of the Fund for the Republic, protection of civil rights from injustices in the field of loyalties and securities, exposure of facts, and my friend Paul Hoffman persuaded me to get into that last November. And I've been paying some attention to it ever since. See all those books?

* See appendix, pages 486-496.
Lapham: Those are some of the books that have been distributed. On that chair. I haven't read them all. It's one of those things that's hard to--it isn't as if you were creating a foundation to, let's say, develop education, support educational institutions or medicine or some specific thing; it's a much more or a vague program, hard to determine just how to go about it. Tax exempt, under considerable criticism because Robert Hutchins is a man of controversy. He's no Communist; he's an extreme individualist. But I'm in a new field, with different groups of people that I haven't come in contact with before...

Gilb: You like it, I guess.

Lapham: Why--I get a kick out of life, new problems, new people, don't you?

Gilb: How much time do you give to the Ford work?

Lapham: I flew back to New York in December, January, February, March, and May, so far. All those files over there. Send me literature every day which I glance through, newspaper clippings, different activities. One thing is book censorship. I'm surprised how many local attempts are being made to censor books.
Gilb: I used to live in Boston. (laughter)

Lapham: We get pamphlets on that. And it's one of those things that's bound to be subject to attack. The Fund is going to be investigated by the Un-American Activities Committee in a few weeks.

Gilb: I understand that the Fund does some investigating of the Committee. (laughter)

Lapham: Paul Robeson was before them yesterday. Reminds me of the three-hour talk I had with Paul Robeson when I was Mayor.

Gilb: Oh, did you? What was that in connection with?

Lapham: This was back in '44, I think. The war was still on. I don't think Paul Robeson at that time so openly declared himself for Communism as he has today. Someone brought him out to the Board of Supervisors to make a little thank-you speech. He was playing Othello in town here. I'd never seen him before, and he's a fine-looking man with a beautiful voice, and he made just a thank-you little speech and so forth, and I was sitting there and I said, "Mr. Robeson, come on over to my office across the hall." And he came on over. And I said, "You're playing Othello. I studied
Lapham: Shakespeare at Harvard two years under Kittredge, who was the leading Shakespearean scholar." He said, "Would you like to see my show?" I said, "Yes!" He sent me four tickets. My son and his wife—my wife was away and asked somebody else—and a day or so before the show, I got a call from Lou Goldblatt, who was Harry Bridges' Number Two man, and he said, "Roger, I'd like you to come around to Paul Robeson's apartments at the Mark Hopkins Hotel after the show Monday night." He knew I was going. He said, "I'll tell you who's going to be there." And he mentioned that he'd asked Harry Bridges and my own son and a couple of Negroes I knew of, and a state judge, and Adrien Falk.

So we went up there after the show, and we were up there three hours. And I was impressed with Paul Robeson. Bridges and Goldblatt were arguing for enforcement immediately in the Fair Employment Practices Act. Robeson didn't take too extreme a position. He told how he'd been asked to give a concert in this place and arrived there and no room in any first-class hotel. And it was an interesting evening. That's the
Lapham:  last time I saw him, although I was visited six
months later—no, no, not six months later—after I
came back from China, by Mrs. Robeson. Spent an hour
and a half with her.

Gilb:  How do you feel about Communism? Do you feel that
the Party should be outlawed in the United States?

Lapham:  The Communist Party is still a legal party in Cali-
ifornia. The only reason they're not on the ballot
is because they failed to have enough votes on an
election some time ago to go on the ballot. My
personal feeling is, don't drive them underground.
If the average American younger men and women can't
see through the objectives of Communism, well, we're
pretty weak, aren't we?

Gilb:  Do you think Communists should be allowed to teach?

Lapham:  No, I don't. No. If they were real Communists who
believe in the overthrow of this form of government
and by violence if necessary. By violence. That's
one thing. I said to Harry Bridges, "All right. If
you can get sufficient people to vote the Communist
ticket and take over, I won't like it, but it will be
done by democratic methods. If it's done by a vio-
ience or subversion or whatever you want to call it,
Lapham: it's another thing. If you come out and say, this is the form of government I believe we should have, that we should put everything in the hands of a few men and a limited number of American citizens as compared to the whole, and cut out two-party or more party systems, and you come out openly and say that's the way we can make progress and have a more efficient government, nationalize and become a socialist state a hundred percent; if the American people want to vote for that with their eyes open, why, all right, if you can put it over; I won't object to that, though I might like to go live somewhere else."

Gilb: Do you think the universities should be free to hire Communists?

Lapham: An out-and-out Communist to preach that? No, I don't think he should be a regular professor. But if you want to invite a Communist to speak to a group, even though he's a convicted Communist or a convicted perjurer like Alger Hiss, I'd certainly let him come. If we can't judge for ourselves, we're not going to be judged by laws that are passed to prevent us from judging for ourselves.
Gilb: I agree with you. How did you feel at the time that the loyalty oath controversy was going on at the University of California?

Lapham: Loyalty oath? I thought that was making a mountain out of a mole-hill.

Gilb: On whose part?

Lapham: On the part of those who tried to put it over. Any official, of course, swears to uphold the city government or the state government or the Constitution. It's required. And it should be. If we're going to change our form of government, we want to do it through the ballot booth or amendments to the Constitution done in the open. All right.

Gilb: And you felt on the matter of the loyalty oath that it wasn't necessary and therefore...

Lapham: No. I don't know if I'd have objected to taking the loyalty oath, but I think it was stirring up a hornet's nest unnecessarily. Going to extremes.

Gilb: In the work that you're doing for the Fund for the Republic, what do you feel are the most important aspects of it?

Lapham: My lord. Wait a minute. They're going to issue an
Lapham: annual report. I've got an advance copy.

Gilb: What do you feel is most important?

Lapham: One of the things that I think is most important today is this matter of the Supreme Court decision on desegregation. We have been assisting in that even before the Supreme Court decision, along the lines of developing better relations between all minority groups. I'll summarize it from here. There are the five main things: to study Communism in the United States; to work for equality before the law and equality of opportunity; to make the Bill of Rights a living document; to maintain due process and the principles that underlie it; to maintain freedom of speech and belief.

There are all kinds of things that can be included under those headings, and, as I say, it was in a new field.

Gilb: More power to you, Mr. Lapham!

Lapham: Out of their fifteen million dollars, they've spent pretty near half of it, but I feel if we could effectively spend all that we had remaining in helping to get the country to accept the desegregation issue of the Supreme Court, it would be well worth while.
Gilb: Of course I don't know if—how?
Lapham: I fully realize the difficulties. Maybe if I was
living in the South and I had a ten-year-old daughter
going to public school sitting beside a ten-year-old
Negro boy, I probably wouldn't like it. But when it
comes to equality of opportunity to work, that's the
easiest thing, it seems to me, to put over, which I
feel is going to be accepted more and more. We've
got in this state, I am told, eight hundred thousand
Negroes today, fifty thousand Negroes in the city.
Now I was talking to one of our leading bankers, whose
bank has no Negro employees except maybe receptionists
or janitors or something like that. There are more
and more Negro college graduates. Now if they hire
a man and he looks to have qualifications, they should
put him in as an assistant teller. Don't say "no, we're
not going to employ any Negro above a certain level."
Employ him on the understanding, of course, that he's
got to make good. I think it's coming, and it can
come much more easily in California and the Northern
states than it can in the South. You can't overlook
the fact that roughly eleven or twelve percent of the
Lapham: total population is Negro. Of course you can't overlook their background—the Negro slave trade from Africa wasn't cut out until a little over a hundred years ago. Of course we had slavery up to 1863. It's true, you don't accept these things overnight. But we've made considerable progress.*

*Editor's note: At the time this manuscript was typed, in October, 1957, Mr. Lapham had resigned from the Board of Directors of the Fund for the Republic because he felt the Fund should concentrate on the Negro question even more than it did; and he was at that time a member of San Francisco's newly appointed Fair Employment Practices Commission.
OTHER CURRENT ACTIVITIES

Gilb: Time is running short and I wanted to go into your activities in American-Hawaiian since you retired as president. After you left the presidency, did you remain on the Board of Directors?

Lapham: When I became Mayor, I resigned. I remained as a stockholder after my term had expired. I didn't come back for a few years; I sold out all my interests in November, 1954. So my interest in the shipping business is purely academic today except for the personal interest I have in my son, who is now head of the Grace Steamship Line.

Gilb: Does any of your family still retain stockholding interest?

Lapham: No, we all sold out.

Gilb: So it's no longer a family firm. Are you on the Boards of Directors of any other firms? Have you been?

Lapham: I'm a director in the American Trust. That's the only corporation business that I'm a director in.
Gilb: You were for a while a director of Del Monte Properties, were you not?

Lapham: I was on the Board of Directors, but I had no financial interest. That was just because I knew my friend Sam Morse and I'd helped to get the golf tournaments out there and what not.

Gilb: Were there any other firms that you have been on the boards of?

Lapham: I was for a while on the Fireman's Fund Indemnity Company, but I had no particular interest in that.

Gilb: And how do you spend most of your time now?

Lapham: (laughter) I'm going to play golf this afternoon and I'm going down to Monterey to play in a private tournament over the weekend. I've played golf for fifty-eight years and I'm still interested in it and trying to improve my game. Nothing like what it used to be. And having my fun and having a little competition betting with the fellows I play with. I like to play bridge for a stake.

Gilb: Do you like to read? Do you spend much time reading?

Lapham: Yes. I've got a pile of books alongside my bed and I read a little every night. I try to read most of
the magazines and don't always do it. I'm interested in what goes on. Usually read *Time*; that's not too objective. *Newsweek* is better. *Life* is interesting. I subscribe to the *U.S. Naval Monthly Proceedings*.

Gilb: What newspapers do you take?

Lapham: *Chronicle, Examiner* I used to glance through, but they don't measure up to the *New York Times* and the *Washington Post*.

Gilb: What kind of books do you read?

Lapham: I'm interested in reading current history. I don't read many novels, except I'm reading a novel now by Pearl Buck on the last Empress. Of course that's all laid in Peiking. I like to read about scenes and places I've been in, where you know the spot and so forth. I can remember my dinner in the Summer Palace on a beautiful July evening with the commanding general up there.

Gilb: Do you attend church?

Lapham: I usually call myself a Quaker, but I can't claim to be a regular attendant of any church.

Gilb: Have your children also...

Lapham: My wife is a Presbyterian. She goes fairly often. I
Lapham: I don't think my boys do. My youngest boy married a Catholic. His children are being brought up as Catholics. No, I can't claim that I've in any way been interested in church activities.

Gilb: I know you're strongly interested in politics. Do you do anything besides discuss politics? Do you take any part in it?

Lapham: I'm strong for President Eisenhower. I'm even--don't have the same feeling that many do about the Vice-President.

My niece, my brother's daughter, is married and living down in Carmel, and she's the president of the Women's Republican Club. She asked me down there a month or two ago to address them. I couldn't refuse my niece, a good-looking gal and a live wire. All right. I went down. So I talked before a group of 150, just informally. Spoke of how I met General Eisenhower the first time and so forth and so on. Just wandered around the block. And then I mentioned I knew the Vice-President slightly and I thought he was doing a pretty good job on the whole, particularly since the President's illness, and got a little hand on
Lapham: it. And I was surprised a month or so later to get this. It makes me laugh a bit.

Gilb: Oh! This is a letter, I might say for the record, from Richard Nixon, which begins "Dear Roger," and discusses the fact that he had been sent a copy of the Monterey Peninsula mentioning your talk and he wanted to thank you for it. Sincerely, Richard Nixon, signed "Dick."

Lapham: Richard Nixon is about the age of my youngest son, and he'd never called me "Roger" before, but that's a political trait, so I promptly proceeded to call him "Dear Dick." I'm saving that to show to my son.

Gilb: This is a letter encouraging him to go ahead and run for the Vice-Presidency. Very interesting.

Do you do anything besides making speeches when asked? Do you contribute funds to a political party?

Lapham: Yes. I supported the Citizens for Eisenhower.

Gilb: Do you back candidates for the local elections?

Lapham: Yes. I've even backed a Democratic congressman one time.

Gilb: Which one was that?

Lapham: Roger Kent, when he ran in Marin. He's strong for
Lapham: Stevenson.

Gilb: Yes, I know he is.

Lapham: I had lunch with Stevenson years ago when I was lobbying in London for the United Nations. I've known Averill Harriman since 1919. He was a stockholder and at one time in the management of American-Hawaiian. I frankly don't want him to be President. That's personal. I'll hand it to Averill, he's a worker, and I always recall lunching in his apartment a month or so before Roosevelt took office the first time. Another man and myself were talking business with him. Then we got talking, and he said, "You know, I have an idea that this administration is going to be in office a long while, and I'm going to play ball with them."

Gilb: Harriman said that. Has he always been a Democrat?

Lapham: I don't know if he was in the early days.
Gilb: I'd also like you to describe your children and what they've been doing.

Lapham: My lord, woman, you want to cover the whole waterfront!

Gilb: Yes.

Lapham: All right. My oldest son—when was he born? He was born in 1909. He went to private school, ended up in Yale, graduated in 1931, did pretty well there. A senior orator and all that. He didn't know exactly what he wanted to do in 1931. He had a chance to go back to New Haven to teach as an instructor and all that. He'd been the head of his dramatic association at Yale. He was also interested in a young lady. In 1931 nobody was feeling very rich. I'd given him a present on graduation, and he and a classmate of his had gone over to Russia, travelled to Russia. That was the time when the In-tourist Bureau was anxious to get our money. He came back to New York, phoned me that he didn't know just what he wanted to do. I said, "Do as you want, but I'm not going to support
Lapham: your education any longer. If you're thinking of getting married, perhaps you'd better think of a job."
So he came out here and he chatted with me and I said, "What do you want to do?" He wanted to go into the American-Hawaiian. I said, "You're only giving that reason because I'm in it. As a matter of fact, your younger brother, nine years younger, knows more about the business today than you do." He'd been working as an office boy when he was thirteen and he liked it.

He ended up getting a job on the Examiner as a legman, and he worked on the Examiner for five years.

Gilb: You believe in having your sons stand on their own feet, obviously.

Lapham: Absolutely. My father wanted me to be a lawyer, and I didn't want to, and I've always said, as far as my sons are concerned, to do what they want to do. Let them decide for themselves. I'm not going to tell them, "I want you here because I'm going to get older and I want you to devote yourselves to me." I believe a boy should go out on his own hook, and if a boy wants to be a doctor or an automobile mechanic or any other
thing, what he wants to be, he's going to do best. This son of mine, he was interested in writing; he'd written in his school magazine and all that. So he got a damn good experience. Five years working on the Examiner is not a—-you don't advance by pull there unless you're one of Hearst's sons, and not all of them are included in that. And he was writing a separate column on the gangplank. He'd go down and meet ships and write about the waterfront. Well, that got him more interested in the shipping business, and he ended up by coming into the company. Then when war broke out, he went over as liaison man with the shipping industry in charge of transportation in San Francisco. He couldn't get in the war because of his health, but he was on active duty on the port of embarkation. Came back to American-Hawaiian, and when John Cushing resigned, he became president and went back to New York. Then American-Hawaiian decided to pull out of the inter-coastal business, and the future was uncertain. He had opportunities to go elsewhere and he accepted an offer to go with Grace, and he's now head of all their steamship operation. Doing all right.
Lepham: He's also a director of the Bankers Trust in New York, director in an oil company, quite active in many ways there. And having his troubles with labor. Was invited down to address the International Longshoremen's Union in New York last summer.

My youngest son was born Armistice Day, November, 1918. November 11th. Didn't see him for a year as I was overseas. He went to Harvard and then went over to U.C. Boalt Hall for a year. In 1940. Graduated from Harvard in 1940 and in 1941, after his first year at Boalt Hall, he'd applied for a Navy commission and what not, and eventually he went into the Navy as a paymaster and supply officer. He saw active service on two escort carriers, one in the Atlantic. He was in the battle of Leyte. Meantime he got married and now he's in this insurance business. He's been active in politics in the sense that he ran for the Board of Supervisors several years ago and was defeated and now has been appointed president of the Planning Commission by Mayor Christopher. He's quite a friend of Dick Nixon.

Gilb: Then you have two other children, don't you?
Lapham: My oldest daughter, Carol, went to Smith for two years, got interested in a man she afterwards married, Ophuls, whose father was the Dean of the Stanford Medical School. He was with the Bank of America. He went overseas in the allied government—whatever they called it. He served in Germany for a period. Came back, wanted to go into foreign banking, got a job with the Bank of Manhattan in New York, then went over to London for three years. Travelled abroad. Was more or less the information man for the bank. Unfortunately, a year ago last spring he wanted a divorce, married again, and my daughter is living in New York. She has a son that graduated from Princeton last year and is now serving as an officer in the Coast Guard in Honolulu. Another son graduated from Williams this year and I don't know what he's going to do.

My oldest son's boys—he has two boys—one graduated from Yale right now and is coming out to San Francisco this summer but is going to Cambridge next year in England. He's interested in—I don't know whether he's going to end up as a teacher or not. The
Other boy is still in Yale.

My youngest daughter, Edna, married in 1932. In fact, all our three oldest children were married within five months in 1932. She married a Dutchman who was the passenger man for the Holland-American in San Francisco; he was transferred back as the head man of Holland-American in Boston, afterwards transferred over to Paris just before the war broke out. My daughter and her three children were over in Paris when the war broke out in '39. She came back to San Francisco and he followed the next spring. They're living right now in Pasadena, or San Marino. He's not in any active business. He's Consul General for Thailand and trying to work up some deals from them. Her oldest boy is in the Navy.
Gilb: Now, in conclusion, I'd like to ask this question: You have been a successful administrator in three very important and quite different fields (large business, city government, and international affairs). What do you feel are good guiding principles for an administrator in each of the three fields?

Lapham: I think the most important thing for any administrator, whether he is in business or in government, international missions or what not, is the way he handles the people who are under him. I think the main job is of course to get the work done properly, but to encourage younger people under you, to encourage them to make their own decisions, subject to your check; to lay cards on the table; to think aloud with them if you have a problem. Don't try to handle it all yourself and then say, "Do this." I know in Greece and China, I always called a group in together. We had constant thinking aloud. "What would you do?" Or if you had a younger person, encourage him to talk.
Lapham: I remember one young chap I had with me in China. I said, "All right"--he was making critical remarks--"Ed, what would you do if you were sitting in my spot?"

He started analyzing. I said, "I want decisions. Executives have got to make decisions. You're so critical of this--what would you do if you were sitting here?" You encourage them. That was the trick particularly that I got in Greece and China.

Of course, where you come to city government, where you're living under a charter provisions, and where your hands are tied in many respects, that's something else. It's annoying; it's not the way you'd do it yourself, but there you are. Checks and balances. It's got to be. I guess I didn't learn enough quick enough to get along with my Board of Supervisors, to play a little politics before the action was taken to grease the way. All right, I'll make up my mind whether to approve or disapprove instead of--I was told by a practical man, "You always do things the hard way. You'd better lay the ground-work before; don't butt your head against a stone wall too much. Accomplish your objectives by greasing the ways and
playing up to this man or that man." And of course that is essential. You get certain men who will go a long way if you sell an idea that it's theirs. Then they're for it. If you have the same idea and say, "This is why I think it should be done," they'll immediately find reasons why it shouldn't be done. But if you're able to get them thinking it's their idea, why hell, they'll carry the banner. And give them credit. Give the younger fellows credit. Encourage them. Openly give them credit. "Well, I want to tell you, Mr. So-and-so, this is the fellow that gave me this thought."

Gilb: Did you find this same thing held true in business, when you were in business?

Lapham: Sure. Of course you're much freer in many ways in building up your organization in business than you are in any government, where you're there for a limited term and every officer has his duties prescribed by charter and stands on the letter of the rule and what not. But the main thing, and certainly in private business, is to encourage initiative and to--and you'll find that there are not many that have
Lapham: the initiative, and those that have are marked. Those are the boys you can advance.

Gilb: Well, I can see why you've been successful.
A CHAT WITH MRS. ROGER LAPHAM

(In her home in San Francisco, on August 31, 1956.)

Early Years

Gilb: How did you meet your husband, Mrs. Lapham?

Mrs. L: I met my husband after my freshman year at college, at the home of my childhood friend who afterwards became my sister-in-law. I was very much taken with him. I never saw him again until after senior year, when I visited Edna Capen, who at that time was interested in his younger brother. I was there for two weeks. We saw a great deal of each other. That winter we became engaged.

He was soon sent down to Mexico with the American-Hawaiian Steamship Company and our engagement lasted a year and a half, during which time he told me that he wished to break it to me gently, but he had no intention of living on the East Coast. He'd been up to California and the Pacific Coast in the meantime and he intended as soon as possible to remove to the Pacific Coast.
Gilb: I know that he grew up in New York. Did you too?

Mrs. L.: No, I was born and brought up in Brooklyn. Stayed there till I went to college. Was married a year and a half after I got out of college.

My father was an importer and a designer of French china. He was associated with Haviland Brothers. The factory was in Limoges, France, and the winter I was fourteen, my father took my mother, my younger sister and myself to France. We spent six weeks or two months in Limoges. That was a good many years ago. At that time very few people in Limoges spoke English. My mother was diffident; my sister was nine. My father's French was understandable but not awfully good, so it rather devolved on me to speak French for the family, which was a great help, because when I got to college I was transferred immediately into sophomore French.

I went to Smith College when I was sixteen, and I transferred immediately from freshman French to sophomore French, acted in many of the French plays, and was generally invited to meet the prominent Frenchmen who came to college to lecture, and it was quite good for my French, which I didn't speak again
Then you did have occasion to use it in Greece.

Oh yes, I used it constantly in Greece. It was the greatest possible help. I've always been interested in languages.

Is that what you studied in school primarily?

I majored in French and history. I went to the Berlitz School for three years in San Francisco to do Spanish, was immediately transferred to China, where I never used Spanish, and then to Greece, where I never again spoke a word of Spanish.

Did you have any youthful ambitions other than to be a wife?

None whatsoever. My father thought that I should take a business school training after I graduated from college, but after four years of college, I went for six weeks. It bored me to tears. I was interested in my future husband at the time, and I dropped it. In a way I've regretted it.

During the years we were in Washington, nearly three years, I went to the Temple Secretarial School and learned to type. That was the only thing. I didn't even try to do shorthand--it was too long.
Gilb: Becoming obsolete anyhow now.

Mrs. L.: I suppose it is, with these tit-tat-toe machines.

They were very reluctant to accept me at my age. I said I would be faithful, and I got my diploma that I could type 35 words a minute for ten minutes at the end of three months. My little teacher, who was about twenty-seven, said, "Mrs. Lapham, this is your passport to the business world. You tell me you can spell, but I'm terribly sorry, I can only get you a job at $125 a month!" (laughter) I said, "Anybody pay me $125 a month!" And I had to break it to her that I didn't want a job. I had done it to help Mr. Lapham.

He dictates very slowly, but he loves to think out his ideas, so that they can be put in shape for the next day, and if he has a rough transcript, he can give it to his secretary, after working over it in the meantime. And I can take his dictation on my typewriter.

Gilb: You say that your father wanted you to have business training. Your father was reasonably well off, was he not?

Mrs. L.: Shall we say comfortably for those days. My father
Mrs. L.: had been forced to leave school when he was fourteen due to business pressure. His father had held cotton during the Civil War, and everything busted. And he was self-educated to a large degree. He was a tremendous reader.

He had four girls, two of whom died in infancy. I was the eldest. He was determined that I was to have the education that he had never had. That was really why I went to college. In 1901, you know, so many girls didn't go.

Gilb: I know.

You have, on my brief acquaintance, I would say, a very lively, vivid personality. Was your mother of this sort too?

Mrs. L.: My mother was very different. She was one of the finest women I ever knew, and she and my father complemented each other marvelously.

Gilb: She was quiet rather than dynamic?

Mrs. L.: She was quiet. She had a keen sense of humor.

My father wrote very charmingly. He wrote poetry, quite a good deal of which was published. You're too young to have known the poem that was
Mrs. L.: published, all over the United States, called "The Poppyland Limited Express" that was written about my sister and myself. And as I say, he had a very keen sense of humor. He was very widely read.

He introduced me to reading. I've got the kind of memory that remembers everything unimportant and I can't remember a name or face to save my life. (laughter)

Gilb: That isn't so good in some of the things that your husband is doing!

Mrs. L.: It's been very difficult.

Gilb: What did you do when you were a girl besides read? What were your main interests?

Mrs. L.: In Brooklyn, it's rather difficult to say. We lived a very informal sort of life. A large crowd of young people who were—I don't like to say hoydens, but we rollerskated, we played in the streets, we played tag between the different houses. We iceskated, we went to small dances, we had Hallowe'en parties. It was a very simple, informal sort of life.

Gilb: I take it, as you grew up, you were the popular, gregarious type of girl rather...
Mrs. L.: I wasn't. Far from it. I liked a few people and I liked them very well.

Gilb: Were you shy?

Mrs. L.: I don't know that I can say that I was definitely shy. I found that it was only after I was married and my husband liked people that I realized it was very important. I don't think I was shy--I just wasn't awfully interested.

Gilb: You mentioned having gone to the Bedford Presbyterian Church.

Mrs. L.: Which was on the next block to us, and Mr. Hutchins was our pastor for many years. I joined the Presbyterian Church while he was there.

Gilb: Related to Robert Hutchins?

Mrs. L.: Yes, his father.

Gilb: What kind of man was he?

Mrs. L.: He was a very fine man, and may I say not as liberal as his son.

Gilb: Now the Presbyterian Church has various wings of liberal and conservative, more fundamentalist and less so. How would you describe the one you attended?

Mrs. L.: Not at all fundamentalist, but we were fairly conservative.
Gilb: Was your husband your first love or...

Mrs. L.: Oh, yes, really. I'd had--you know, a certain amount of attention that all girls have. Gone to different colleges, college dances, college proms, college baseball games, but he was the only person I was ever really interested in.

Gilb: And now it's been nearly fifty years.

Mrs. L.: Very close to it, and I still stick to him!

Gilb: What did he look like when you first met him?

Mrs. L.: I can show you some pictures of him on our honeymoon if you'd like to see them.

Gilb: Yes. For the benefit of the record, could you tell me about him?

Mrs. L.: He was tall and very dark and had a great deal of hair. A great deal of very dark hair.

Gilb: What was there about him that you liked especially?

Mrs. L.: I think principally because he was so difficult. He hardly talked at all. I remember very distinctly, a few nights before he asked me to marry him. You see, he lived in Upper New York and I lived in Upper Brooklyn, and in those days it was a real trek. You went by trolleycar from one place to the other. And after
Mrs. L.: he'd been there for the evening and had practically never spoken, I went upstairs to my mother and she said, "You have a good time?" And I said, "You know, Mother, I don't know why he comes; I don't know that it's worthwhile. He never speaks. I talk and I talk and I talk and I don't get anything out of him."

Next time he came over, he asked me to marry him. I couldn't have been more surprised. (laughter)

Gilb: Well, why did you say yes?

Mrs. L.: Because I was crazy about him! I thought I could do something with him. I consider I've done quite a good deal.

Gilb: Was he customarily inarticulate at that time?

Mrs. L.: Yes.

Gilb: Not shy, however.

Mrs. L.: No.

Gilb: Just a man of action, you might say.

Mrs. L.: I think at that time he was quite definitely a man's man. He loved golf, he loved cards, he loved being with other men. I don't think he'd been particularly attentive to other girls. I don't know.

Gilb: Did he ever tell you what attracted him to you?

Mrs. L.: I think he thought I was unsophisticated. Which I probably was, as I look back on it.
Gilb: And this was a quality he...

Mrs. L.: I didn't like golf; I didn't like cards.

Gilb: Have you learned to like them since?

Mrs. L.: I never play golf--I just listen. He, my two sons both play golf, and my daughter and my daughter-in-law. Somebody has to listen, you know, in every family, besides which, I hate walking!

Gilb: How about bridge?

Mrs. L.: I love bridge. I play good bridge.

Gilb: Then you did get married, and...

Mrs. L.: We lived in New York with his family for the first six months and then moved out to Pelham Manor. You can see where we went from there. We went to Seattle. We were there a year and a half. We went to Los Angeles. We were there two years and a half. We came to San Francisco. We were here about a year and a half. We went East supposedly for six weeks; we rented a house here for our return. That was in 1916. All the American-Hawaiian ships were under lease to the government.

That winter we went on a trip, a three-month trip to South America, which was partly business and
Mrs. L.: partly as a stop-gap, because he really had no job. All the ships were leased.

We came back. We got back to America the day before the United States went into the war. That was April, either fifth or sixth, I'm not sure which. I think it was the fifth. I think America went in on the sixth. He had told me in South America that if America was not in the war by the time we got back, he was going with the Ambulance Corps of the Red Cross. It was in the war. He then went to Plattsburg that summer, was sent to Camp Upton that winter, and went overseas the following April.

Gilb: I know that he went into a business which was his family's business. Did he do this out of a sense of duty or out of a real love of shipping?

Mrs. L.: Not at all. A real love of shipping. His passion was always shipping.

Gilb: Did you share this love?

Mrs. L.: Well, I learned to. I didn't know very much about it, at the time. But I've gotten so now I don't think I could live anywhere except on deep water.
World War I

Gilb: You described all these moves, which might be a little hard for a wife. Did you mind moving about so frequently?

Mrs. L.: Not particularly. After all, if I'd been an Army wife or a Navy wife, I'd have done the same thing and I just simply figured I was in the same category.

Gilb: And then when he went overseas to war, you stayed...

Mrs. L.: In the East. In New York. We had an apartment. Of course, I had three children at that time and was expecting a fourth. So we took an apartment in New York. I spent the summer at New Canaan, Connecticut, came back to New York. Did he tell you—perhaps he did—about the birth of our youngest son?

Gilb: No, he didn't. He didn't voluntarily or spontaneously talk about personal things.

Mrs. L.: Well, I'll tell you, because I think it's very interesting. My birthday is the thirteenth of September. I was in New Canaan at the time. I got quite a few telegrams congratulating me on my birthday, and the last one I opened began, "We deeply regret to inform you that your husband, Captain Roger D. Lapham, was
Mrs. L.: seriously wounded in action August fifteenth. The Department has no further information."

Well, New Canaan was a very small town. At least, it was then. I rang up my father-in-law right away. He had connections with the New York newspapers, various agencies.

About half an hour later a letter was brought me by the New Canaan postmaster, (who was also the telegraph agent.) It said, "I think you will be interested to know"--the postmaster's son was a doctor and the letter was from him--"That in one of the First Aid tents last week a man was brought in whom I may not name, but his family owns the house next to the baseball diamond in New Canaan. He was very badly gassed, and I said to him, 'Well, Captain, I think I know the rest of your family in New Canaan.'" He said he'd been evacuated. I'm not sure whether he said to Tours or not, but that's where he ended up. So I knew then what had happened, that he was conscious when he was brought back, and that was the thirteenth, which was a Friday.

The following Friday, the twentieth, the New York
papers came out with headlines, "Roger D. Lapham killed in action," which of course I knew was not true. And that morning, for the first time in two months, I got a letter from my husband. So by the time people began ringing up, I was able to say, "It's not true. He's been evacuated. He is in Tours, recovering." He was blind for a week. And badly gassed. If he hadn't had the constitution he had, he'd have gone into tuberculosis. He coughed for almost a year.

He was eager to get into the war. Was he articulate about why?

Because none of his ancestors had fought in the Civil War.

They'd been commercial people, had they not?

They'd always been shipping men. They all came from Maine. I suppose today we'd say they were engaged in essential industry.

That was September twentieth. My youngest child, Roger Junior, was due on the 11th of November, 1918, Armistice Day. I moved to New York that fall. We celebrated the false Armistice on the seventh. That
Mrs. L.: was the year the flu was raging in New York. Everywhere I went, somebody said to me, "Oh, Helen, isn't it dreadful, because you're pregnant, and you know if you catch flu, you haven't a prayer." I didn't know if my husband was alive or dead; I was moving into my apartment; my children all had chicken pox. I didn't care whether school kept or not. If I was going to get flu, I was going to get flu.

We lived temporarily on Fifty-eighth Street. Every funeral in New York went through Fifty-eighth Street. And on the morning of the eleventh, it being my fourth child, I telephoned my doctor and said, "I think my baby is coming today." He said, "Mrs. Lapham, you're ten days early." I said, "I want to go to the hospital sometime during today. The children have chicken pox; I can't stay here." He said, "There isn't any room." It was a small private hospital in New York. I said, "I can't help it, Doctor. I have got to get to the hospital today. I know the baby's coming." I then went to my mother-in-law's to celebrate. We had champagne. I dropped my father at the Union League Club at ten o'clock. I went to the hospital and the baby was born at five minutes of twelve. I was right. I
Mrs. L.: was in the front parlor of a big, old-fashioned house. But he was born on the actual Armistice Day. I cabled my husband the next day and I heard from him the day before Thanksgiving.

Gilb: How did he feel about children. You had four; did he want children?

Mrs. L.: Oh, yes.

Gilb: He loved them.

Mrs. L.: Oh, yes.

Gilb: Was he the kind of father who spent a lot of time playing with the children when they were little?

Mrs. L.: Well, I don't know. I think he's been a great deal closer to them since they've been older. He's very close to them now.

Gilb: Some men are just alien to little children.

Mrs. L.: No, I don't think that. Of course, he didn't see the youngest until he was nearly a year old, because he then went into the Food Administration and I joined him in London that following summer.

Gilb: And you were in Europe then for a year or so?

Mrs. L.: No. Three months, four months.
American-Hawaiian Steamship Company
and Labor Troubles

Gilb: How did you—both, I gather—make the decision to come out to San Francisco rather than stay in the East?

Mrs. L.: Well, I told you, he'd always said he intended to live on the Pacific Coast. The shipping business brought him to the Pacific Coast, and he was simply transferred.

Gilb: But after the war. He was determined?

Mrs. L.: Oh, he was dying to come back. Oh, yes.

Gilb: And then I know he became a shipping agent, but spent more time at golf.

Mrs. L.: That was only for a couple of years. We came back in '20. '22, '23, '24, around there, he and two other men formed a shipping agency; then he went back to American-Hawaiian and became president I think in '27. I'm none too sure of the date.

Gilb: What were your ambitions for your husband at that time? Did you care about his becoming president of the company?

Mrs. L.: I thought it was recognition. I don't think I'm ambitious for myself, and as far as he was concerned,
Mrs. L.: whatever he wanted to do.

Gilb: How did he react to becoming president? Was he reluctant?

Mrs. L.: No, I don't think so. I don't think it was anything he would have thought, but the president wished to retire, and my husband was the logical one to take over. The only specification he made was that he would live in San Francisco; he would not go back to New York.

Gilb: He was quite a successful leader of the company, wouldn't you say, considering all the circumstances?

Mrs. L.: And the other two men with whom he had associated, John Cushing and Tom Plant, they were a great triumvirate, because what one—I'll say they complemented each other.

Gilb: Could you describe the qualities you thought each brought to the firm?

Mrs. L.: My husband had the vision. I would say that John Cushing was able to say what could be done and what couldn't be done. And Tom Plant was the head of the marine end of it, the marine operations.

Gilb: He had a technical knowledge.
Mrs. L.: Yes.

Gilb: And what did your husband's vision encompass? What did he foresee for the company? Did he want to build it up?

Mrs. L.: The American-Hawaiian was, as you know, an intercoastal company. The American-Hawaiian and the Matson between them bought another small fleet of ships jointly. The Matsons ran to Australia, Oceanic and Oriental. The American-Hawaiian ships went to China and Japan and that area in there. I think he foresaw a great future for the American Merchant Marine. I think his ambition was very definitely to keep the flag flying. And keep the fleet in condition to be useful at any time again in case of war.

Gilb: Then he thought of his job as definitely linked with the welfare of the United States.

Mrs. L.: Very definitely.

Gilb: Then it must have been sort of a blow to him, the difficulties...

Mrs. L.: In the thirties, the labor troubles. All through the thirties, when Bridges began to emerge.

Gilb: How closely did you follow the events of your husband's work?
Mrs. L.: Very closely.

Gilb: Did he discuss it all with you?

Mrs. L.: Yes. He's been very wonderful in that way, because he really made me a partner in what went on, and every once in awhile, he listened to my advice.

Gilb: What sort of things did he ask your advice about?

Mrs. L.: Oh, that would be hard to say. Sometimes about people. What did I think of so-and-so. Not definitely choices, but--I couldn't define that.

Gilb: But you'd say more in the realm of judgment of people rather than your economic judgment.

Mrs. L.: Oh, I wouldn't know enough about that sort of thing to even offer any advice.

Gilb: I wanted to learn how the waterfront troubles appeared to you, how they affected him. What was his reaction to the problems of the waterfront? Was he surprised or had he seen it coming?

Mrs. L.: I think you'll find that he's got all sorts of letters written at that time pretty well prophesying what was coming.

Gilb: And you feel that he really understood the situation?

Mrs. L.: I think he understood it right down to the ground.
Mrs. L.: He's got a letter written probably in '32 or '33 saying that he was perfectly certain that the thing was Communist-inspired, and that whether or not Bridges was a card-carrying Communist, he certainly followed the party line.

During those next years when Madam Perkins was Secretary of Labor, her entire attitude was that all steamship owners were bad little boys and that if they simply gave Bridges what he wanted, there'd be no trouble.

Of course, the sticking point came on the rotation of crews at the hiring halls. Now it's all right to have ordinary seamen go in and register and go out as required, but you can't do it with captains and you can't do it with engineers. If you are ill, for instance, and you want a trained nurse whom you know—I'm talking to you personally—and you're told, very sorry, but she's fifth or sixth or seventh on the list, and you'll take the top woman that you never heard of and don't know anything about, I think you'll feel that you should have a certain amount of personal choice, and the same way with doctors. If you're told
Mrs. L.: That you can't have Dr. Smith, who's always taken care of you, because he's already been out, and you have to...

Now the association between a captain and his ship is a very close one. The association between an engineer and his ship is a very close one. After a certain number of voyages, you know what a ship will do. You know how much fuel it will consume. You know what it will do under certain weather conditions. Suppose you have the Hawaiian one month and the American the next month and the Panamanian the next month--there's no feeling of personal loyalty to your ship, and that was the thing that all shipping companies fought through to the end and won out on.

Gilb: Did you feel during the twenties that the men were mistreated in any way? Did you have any contact or knowledge of the shipping business at the labor level during the twenties?

Mrs. L.: No, I didn't at the time. The conditions, I know, were being constantly improved by degrees. The living quarters were better; the food was better; the wages were going up.
Gilb: Was your husband concerned for the welfare of the people at the level of common labor? At that time?

Mrs. L.: It's an awfully long time ago. I don't remember that it ever came up.

Gilb: Was he too remote in his position?

Mrs. L.: No, he wasn't. He knew a great many. He certainly knew—I don't know how far down he went. He could never have come in contact, under ordinary circumstances, with the seamen. He certainly got all the captain's reports on conditions.

Gilb: I know that he's quite humanitarian.

Mrs. L.: Very.

Gilb: I wonder if he was so from the start or whether his humanitarian attitude had grown as he came into contact more with the labor problem.

Mrs. L.: He's always been tremendously interested in people and their conditions. I don't know whether that answers your question or not.

Gilb: He didn't look at labor as something abstract. He thought of them as people and was concerned about them.

Mrs. L.: Oh, surely. Yes, yes.
Gilb: Another thing that I've noticed about him is that he seemed to be a leader wherever he went. When the waterfront situation started, he became the leader.

Mrs. L.: Always had been. You know, when the invitations went out from the unions for a joint meeting at the Civic Center, he was the only one who was willing to accept it, wanted to accept it, and the other shipping men said, "You can't. They won't listen to you. They'll only make a monkey of you." It was a debate. And he said, "They can't. They've asked one of us to appear, and they've got to give whomever appears a courteous hearing. If they don't, they lose face. We don't." And he accepted, and the Civic Auditorium was filled.

He appeared. He got up. A few of our friends went. As I went in, one of the women said, "I do hope your husband has on a bulletproof vest. This is a very dangerous position for him tonight." I said, "I don't think he has."

There were only one or two rumpuses in the hall, and both the men who started them were removed immediately by the union's own police.
Gilb: Did your husband ask your opinion on whether he should appear, or did he make this decision on his own?

Mrs. L.: Entirely on his own.

Gilb: Would you have counselled his appearance?

Mrs. L.: I think I would. I believe in his courage. I believe that he was right when he said that whatever they attempted, they would lose face, and I really didn't think he'd be shot.

Gilb: I know that there was also considerable violence during the General Strike. How did you feel at that time? Were you afraid that it might hurt you personally?

Mrs. L.: No, there are two angles to that. He had a brand new car that was one of the first cars in San Francisco that wasn't black. It was cream color. And he used to go down to the waterfront every day in it. The ships were all tied up at the docks. He frequently had breakfast on board the ship. I am frank to say I was a little worried about it. On the other hand, during the summer we were living in Menlo, my driver came in one day and said, "Mrs. Lapham, you're the only shipping people who don't have guards on their
Mrs. L.: place, who don't keep the door locked. I think it's a very good idea." I don't think I was nervous about that end of it.

Gilb: You felt during this period that the Bridges-dominated labor movement was mostly in the wrong, that it was a Communist-dominated movement.

Mrs. L.: Well, he did. Of course, I took my opinions on that from him. He still thinks so.

Gilb: That it was Communist-dominated.

Mrs. L.: In fact, I heard him say once to Madam Perkins that it didn't make any difference whether Bridges was a card-carrying Communist or not. The whole thing was inspired by the Moscow line. Of course they switched over the minute Russia became an ally.

Politics

Gilb: This brings up another line of discussion, that is, your overall political belief, going back to your family. Were your family Republicans?

Mrs. L.: I inherited that.

Gilb: And that continued right on through to the present.

Mrs. L.: Never seen any reason to change.
Mrs. L.: No. He only voted Democratic once, and that was for Roosevelt the first time, because Roosevelt came out flatfooted for the repeal of Prohibition. My husband had served on a grand jury just before that, and he thought that the hypocrisy was such that they got all the poor little fellows who made vino in their cellars and the big ones got away, that he said he would vote for anyone who was honest enough to admit that it was a flat failure and come out for repeal, and so he voted for Roosevelt then. But only that once.

Mrs. L.: Oh, yes.

Mrs. L.: Yes. Very definitely. My reason against Taft was his isolationism. Having served in two overseas posts, I knew what foreign aid meant and what it was doing to stem the growth of Communism.

Gilb: Would you say that you were an internationalist rather than an isolationist?
Mrs. L.: Oh, very definitely.

Gilb: In domestic affairs, Republicanism is usually associated with belief in a minimum of government.

Mrs. L.: Not a paternalistic government, you would say.

Gilb: And that is your belief also.

Mrs. L.: Yes. I think the American people have a tremendous ability to help themselves, and if it's put up to them, they'll rise to the situation. They know what the score is.

Gilb: And you believe in free enterprise?

Mrs. L.: Very definitely.

Gilb: Freedom of all sorts. How did you feel about the Roosevelt administration and its many innovations? Were they all bad to you?

Mrs. L.: No. I think some of them were very badly needed. I think the Republican administration has gone on with many of them and even widened them. But I thought Roosevelt personally was intellectually dishonest, and I think he taught people to disbelieve in the word of their government, and he set class against class, and those are the two things that I principally hold against him.

Gilb: Did you take a very active part in politics? Did you...
Mrs. L.: No, never.
Gilb: You just voted, and...
Mrs. L.: I've never missed a vote. Either absentee or present.

**Mayor of San Francisco**

Gilb: This is really background to your husband's becoming Mayor of San Francisco. That threw you right in the middle of the political scene, and you were...
Mrs. L.: For four years we did nothing else.
Gilb: What was your initial reaction when he was asked to run?
Mrs. L.: I didn't want him to run. I thought he was too honest. I thought he was non-political and could be involved in a great many things that would not only be distasteful but very difficult.

I'll tell you. He came back from the Coast after having thought this over. Told me before he left Washington that he thought he would refuse. He came out here and was gone a little over two weeks. He took himself off to the woods to think it over. Came back and told me he'd decided to run. And I was sorry.
Mrs. L.: That afternoon--we had been at the Carlton in Washington for two years--I went to St. John's Church, which I suppose is the oldest church in Washington, in the next block--every Sunday afternoon they had an Episcopal service in French. It only lasted an hour. We had a very fine young minister, and I always went. That afternoon, I said I thought I'd go to church. That afternoon the text that the minister preached from was, "Where there is no vision, the people perish." And the entire sermon was that what the country needed today was not only vision, but people who were willing to work for it, and that anyone who put obstacles in their way was guilty.

Gilb: He was preaching straight at you?

Mrs. L.: I certainly felt so. And I wrote him afterwards and said I'd like a copy, thought it would help, that it had come at a very critical moment of my life, and I had felt that it was a personal message. And when I got back, I said to my husband, "I think you're right. You should run."

Gilb: Would he have gone ahead anyway?
Mrs. L.: Yes. Without any question. He thought he could do something for the city. He adores the city! He's a shipping man; it's a great port; everything that was being shipped to the Orient was going through San Francisco at the time. That was '43. Rossi had been mayor for twelve years. I don't think anyone had any confidence in George Reilly, and they were the two opponents. I didn't know how much chance he had. He was not native born. Both the other men were Catholics. There's a very large Catholic population in San Francisco.

It was a very strenuous campaign. He used to take me out for window-dressing, in which I was able to say I'd been married to the same man for forty-odd years, you know, that sort of thing.

Gilb: And had children and grandchildren, which would appeal.

Mrs. L.: I didn't have too many grandchildren at the time; I don't think we had any. Or did we? '43, of course we did; they were all born in '32, '33, '34. Yes, we had several. Not as many as we have now.

Gilb: Who were some of the people who worked the hardest to get him into the position of mayor?
Mrs. L.: You mean in the campaign?
Gilb: Yes.
Mrs. L.: I'm awful on names.
Gilb: That's all right. Do you know who originally proposed to him?
Mrs. L.: Herman Phleger.
Gilb: Herman Phleger, the attorney. Was he a close friend--
I guess he'd been the attorney for the shipping firms.
Mrs. L.: Yes.
Gilb: What were Phleger's motives?
Mrs. L.: I think he felt that there should be a change in the
city administration. My husband was well known and
well thought of.
Gilb: Was Rossi's behavior during the waterfront problems
and labor problems a contributory factor?
Mrs. L.: I can't go into that. I wouldn't feel right.
Gilb: You wouldn't.

So your husband went in and took over one of the
most difficult periods of being mayor. And must have
just devoted all his hours to it.

Mrs. L.: I think really you could say that we both did, be-
cause we completely gave up all social life of our
own for those four years.
Gilb: And what did you think the function of a mayor's wife was, as you interpreted it?

Mrs. L.: I think to do whatever he felt was required. To go to the Supervisors' meetings when anything was coming up that was important. To entertain whenever it was necessary. There were a great many wives of visiting men that came out here.

Gilb: You went to the Supervisors' meetings?

Mrs. L.: Well, I didn't go every Monday, but I went when anything was coming. I not only went; I made some of my friends go with me who had never been before and asked me how you got in.

Gilb: Did you ever speak up?

Mrs. L.: No. That wasn't my role. I was a spectator.

Gilb: Listened and advised behind the scenes.

Mrs. L.: That wasn't very necessary.

Gilb: And you entertained, I imagine a very great deal. This was wartime.

Mrs. L.: We entertained. It was rather difficult, because we only had regular ration points, red points. And you cannot get extra ones without declaring yourself an institution. Did you know that?
Gilb: No, I didn't.

Mrs. L.: The Warrens couldn't either, Governor and Mrs. Warren.

Gilb: How did you manage?

Mrs. L.: Well, by living on odds and ends and scraps when you knew you had to entertain, and by saving up your points to entertain with.

Gilb: You couldn't entertain via the city?

Mrs. L.: No. It wasn't possible.

Gilb: How did you feel about the recall movement? When that happened, were you shocked, hurt, by it?

Mrs. L.: I don't think I was particularly. My husband had been subject to a great deal of abuse, most of which I knew was uncalled for. Of course, the only thing that they had to recall him on was that he'd raised the streetcar fare from 5¢ to 7½¢, and one streetcar was 5¢, one was 6, and one was 7. And he'd just taken a balance of the three and done what was necessary. I didn't think he'd be recalled. That was the only thing they could accuse him of, except as they do Ike, that he played too much golf—which was very rare while he was there.

Gilb: Did you advise him on appointments? I know that he made a clean sweep.
Mrs. L.: I had nothing to do with it. I didn't even know most of the people. I won't say most of them. I knew most of the heads of the things, but otherwise no.

Gilb: Did you ever advise him on tactics?

Mrs. L.: Well, to the point where I said, during the recall election, that I thought it would not be necessary for him to go out of his way to advocate the abolition of the cable car. (laughter) It was very controversial and I didn't think it needed to be brought up out of a clear sky. He might skip it.

The operatives staged a streetcar strike not more than ten days before the recall election, after Roger had said that under the charter he could not raise wages at that time, and it was the only time that we were ever really persecuted. We had had always a listed telephone number on the theory that he was an elected official. People of the city had a right to get in touch with him always at the house. When he spoke on the radio at 11 o'clock on a Saturday morning, he said that he could not raise the streetcar fares under the charter, which was true. He would advocate a measure to be put on the ballot in November.
Mrs. L.: He finished at 11:15, and our telephone began ringing then. And it rang without intermission until Tuesday morning. I then said to him that I had gotten someone in on Monday just to sit at the telephone and say, "The Mayor's not at home." It had come out in the paper to call the Mayor either at the City Hall or at our number. By Tuesday noon, we'd had our number changed. We kept the new number for only five or six weeks and then went back to our regular number again. And there were many threats. And that was the only--that was persecution. That was really the only time.

Gilb: He's the kind of man who will do what he thinks right no matter what...

Mrs. L.: He couldn't do anything else. There's the charm of him.

Gilb: Then he was still in office when the war was over.

Mrs. L.: Oh, yes.

Gilb: And the United Nations was forming in San Francisco. That must have been a very interesting time.

Mrs. L.: Very interesting. It was very strenuous, because President Roosevelt's death put off all entertainment for a month. So all the entertainment was concen-
Mrs. L.: entertained in the last five weeks. Which meant that we entertained forty-eight nations and they entertained us back. And we counted up afterwards that between us we had been to eighty-five functions in five weeks.

Gilb: He was a friend of Secretary of State Ed Stettinius, wasn't he?

Mrs. L.: Oh yes, knew him very well.

Gilb: Did he come to your home?

Mrs. L.: I don't think so. I honestly don't remember, but I don't think so.

Gilb: All of your entertaining at the time was more formal than personal.

Mrs. L.: We only went to formal things. I mean, official things. Those eighty-five didn't include a single, solitary private... There wasn't time. We'd start out at four o'clock in the afternoon and get home at half past eight or nine. Four or five receptions from the outlying districts of San Francisco to Oakland.

Gilb: Did you have problems with protocol?

Mrs. L.: Not at that time. I think you pick these things up. I was briefed on protocol when I went to Greece. I
Mrs. L.: found it annoyed me considerably when I was told that I must wear a short dress to a cocktail party and a long dress to dinner and you always seated the guest of honor on your right. I can imagine that to a twenty or twenty-one-year-old girl in the same position it might have been important, but after all, my husband had held several important positions.


Mrs. L.: Oh, my, yes. I still do. After all, I think it's shown the Russians up more clearly than anything else that it's possible to have.

Gilb: I know your husband said that one of the chief advantages of the United Nations is that it has made the American people aware of what the Russians are, dramatized it out in the open.

Mrs. L.: Oh, yes.

China

Gilb: Well, then, you must have been thrilled and excited when your husband was offered a post in China.

Mrs. L.: Read page 2. A half of page 2. Just the top half.

Gilb: "It all began at a cocktail party in Washington"--
Gilb: I'm quoting from the page you've written. "We'd spent a carefree weekend at Hot Springs, after leaving San Francisco, and Paul Hoffman, who'd just been named chief of the newly formed Economic Cooperative Administration, had come up to Roger and had said, 'I want you on my team.' Roger's answer was, 'I'm on vacation. I'll be in Washington Monday and talk to you about it then.' Monday he saw Hoffman and saw Averill Harriman and understood he was to be given a choice of post, either London or China. London--how divine! Carol was there and what could be better?" Carol was your daughter?

Mrs. L.: Oldest daughter.

Gilb: "Tuesday, I had gone to the cocktail party alone after Roger had telephoned he would join me later. He shoved a highball into my hand and said, 'Sit down. It's China.' And I still blush when I think of how badly I behaved, because that year in China was the most interesting one of my life." In other words, you wanted to go to London.

Mrs. L.: Well, of course. My daughter was there. And I thought it would be--I knew London fairly well. I thought it would be wonderful. But...
Gilb: China was the end of the world?

Mrs. L.: I'd been to China as a tourist. But it was such a wonderful year, I still blush when I think I made a fuss about it!

Gilb: Why did he pick China rather than...

Mrs. L.: He didn't pick it. He was told to go to China, principally, I really think, because he came from the Pacific Coast. He'd stood very well with the Chinese citizens in San Francisco. You know, he was the first man to appoint a Chinese to one of the city commissions. And I think they--Hoffman felt that he would very definitely be persona grata in China, as he was, because the first time he went to Nanking, Ambassador Stuart looked at him and smiled and said, "Mr. Lapham, I think you should be a success in China. You have white hair; you are, I understand, an ancestor; you look well fed; I think the Chinese will respect you."

Gilb: And they did.

Mrs. L.: And they did.

Gilb: And you went to China and adjusted to a very different life over there.
Mrs. L.: Yes, but as I say a little further on, I've always had Chinese cooks, and aside from that I've known a different class of Chinese women in San Francisco. My pidgin English was pretty good. We had a Number One boy, and whenever I ran out of pidgin English, Roger had this young aide, Ed Bodman, and he spoke Chinese.

We had a very attractive house. I got all over China, luckily. And it was a perfectly indescribable year.

Gilb: Was Ambassador Leighton Stuart a great aid to your husband in China?

Mrs. L.: Leighton Stuart was a great man. Is a great man. He'd been president of Yenching University for years. Raised in China. I think one of the first things he said to my husband was, "It's almost too late." That Rural Reconstruction program, if that could have been in five years earlier, it would have made a great difference. But you see, he didn't get there till June, '48, and we were evacuated in May '49, so there wasn't too much time.

Gilb: Did you follow very closely the Marshall report and...
Mrs. L.: It had only just been initiated, really.

Gilb: In other words, did you know personally what you were in for when you went to China?

Mrs. L.: More or less. Yes. I think I knew in a general way.

I didn't know the details and neither did my husband.

It was a question of being given your briefing and then you use your judgment as to what to do on the spot.

Gilb: Were you strongly sympathetic with the Nationalist Chinese? At the time you went.

Mrs. L.: Yes. When I went I was. I lost a little confidence in them as time went on, because while the Generalissimo was apparently willing to listen to suggestions, nothing ever happened.

Gilb: Was the Chinese way of life something which alienated you? Nepotism, for instance.

Mrs. L.: Well, I couldn't help but...

Gilb: It was an entirely new way of doing things.

Mrs. L.: I think I realized after a while that Chiang has sort of a Savonarola complex, you know. He felt that he was the ordained saviour of his people, and that he was the only person who could do anything, and that he was the father of all China, and that if people
Mrs. L.: made mistakes, it was too bad, but you had to forgive them. But the land reform and the other things that were promised were never put into effect.

Gilb: Who were some of your husband's closest counsellors during that year in China.

Mrs. L.: Of course, Colonel Griffin, who was his deputy. More than anyone else. And then there was a younger man named Jimmy Grant, who's now chief of the economic mission in Ceylon, having been in Delhi. He had been born and raised in China. Spoke Chinese before he spoke English. Became my husband's official interpreter. Of course, that's an awfully ticklish point because you have to rely on your interpreter. And how do you know what twist they're giving? And he could absolutely rely on this one man, who was able to certainly advise as to what the best course of action would be. You know, the Chinese take an awful lot of knowing. These people who go through and spend three weeks or two weeks or ten days in China and then come out and tell you what the Chinese are like, and they never see anyone except the top people, and are sold on what they tell them!
Gilb: Chinese are by nature reserved, or by culture reserved.

Mrs. L.: And by courtesy and training, they always agree to anything, and they think you'll know that that is pure courtesy, and nothing in the world but a talking point. And then, after much conversation, get down to the real facts.

Gilb: Your husband is a rather blunt man, a rather direct man. I imagine he found this disconcerting.

Mrs. L.: Well, perhaps he did at first. Yes, he's not indirect.

Well, for instance, this is probably a very small thing. The Economic Administration considered the economic factors, and the price of the rationed rice was announced, each month, depending on economic factors. And the last of August, it was to be announced as of the first of September, which was all agreed. Then just before the date one of the Chinese came in and asked if it could be announced instead of on the first, on the sixteenth of September. And they asked why, and after a great deal of hesitation, he said, "Well, the Chinese always pay their debts at the
Mrs. L.: change of the moon. The change of the moon is at the fifteenth of September, and if the price of the rationed rice changed the first of September, it would alter the payment of all these debts on the fifteenth, because the currency would either be devalued or it would change. Now that's something that you never would get if you were in China for three days or ten days.

Gilb: You think that he could see through some of the artifice of the Chinese which covered up, perhaps, self-interest. Didn't your husband...

Mrs. L.: He could generally see what they were driving at.

Gilb: He could sense that.

Mrs. L.: After a while.

Gilb: Who were some of the Chinese whom he felt closest to or liked the best?

Mrs. L.: I think you'd have to ask him that.

Gilb: He mentioned Mayor Wu. Did you know him?

Mrs. L.: Oh, yes. Very well. I think if he'd been the head of China in those days, it would have been a very different situation. He was extremely capable. Has a great sense of humor. He is a very able administrator.
Mrs. L.: He was ping pong champion at Princeton. (laughter)
And he's a very fine man in every way.

Gilb: Did you know General Li, the second in command to
Chiang?

Mrs. L.: Li Tsung-jen? Oh, I probably met him.

Gilb: Did you yourself personally have much contact with
the Chinese?

Mrs. L.: I don't know what you mean by "much." We entertained
them, went to lunch with quite a good many of the
Chinese women.

Gilb: Madame Chiang?

Mrs. L.: Once.

Gilb: Did you like her?

Mrs. L.: (pause) Shall I say "no"? She impressed me tremen-
dously. I think she's very cold, very ambitious,
very attractive, great personality.

Gilb: Self-centered, perhaps?

Mrs. L.: Oh, I think power.

Gilb: Did you get the impression that she was quite influ-
ential on her husband?

Mrs. L.: Yes.

Gilb: And you met many other women. Was there any that
appealed to you particularly?
Mrs. L.: They were all attractive. It was a long time ago, and the Chinese names are difficult to remember.

Gilb: You were relatively isolated there. Were your friends—were your relaxed moments spent with the people on your husband's staff?

Mrs. L.: I saw a great deal of Mrs. Griffin. A great deal. A very lovely, delightful person. They live in Monterey, you know, and he owns the Monterey Peninsula Herald. And there was quite an American colony there. Different women whose husbands were bankers or had been there for years in some sort of engineering or other business project.

Gilb: How did these people feel, as a consensus about the Chinese situation? Did they feel it was hopeless?

Mrs. L.: Yes. It degenerated very rapidly, you see.

Gilb: And did that affect their sense of mission there, or did they feel that they could do something?

Mrs. L.: I don't know how much they felt they could do, but they were going to stick it out until they found out.

Gilb: I know that your husband wanted to stay after the Communists took over.

Mrs. L.: We would have stayed if anything could have been accomplished. But the terms of the act under which he
Mrs. L.: operated were very strict. You could give no aid in any Communist-dominated territory. And at the time we left in the very last of May, '49, they had the better part of China, all except that little area around Canton, where we'd been evacuated, flown by the Navy from Shanghai.

Gilb: Were you fearful at the time of the evacuation?

Mrs. L.: No, I don't think so. The Navy told us on Monday morning that they would evacuate us Tuesday morning at eight o'clock. We'd been in America and taken everything home and then gone back to China; I had nothing but suitcases. We knew it was just a question of time when we had to get out. They flew us down to Canton in two Navy planes. They all met at our house. We went out to the airport under armed escort. Not for fear of the Communists but of what the Nationalists would do as they retreated. They hadn't been paid; they hadn't been fed; they hadn't been housed. And it was quite natural to think that they might very possibly loot.

Gilb: Didn't Ambassador Stuart lose some things? I read somewhere that he...
Mrs. L.: I don't know, he probably lost everything that was in the Embassy. He was under house arrest for three months.

Gilb: Some paintings, I think I read, scrolls. What do you think your husband's--the ECA's--chief accomplishments were during this period?

Mrs. L.: I would think that one of them was to keep the city of Shanghai fed, to keep the cotton going to the various mills, to keep the supplies going to the various cities. As long as there's any possibility of aiding them. But Mayor Wu came to my husband that winter and said that they only had enough rice in the city to last for a few days, weeks, and the farmers wouldn't sell because the money was dropping so rapidly that they wouldn't bring the rice into the city. And my husband got in immediate touch with Sir Alexander Grantham, who was the Governor General of Hong Kong, and he got in a shipload of rice from Burma almost immediately. And they paraded it through the streets to show the people that rice was coming. And it diverted any trouble--after all, Shanghai had six and a half million people at that time. It could have
Mrs. L.: been a very nasty situation if there had been no rice.

Gilb: Did you go into the inland areas very much? Go out among the people?

Mrs. L.: Well, out among the people. I had a very wonderful trip with Mr. Charles Stillman, Economic Commission and Time magazine editor. He invited Mrs. Griffin and me to go on this inspection trip to Northwest China. We flew to Chungking, went out to a little place called Bei-pei. Of course, we were entertained by the Chinese at all the different places we went to. We then flew to Chundu. Ever hear of Chundu? It has four hundred thousand inhabitants. It had the biggest medical college anywhere, run by Americans and Canadians. And then we flew to Kun-ming. And it was a perfectly wonderful trip and one that we couldn't have done two months later.

Gilb: Did you find yourself touched or hurt by the poverty of the Chinese?

Mrs. L.: The poverty is so dreadful that you can hardly contemplate it, the way they live. And yet, I have never seen a Chinese, no matter how poor or how miserable he was, who couldn't find some thing to laugh at.
Mrs. L.: That's why I felt that they could never become convinced Communists, because a Communist can never afford to laugh at himself.

Gilb: It's a kind of wry humor they have, quiet humor.

Mrs. L.: Oh, yes.

Gilb: You grew to love them, didn't you?

Mrs. L.: I've always loved them. I still do. All things being equal, I'd go back tomorrow. Of course they're not.

Gilb: Did you have many Chinese working for you there?

Mrs. L.: Eight. Number One boy, Number Two boy, cook, amah, coolie, two gardeners, and a driver.

Gilb: Did you find them pleasant and easy to work with?

Mrs. L.: All right. The only thing that I found difficult was that they didn't let me do anything for myself. And if I did anything, I lost face. If I pulled a curtain behind me instead of walking across the room to ring for somebody to pull it, I lost face.

Gilb: Yes, I have a friend who's just gone to live in Pakistan and complains that that situation exists all over the Orient. Then you came back, rather reluctantly.

Mrs. L.: No. Not reluctantly. There wasn't anything else to
Mrs. L.: do. We'd been evacuated from Shanghai; the Mission was being closed in Canton; there wasn't any more Mission. There was nothing to stay out for.

Gilb: Did you feel during this time that the Americans back home, particularly those in Washington, fully understood and appreciated the Chinese situation?

Mrs. L.: I don't think so.

Gilb: You don't think they did. In what ways were they in error?

Mrs. L.: Well, I think they pulled our people out too fast. My husband's idea was, "Don't pull the curtain from our side. Keep the best men you've got over there to find out what's going on," and I think he felt very badly when our representatives in Canton were ordered to leave before the other nationalities.

Gilb: Showed lack of foresight on the part of Americans as compared with, say, the British.

Mrs. L.: Oh course at that time the British had not recognized China.

Gilb: No.

Mrs. L.: That didn't come till afterwards.

Gilb: But when you did come home, your husband advocated the recognition of Communist China.
Mrs. L.: At that time. If you read his statement on the subject, you will know why. It was for very good reasons. The first thing he advocated was to send our top men out there who had some knowledge of the Orient and Chinese ways, not withdraw them until the Communists had made it imperative to withdraw them. He wanted very much to continue aid to the Chinese people coming from American people. And that was not permitted. He thought that we had tremendous spiritual and educational commitments in China, which we had. And that they should be supported just as long as was possible. And I think that he thought that the American investments there were not nearly as important as the other issues.

Gilb: How did you feel about selling the "American way of life" to the Chinese? Did you think that was important?

Mrs. L.: I don't think it was possible. (laughter) Really. How many people in China really knew anything about either social or political ideals? All they were interested in was getting enough to feed their family. Get their parents buried where they belonged and keep their children from starvation. That was what nine-tenths of them wanted. That was all.
Gilb: And to discuss political democracy to people who were so concerned with completely practical...

Mrs. L.: Unrealistic.

Gilb: Was Paul Hoffman sympathetic with your husband's point of view?

Mrs. L.: Very.

Gilb: So this lack of sympathy was not on the part of the ECA administration. It was...

Mrs. L.: Oh, no. I know at one time Paul was out there in, I think it was December, I know it was December. It was just after this trip that Mr. Stillman had made to talk about long-term loans, things like railways, water power, coal mines, tin mines. That sort of thing. And he made his report when he got back and Hoffman came out shortly afterwards. Things were deteriorating very rapidly there, and he said to my husband, "How would you feel about putting your own money into this?" And my husband said, "I wouldn't put a plugged nickel in it." Hoffman said, "That's all I want to know." Nothing was ever done.

Gilb: It was impossible.

Mrs. L.: Oh, completely. By December, they had Peiking. They
Mrs. L.: could have walked into Nanking the next day if they had wanted to. They didn't actually take Nanking till the very last of April.

Gilb: The relief aspects of the program were probably the only realistic ones that could have been done.

Mrs. L.: And they had been done.

Gilb: They perhaps could have been continued. At least, your husband felt they could.

Mrs. L.: For a very short time. And the Communists, of course, were not willing to allow aid to come in, with the American label on it.

Gilb: Now this is a little aside from your personal experience, but I'd like your opinions and your version of your husband's opinions on the Korean situation which followed after. He must have watched that with great interest, having come from China. How did he react to the Korean war?

Mrs. L.: I think that's a question you'd better ask him. I don't like to quote him unless I'm dead certain of what I'm saying.

Gilb: He admired MacArthur very much.

Mrs. L.: Yes, very much. He met MacArthur on several different
Mrs. L.: occasions. And admired him tremendously. I don't know that he would have wanted him for President particularly, but he did admire him.

Gilb: How did he feel, how did you feel, when Truman fired MacArthur?

Mrs. L.: I've never met MacArthur. I thought it was ill done, but on the other hand, MacArthur had deliberately gone out of his way to invite it. You can't do and say the things to a Commander-in-Chief that he did, and not expect something. I think MacArthur was right in his idea of pursuing an all-out Korean War, but that's just what I think.

Gilb: How did you feel about the whole situation of the United States and Communism? Did you feel the Russians and Communists were a strong threat? In the world today? Are today?

Mrs. L.: Yes, I do. I think that America is waking up to the realization of it. And no matter what they have said about the Fund for the Republic, I think the Fund is pursuing the right line of conduct in uncovering what kind of undercover work the Communists are doing, in America. That's one of the great things they're doing.
Before we go into that subject, perhaps we ought to discuss your husband's next move, which was to Greece.

We had nearly two years home first. And then we went to Greece. My husband was Paul Hoffman's first and last appointment when he was Chief of the Economic Administration. And I think one of the principal reasons he was willing to accept the appointment to Greece was because Mr. Peurifoy was Ambassador there and we'd known him well for so long.

You've known both of them for a long time; you were close friends.

Yes. Of course, she's much younger. She's the age of my children. But he had been liaison between San Francisco and the State Department during the United Nations conference, and that's when we got to know him so well.

Do you think Ambassador Peurifoy had something to do with your husband's being appointed?

That's always been a moot question. He wouldn't admit it. I think it possible.
Gilb: I got this from Henry Grady, who stated it as a fact.

Mrs. L.: He may have more information than I have, as I say. I think it very likely that when Ambassador Peurifoy was asked who he would like as Chief of Mission that he named my husband.

Gilb: It was very fortunate, because they'd had conflict previously between the Ambassador and the head of the Mission, and the ability of these two men to get along together and understand each other, I think, was very important and very helpful.

Mrs. L.: Very helpful. And each of them had someone that they could talk to very freely.

Gilb: Your husband is the kind of man who does get along with people ordinarily.

Mrs. L.: Yes.

Gilb: Does he do this consciously or intuitively?

Mrs. L.: Oh, no, it's quite spontaneous. He likes people.

Gilb: And he understands how to compromise and how to respect the other person.

Mrs. L.: He does. He's learned.

Gilb: He didn't always have this trait?

Mrs. L.: I don't think there was ever any conflict between him and the Ambassador.
Gilb: How did you spend your time in Greece?

Mrs. L.: I was very busy in a good many different ways. I saw quite a good deal of Mrs. Peurifoy. There was a great deal of entertaining to be done. The people—I thought Athens was the end of the line, but the people who swarmed in, all of whom expected to be entertained! In the first place, every cruise ship that came in certainly brought one or more people whom we knew. There were Senators, Congressmen, American clubwomen, newspaper reporters. And they all expected to be entertained.

Gilb: And you did it reluctantly?

Mrs. L.: No, it was very easy, you know. I had a very good houseman. He knew exactly how to cater. The entertaining was hard in winter, because the living quarters, the downstairs quarters, were fairly small, but it had beautiful, beautiful grounds, and entertaining in summer was the simplest thing in the world.

Gilb: How did you take to the Greek people? They're very different from the Chinese.

Mrs. L.: I liked them. I liked the women better than I did the men. I'd heard all my life about these Greek gods. I
Mrs. L.: didn't see any. And I thought the men were a little heavy in the hand, most of them. And the women were very alert-looking, very well dressed, considerably younger than their husbands, mostly. Interested in all sorts of things.

There was an American women's club there, American Women of Greece, ("AWOG") that was founded by Mrs. Grady. They did a good deal of good work.

There was the American—oh, you know, there were all sorts of——

Gilb: There were an enormous number of Americans there, considering the size of the country.

Mrs. L.: Oh, yes, because there were these different foundations, archaeological, for businessmen, engineers, Army, Navy, Air Force, Embassy, everything.

Gilb: What did you think was the most important work that the ECA was doing in Greece?

Mrs. L.: Of course, their first big job was rehabilitation of the port, roads, railroads. That was the first thing. And after that, I think it was cutting down on some of the varied activities that had been entered into and concentrating on the very important ones. My
husband's probably told you that reclamation was very important, reclaiming the salt marshes and turning them to rice. Walter Packard.

And what they strove for, and really didn't get very far with, was to put some of the substandard tobacco land out of production and have something like alfalfa. They lost their best customer, which was Germany. Of course, the Germans all got a lot of American cigarettes. And the Turkish tobacco, for the most part, the good Turkish tobacco, the better grade. But the trouble was that so much of the Greek tobacco was substandard, for which they didn't get much of a price, and to get them to try and give up the crop—"What will we live on in the meantime?"

I've read a good deal about the Greeks, and the impression I got from my reading was that there were two classes, primarily, maybe three. One class was the group of very, very wealthy people who were described as being very selfish, not patriotic, who evaded taxes, invested their money abroad. Do you feel this was true?

Mrs. L.: Oh, I know they evaded their taxes and I know they
Mrs. L.: invested their money abroad. That part's true enough.
Gilb: Did you know many of these people, have contact with them?
Mrs. L.: Yes.
Gilb: Did you feel that, aside from these defects I've mentioned, they were charming?
Mrs. L.: Oh, sure, very attractive.
Gilb: Did you ever try to persuade them of the error of their ways?
Mrs. L.: No. Kept off of that.
Gilb: I know that your husband's reaction to it was a realistic one, apparently. That you couldn't change them, that they were like this. Or did he become ever annoyed or angry with them?
Mrs. L.: If you lived in Athens, you became very much annoyed with them, like every big capital city, people out for what they could get out of it. You went into the country and you saw the real country people and you got a totally different idea. They were so grateful and so simple, delightful.
Gilb: And you felt that the wealthy Athenian was rather cynical in his acceptance of American help.
Mrs. L.: Yes, I think I could say that.

Gilb: Did you feel that American aid did for that country what it was intended to do?

Mrs. L.: Yes, because I don't think very much American aid went to that group. It went to the country.

Gilb: It went to the country and sold those people on our good will.

Mrs. L.: Yes. Definitely.

Gilb: From what I read of the people in Greek government, I imagine that would be another source of impatience.

Mrs. L.: When we were there, there were twenty-eight splinter parties in Parliament. Some of them had one person, three people, fourteen people. And during the two years we were there, they were able to cut it down to fourteen, which was at least an improvement.

Gilb: Did you feel--you must have known the Ambassador's wife fairly closely and talked with her--I don't like to get you out on a limb--did you feel that the Ambassador tried to influence politics to any extent?

Mrs. L.: Not in any way he shouldn't have. I think he was persuasive, but I think he was very scrupulous.

Gilb: They were close to the king and queen.
Mrs. L.: Oh, yes, very.

Gilb: And did Mrs. Peurifoy use this closeness to work indirectly?

Mrs. L.: No. She didn't.

Gilb: She kept her relationships with the queen on a purely personal basis, non-political basis?

Mrs. L.: Purely personal.

Gilb: Did you have a feeling that the king and queen behind the scenes did interfere with the politics of the country?

Mrs. L.: I would say occasionally. Not as a regular thing. Of course, everyone adores the queen. And I think he's becoming very popular now.

Gilb: What was your impression of him? So much is written about her that she's a familiar household...

Mrs. L.: He's very attractive. Best-looking thing you ever saw. He's a very tall man and very easy to talk to. Both of them are just as human as any two people we ever saw. The last day, or next to the last day, that we were in Greece, my husband asked for an appointment to bid farewell to the king and take his leave. The queen was away. He immediately responded with an
Mrs. L.: invitation to lunch at the Summer Palace of Tatoi for the two of us, and we went out and he greeted him and he reached over and handed a box to my husband and said, "Greek decoration." I don't know whether you've seen it or not; I've got it over in the cabinet—"I thought you might like to have this as a token of appreciation of what you've done for us in these two years." And then he locked at me and he said, "Well, I'm awfully sorry this isn't a regular luncheon, but you know, the Queen's away and a lot of people are out of town, so there's just me and Tino." (The fourteen-year-old heir apparent) And we said, "No," and we had a very nice homey lunch. And then I asked him— I knew he had a wonderful collection of little animals of different precious stones and all, so I asked to see them, and we had a very pleasant time. Couldn't have been homier.

Gilb: I've read that the king loved to drive very fast.

Mrs. L.: Oh, he was a terrible driver.

Gilb: When I was interviewing your husband, I waited downstairs—he was going to drive me someplace—to luncheon—and I was waiting with the garageman, and the garageman said, "Here comes Barney Oldfield!"
Mrs. L.: He doesn't drive nearly as fast as the king.

Gilb: So I thought there was something in common between the two!

Mrs. L.: The king shot out of the palace one day and almost ran into an American woman who was going shopping with her two little children in the front seat. And she had to pull way up on the opposite sidewalk, and he got out--she didn't recognize him--and came across to apologize. She had a good quick Irish temper and quite a large vocabulary and she told him in no unmeasured terms what she thought of him. And he said, "I had said I was sorry." And she said, "That isn't enough. The place for you is jail!"

Gilb: Did she know he was the king?

Mrs. L.: No. She found out afterwards. He was interested enough to ask who it was and he found out. He drove too fast. Much too fast.

Gilb: Did you feel that the Greeks you met were sympathetic to us, the Americans?

Mrs. L.: Oh yes. They certainly were at the time. I think probably a great deal more so than they are now, because we haven't supported them on Cyprus.
Gilb: We've remained neutral, haven't we?

Mrs. L.: Yes.

Gilb: Did you come in contact with the British?

Mrs. L.: Yes. The British Ambassador, Sir Clifford Norton, who was delightful, and some of the other members of the British government. Quite a few.

Gilb: Did you feel that the Greeks had a strong resentment to the British?

Mrs. L.: They demonstrated on Cyprus every year in front of the British Embassy, but of course, that's the only issue that every Greek has ever been able to unite on. They're very strong individualists.

Gilb: I know your husband left in a mood of some annoyance with the Greeks and with the Greek situation. Could you describe that in more detail?

Mrs. L.: I don't know that that's altogether true. He was suffering at the time from stomach ulcers, and I think he was probably more easily upset at that time than he would have been ordinarily. A good deal of pain.

Gilb: What sort of things upset him?

Mrs. L.: Perhaps the fact that you couldn't altogether rely on them, more than anything else.
Gilb: Did he have the unqualified cooperation of the people under him? His difficulties were not with his own staff?

Mrs. L.: No, not at all.

Gilb: He's generally engendered loyalty, hasn't he?

Mrs. L.: Yes. And leadership. And he has some very fine letters to that effect, from people who've worked under him, said how much they'd learned.

Gilb: Were you at all annoyed with anything in your life pattern there in Greece, in Athens?

Mrs. L.: I don't think so. I can't think of anything particular. I enjoyed everything except the food, which I thought was terrible.

Gilb: Somebody says the wine tastes like turpentine.

Mrs. L.: It does, exactly. At least some of it. The kind they call Rezina. You might just as well drink furniture polish. The further you went into the country, the worse it got. (laughter) The other, the aperitif, the Oozo, tasted like licorice; if you liked licorice, it was very good.

Gilb: I asked you the question about China, and I might ask about Greece, do you think the situation was understood by the Americans at home, in Washington?
Mrs. L.: Yes, I do.

Gilb: Your husband mentioned that he had been having some difficulties with Washington, and that was one of the reasons he...

Mrs. L.: He always had difficulties with Washington. It was hard to get answers to your cables and your letters and things changed very rapidly in Greece, that there were many situations and crises that demanded an immediate answer. And you couldn't get one. And you sometimes got one set of orders from Paris and a totally different set from Washington. It was a little difficult.

Gilb: You came back from Greece in October, 1952, and I know that by this time your husband was no longer with the American-Hawaiian. Did he have any set pattern to come back to?

Mrs. L.: His remark at the time was, "At the present moment I'm on nobody's payroll."

Gilb: He liked this?

Mrs. L.: I think he did. He had so much energy, so much to offer, that I was sorry that there wasn't some definite project that he was working on or interested in at the
Mrs. L.: time, but he seems to have kept very busy with a large circle of friends. He maintains a very large correspondence. He's heard repeatedly from people he's known all over the world, and as you know, he's done quite a bit of travelling since then. And he's readjusted and is enjoying himself. Of course, he wasn't at all well that year after he got home. His stomach ulcer persisted until he had his operation two years ago.

Gilb: The ulcer suggests that he takes the pressures and tensions upon himself quite seriously.

Mrs. L.: I think he does.

Leisure

Gilb: You know, one of the things I've noticed in talking with him comes out in discussion of the labor leaders with whom he comes in contact, Harry Bridges being one of them; he shows a kind of halfway respect and liking for them. Do you feel this is a fair impression?

Mrs. L.: All I can say is, that somebody asked him once if he didn't think Harry Bridges should be deported. And he said, "Well, it would simply mean that a new labor
Mrs. L.: leader would come up, and I don't know but what I'd rather keep the devil I know than the one I don't."

Gilb: He recognizes the inevitability, then.

Mrs. L.: Yes.

Gilb: What qualities does your husband admire in a man?

Mrs. L.: Probably integrity and straightforwardness and ability.

Gilb: What kind of qualities do you admire in a man?

Mrs. L.: I think I like sincerity and someone you feel you can trust.

Gilb: Would this apply in each case to your respective evaluations of women, too?

Mrs. L.: Oh, I don't know. You like women because they're friends—maybe you see their faults and maybe they see yours—

Gilb: Does your husband take on proteges—in his various jobs and try to foster young people?

Mrs. L.: I wouldn't say he did so. I wouldn't say he did that deliberately. I think a great many young people are indebted to him simply from their association with him and what he's been able to teach them.

Gilb: What do you feel he does teach them?

Mrs. L.: Perhaps how to handle men, respect for their job,
Mrs. L.: concentration, consecration to effort, and I think, high ideals.

Gilb: Well, now, he had some difficulty with his Board of Supervisors, for instance, and with some of the politicians in city government. What do you think was the source of that difficulty? Were they a different kind of people from those he was used to?

Mrs. L.: Perhaps one thing was that he said from the start that he was no politician, and I think he resented some of the devious methods that were employed.

Gilb: Which are considered normal in politics.

Mrs. L.: Undoubtedly. And rather resented it when he felt that they were trying to put something over.

Gilb: He preferred an above-board situation all around.

Mrs. L.: A great many things that they brought up and passed—I won't say a great many, but some things that they brought up and passed in the Supervisors' meetings unanimously were for nothing except to go on the record. They knew perfectly well that he'd veto it, for instance. It was never passed over his veto.

Gilb: He never adjusted to these mores of politicians.

Mrs. L.: He said he learned something in the four years that were very helpful to him both in China and in Greece.
Gilb: Where you might say that deviousness was far more ingrained; it was culturally preferred.

You mentioned that your husband has asked your advice over the years and has occasionally not taken it. In other words, he's a free agent. Do you have the same relationship to him? Do you act independently, or do you...

Mrs. L.: He's made me act independently. I told him once, in the midst of a slight discussion, that when I married him, I was prepared to be a clinging vine, and what I had turned into was a piece of poison ivy. (laughter) At the moment, he was willing to admit there was a little bit of truth in it.

Gilb: When you do have conflicts—as all people do—what sort of things are they about?

Mrs. L.: It's never been over the children. We've always seen eye to eye on that. I don't think I could go into that. Purely personal.

Gilb: I wondered if there was an ideological conflict.

Mrs. L.: Oh, I don't think so. I've always said that the thing that I thought would be the most difficult for any woman was to have certain ideas about bringing up the
Mrs. L.: children, probably strict ones, and have her husband
go behind her back, hand out something that she'd
refused.

Gilb: What are your ideas about bringing up children?

Mrs. L.: I think they should have a feeling of security. To
begin with, in their home. I think they should know
that certain results will follow their actions. Very
definitely. And when the children were little, I
had an excellent woman in charge. I felt that I
could go away with my husband on these various trips
when he wanted. The boys went to boarding school when
they were fourteen. You've done what you can do for
boys by that time. I found that the girls, I felt,
needed me more. Later on.

Gilb: Where did you send your boys?

Mrs. L.: One of them went to Hotchkiss and Yale, and the other
went to Milton Academy and Harvard. My younger daugh-
ter's no student. She went to Santa Barbara two
years to girls' school there and then I sent her to
Juan Les Pins, France, for six months. The older
daughter went to Spence School for a year after
graduating from Miss Burke's and then to Smith College
for two years.
Gilb: Were they all educated voluntarily in college or did you insist on their going?

Mrs. L.: I don't think they ever had any other idea.

Gilb: It always was taken for granted. You yourself were a college graduate. Did you have any ambitions for your children when they were young, or did you leave that rather open?

Mrs. L.: I left it very definitely open. I think we've all of us pursued the theory that you treated children in an adult manner, and then left them free to find themselves as to what they thought they were best fitted to do.

My oldest son was on the Examiner for five years.

Gilb: Did you like that?

Mrs. L.: I didn't care. He wanted to do newspaper work. He did it. Then at the end of five years he said he thought he'd go back into shipping because if you were in the newspaper game for longer than that, you were in it for life.

Gilb: And were you pleased when he went back into shipping?

Mrs. L.: Yes. I was. It pleased his father also.

Gilb: Your family no longer has the controlling interest in...
Mrs. L.: Oh, no, we're out of it completely.

Gilb: Was this done deliberately or reluctantly?

Mrs. L.: It was done quite deliberately. There was a syndicate wanted to buy a certain amount of stock.

Gilb: You don't feel a sense of loss.

Mrs. L.: Oh, no. As things were, it was a great relief.

Gilb: And now your children have many children?

Mrs. L.: We have twelve grandchildren divided between the four of them; that's pretty good.

Gilb: Well, how do you and your husband--he still plays golf, doesn't he?

Mrs. L.: Oh, yes.

Gilb: And still plays bridge. What are your favorite hobbies and avocations?

Mrs. L.: None.

Gilb: None. How do you fill your time?

Mrs. L.: Well, for many years, I was on the board of the San Francisco Protestant Orphanage Society, Edgewood, and I played the piano a good deal in my younger years, and at the present time, desk work seems to take up most of my morning.

Gilb: Your correspondence.
Mrs. L.: Yes. And in the afternoons, I play cards, more or less. I have a good many friends and relatives around. Travel.

Gilb: Do you read much?

Mrs. L.: Yes, I read a great deal. All kinds of things. Biography, detective, war stories.

Gilb: Does your husband read much?

Mrs. L.: Yes. I'll take you upstairs later and show you the chair beside his bed with his little selection of books.

Fund for the Republic

Gilb: Well, then, after a period of leisure, which I guess wasn't too leisurely, he was appointed as a director of the Fund for the Republic, and he's devoted quite a bit of time to that.

Mrs. L.: Yes. He's made twelve or thirteen round trips to New York in the last ten months.

Gilb: He takes up each thing with enormous zeal and does the best he can.

Mrs. L.: Oh my, yes.

Gilb: What do you think is the major work that that group is accomplishing now?
Mrs. L.: I think that what they think is that they're trying to make the Bill of Rights a living document. Educate people to their rights under that bill. They're very much interested in education working toward the desegregation, and they're very much interested in exploring the extent and method of Communism in the United States.

Gilb: There have been some charges that Hoffman, for instance, was pro-Communist. Do you feel that this is completely unjustified?

Mrs. L.: In every way.

Gilb: He's more an individualist than a Communist.

Mrs. L.: We know him very well.

Gilb: And by implication I imagine that your husband has been considered to be a fellow-traveller.

Mrs. L.: Oh, yes. He's liberal, but Lord knows, the last thing he is is pro-Communist.

Gilb: How do you feel about this desegregation? Do you yourself have strong views on the subject?

Mrs. L.: I think of it probably as a decision that was overdue, but it will take a great many years before it is put into complete effect.
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Gilb: How do you feel about this desegregation? Do you yourself have strong views on the subject?

Mrs. L.: I think of it probably as a decision that was overdue, but it will take a great many years before it is put into complete effect.
Gilb: Do you have any opportunity to implement that ideal in your own life?

Mrs. L.: None. Absolutely none.

Gilb: The only possibility might have been employment.

Mrs. L.: I think if you employ colored you have to have been used to them and perhaps lived in the South, as my sister does, and all that.

Gilb: I noticed that your household help is not colored.

Mrs. L.: They're all Irish. Marvelous.

Gilb: It isn't conscious discrimination.

Mrs. L.: Oh, not at all. I have employed colored at various times in my life, but if you have Irish, you have to have all Irish.

Gilb: But you do approve of the idea of giving colored people equal opportunities.

Mrs. L.: Surely.

Gilb: What are your plans, yours and your husband's, for the coming years?

Mrs. L.: I don't think we have any specific plans. We'll probably travel. There are quite a few places we haven't been. Haven't been to Africa yet; haven't been to Spain; lots of places we haven't been.
Gilb: And you mentioned that you were going to write.

Mrs. L.: Well, I'm doing this, yes, for the sake of my children. I've got voluminous correspondence. From this trip abroad in '48, from China, from Greece, from Guatemala, a trip around the world last year. And as I said before, what I wanted to do was to write something in conjunction with Roger. Put in his side of it and let me put in my chit-chat, which is very light. I never attempted to go into any political or any other situation. It's personal incidents and the things that I thought would be interesting for the children and the friends and the relatives that it went out to.

Gilb: I'm hoping that you will do that, and that it will be available not only to your children but to other people, too.

Mrs. L.: I don't know whether it would be interesting enough to be published or not. I've had an offer to have an agent look at it, but some of it's quite personal. I've given it to a couple of people to read. One person said she thought there were too many names in it that people didn't know. How can you describe
Mrs. L.: things that you do without saying who you meet and who does them with you? I can't say we were in China a year and not mention the Griffins, whom I saw practically every day. I can't say anything about China without mentioning Ed Bodman, who was my husband's aide and lived with us. It's impossible.

The Third Generation

Gilb: We can stop at this point unless there's something you want to add.

Mrs. L.: I can't add anything much except we're both extremely proud of our children. They've done very well. We find them most congenial. And the grandchildren as well. Our oldest grandson is in the Navy, stationed at Coronado. The next one is in the Coast Guard, stationed at the moment at Adak. One of them has just been accepted for the Air Force, not as a pilot on account of his vision. He's a navigator observer. Our oldest granddaughter has just left to take her junior year in Switzerland. She has finished two years at Smith. She goes to Paris for six weeks to the Sorbonne for the French, then to Geneva for the
Mrs. L.: balance of the year. One of them graduated from Yale last June.

Gilb: Not a black sheep in the lot.

Mrs. L.: One of them has two more years at Yale. And then the rest of them grade on down from there. Those are the oldest.

Gilb: That's wonderful.

You were saying you'd delivered...

Mrs. L.: My oldest daughter's youngest child. In my husband's automobile. In the ambulance entrance of the University of California hospital. It was her third child. She was only in labor twenty minutes. Her only remark from here to there was, "I don't want my baby born in an automobile," which it was. (laughter) And we didn't seem to have time to get her up to the delivery room. My husband couldn't get a doctor or a nurse to look at her. The only nurse he found patted him on the shoulder and said, "Now you mustn't be nervous. There's always lots of time with these things." So he dashed back to us and found me holding the baby. And he dashed back into the hospital and said, "I hope you're satisfied--the baby's born."
Gilb:  Heavens! When was this?

Mrs. L.: This was twelve years ago this September. I think it was the 18th of September. Roger was still Mayor.

Gilb: '44, during the war.

Mrs. L.: Needless to say, there were headlines in the newspaper the next day, as there always is when a baby is born in a taxicab, but the Mayor's granddaughter!

Gilb: With the Mayor's wife delivering!

Mrs. L.: And the headline was, "Stork Stalks Mayor and Wins."

And the baby was all right and my daughter was all right, and I lost five pounds. And we had a large and interested group of spectators along the sidewalk, which didn't bother either of us at all. It was a small baby and a perfectly normal birth. And when I heard that baby cry, I thought it was the most beautiful music I ever heard in my life. She wanted this little girl; she had two boys. I saw this was a girl, and I thought, if anything happens because I don't know enough...

Gilb: Babies have been born for centuries and centuries and they've managed.

Mrs. L.: I know it. I know it, but I wished I'd known a little more about it.

* * * * * *

Transcriber: KW

Typist: RL
COPY

AIR MAIL

April 13, 1935

Hon. Frances Perkins,
Secretary of Labor,
Washington, D. C.

Dear Madam Secretary:

Ever since our talk with you on March 25th I have meant to write and thank you for the courteous hearing you gave our group. I feel it is much more satisfactory to discuss problems face to face than by phone or wire, although it is hard in any verbal discussion to set forth one's ideas logically and concretely.

Therefore, I am giving you my views of the labor problem confronting the American shipowner on the Pacific Coast today. Please consider them as my own and not representative of any group.

When the President appointed the National Longshore Board last summer and the shipowners finally agreed to give that Board full authority to settle all matters affecting their relations with longshoremen, they did so somewhat reluctantly but in the hope that any decision made by the Board would be faithfully adhered to by both parties. The shipowner realized he would be forced to accept any award handed down by the Board if only because of public opinion. On the other hand, the shipowner had good reason to believe that the leadership of the longshoremen was lodged with men who were not at all anxious to have peace and, therefore, was not at all certain that the longshoremen would abide by any award. However, he did feel that a decision of a Board appointed by the President of the United States would have the full backing of the Federal Government and that the party who violated the award in any respect would be promptly called to account by the Federal authorities.
Five months have elapsed since the decision of the Board was announced and numerous strikes on the jobs or walkouts declared for one reason or another have occurred since then and I believe an impartial investigation will show that practically all of these stoppages of work have been in absolute violation of the award. While these walkouts or stoppages of work have not been strikes in the sense that they were authorized by a strike vote of the men, nevertheless the effect has been the same.

You asked whether those strikes on the job or walkouts were authorized by recognized officers of the International Longshoremen's Association. Our answer was, "In most cases, no, but we had good reason to believe they had been instigated by officials of the union as trouble ceased when such officials so ordered."

It has been my belief, and still is, that the longshoremen's union on the Pacific Coast is dominated, either directly or indirectly, by men of Communist or radical tendencies whose main objective is to keep alive industrial and class strife. This conviction of mine (which is shared by many other shipowners and business leaders on this Coast) is not based on casual reports. It comes from observation and information obtained from many sources during the past twelve months. Much predictive information has been confirmed by actual happenings.

I think you agreed with me that a small but well organized minority, vociferous and actively agitating, will prevail, at least for a time, against a silent but unorganized majority, and probably the conservative majority. As I recall, you thought that no real peace could be had on our waterfront until a more responsible element dominated the men and your advice to us was to do as little as possible to irritate the controlling radical element and eventually that element would sift through to the bottom, leaving the more responsible faction in control.

Let us follow through on that suggestion.

First consider the financial ability of the American shipowner to carry out your suggestion. We explained to you how costly the decision of the National Longshoremen's Board had been to the shipowners because of the increase.
in the pay rate, the six hour day, more overtime, etc. We commented on the marked decline of the efficiency of longshore labor, which decline we believed had been instigated and encouraged by the radical leadership. Now, add to these increased stevedoring costs the rising costs of ship labor, fuel, supplies, and repairs and you will understand the practical problem facing the American common carrier shipowner. The situation of more cash going out of the till than coming in cannot continue indefinitely. For reasons which I won't elaborate on here, the passenger and freighter owner will find it difficult to increase his freight rates to keep pace with his rising operating costs.

But assuming the shipowners' financial ability to meet your suggestion of continuously conceding to the demands of radical leadership, this situation must be faced -- further demands to force unionization of men who do not want it, some of whom have voted against it. Non-union employees on the docks, many of whom are employed on a monthly and not a casual basis, are not secure in their jobs these days, living in an atmosphere of intimidation. The recent strike at Crockett (California Hawaiian Sugar Refining Corporation) is evidence of what I mean.

I mentioned to you the efforts now being made to force unionization (preferential employment) upon ship's officers --Masters, Mates, and Engineers. These men all hold licenses of the Government and many of them are officers in the United States Naval Reserve. All of them are really executives, responsible for the safety of life and property and expected to enforce discipline. And surely discipline is necessary on all vessels plying the high seas.

No one can question the right of any officer to belong to any organization he cares to but when demands are made that shipowners employ only union officers and the union expects those responsible officers to place loyalty to the union ahead of loyalty to their employers then it does seem to me you face a dangerous situation. Recently officers have been threatened and intimidated by longshoremen and sailors because they did not belong to an officers union and violence has been used to force joining. I have reason to believe that many have joined the Masters,
Mates and Pilots as well as the Marine Engineers Bene
ficial Association not because they really wanted to but as a measure of protection to themselves and their families.

These strong-arm tactics have not been confined to officers. As you know, the award of the National Longshore Board provided for no discrimination against a man because of union or nonunion affiliation. If a man had worked as a longshoreman prior to May 9, 1934, he was entitled to be registered and to get his share of work whether he belonged to the International Longshoremen's Association or not.

Unfortunately many bona fide longshoremen have in practice not been permitted to work because of intimidation. Unlike the case of ship's officers whom the unions have eagerly sought as members, nonunion longshoremen, in many cases, have not been allowed to join the longshoremen's union so that in effect they have been unable to work at their own trade.

If I remember correctly, your comment on this situation was that it was most unfortunate and yet one of those things that frequently happen as a result of strikes, and that we had to deal with human relations and perhaps the only way out for those nonunion longshoremen who could not work at their trade was to seek some other trade. I suggested that perhaps there was another solution:--If protection--Municipal, State or Federal--was given to these nonunion unfortunates they together with many others now out of employment would be willing to work and live up to the conditions of the National Longshore Board award.

As I recall, you deplored this suggestion and said the use of force was unthinkable. I may be an old fashioned individualist but I cannot overcome my instinctive feeling that any citizen of this country is entitled to work peaceably on his job and that the Government should give him security from those who try to prevent his so doing. Once we did go to war to make the world safe for democracy.

There is still another comment you made which somewhat
surprised me; viz., your statement that conditions on the Pacific Coast waterfront were improving right along and that after all the partial observance of the National Longshore Board's award by the longshoremen was about all that could be expected. While, superficially, conditions on the waterfront are better than last summer, I cannot help but feel that underneath the surface the forces working for industrial strife and class warfare are insidiously active. There is every indication that the same leadership now dominating the longshoremen's union is seeking control of the officers' unions, the seamen's unions, and recently the teamsters' unions, and already has a stronghold in these unions. The objective is plain—a vertical union embracing all workers in any way connected with maritime operations, thus forging a stronger weapon to advance their political aims.

I recognize that the position of any labor leader is not an enviable one. It must require considerable political ability for him to hold his job, appease his men, and yet see that agreements entered into by his union are faithfully observed.

I think you agreed that labor unions should by legislative action be made more responsible. Corporations are more and more subject to Government regulation and the light of publicity, and organized labor should be dealt with in similar fashion. As I recall, you did say this might be brought about in time.

Yet that does not alter the fact that employers of waterfront labor on this Coast today are loath to arbitrate anything. After all unless both parties to an arbitration are not only willing but able to abide by the arbitrators' decision, why arbitrate?

I might say frankly that shipowners are keenly disappointed in what they consider the failure of the Administration to back up the award of the National Longshore Board handed down October 12th.

You asked our group what we thought you should do about it and we suggested that a public statement by you reviewing the facts of repeated violations, etc., and calling upon the longshoremen to live up to their part of
the agreement would have a most salutary effect.

Your reply, as I remember, was along the lines that this could only be done as a last resort, that if the longshoremen failed to give heed the prestige of the Government would be at stake and that would be a very serious matter.

Summing up, I feel it is in the interest of both employer and employees to deal with each other as directly as possible and with the least governmental or political interference. To accomplish this, if the men wish to speak through their unions the employer should not thwart them but rather encourage them in the responsible development of their unions.

This, I know, is easier said than done for good relations between employer and employee are dependent on mutual confidence and respect expressed by action in living up to agreements reached.

It is particularly hard to accomplish this where men do not work continuously for any one employer as is the case with longshoremen where a man may work for one employer one day, for another the next, and so on. However, much has been and is being accomplished to smooth out existing longshore difficulties through the instrumentality of the hiring halls set up under the National Longshore Board award.

In my opinion the real obstacle which Pacific Coast waterfront employers face today is how to bring about elimination of the more radical element who, there is good reason to believe, do not represent the majority but yet control. I believe and so do many other employers here that this radical element is not so much interested in the welfare of the worker as it is in a political move (using the control of the union as a medium) to overthrow the existing form of Government.

Your advice to us was to concede to this radical element and not irritate it and eventually its dominating influence would fade out. I cannot go along with you on this because (aside from the practical financial difficulty in following your advice) I cannot believe, if my
premise is right, that the demands of this element will ever cease; at least not until such elements have brought about the changes in the form of Government they advocate.

This accounts for the feeling many employers on this Coast have that the time to make a stand is now and not later. Better fight in the middle of the room and not wait until you have reached the window sill.

Finally to put quite frankly another thought I have and one I think you may take exception to; and that is the attitude of the Federal Government as represented by your Department.

In the many labor troubles the Pacific Coast waterfront employers and shipowners have faced the last year and in which your Department has directly or indirectly intervened, the factor of political expediency has always seemed to have been in the background.

I know how some labor leaders feel. As a prominent one expressed it to me, "You employers have had your turn and now it is ours." A perfectly natural feeling but one which leads to abuses, if labor feels that the Federal Government is theirs to be used primarily for the advancement of labor alone, and I might add A.F.O.L. labor, and without regard to the rights of others. Surely it is not a healthy situation where the settlement of labor disputes is colored by political considerations and not confined to equities. All of us have in a greater or less degree an inherent sense of right and wrong and we look to those in authority for fair play.

I am reliably informed that out of twenty eight million workers in this country now at work only about three million (approximately ten per cent) are members of A.F.O.L. unions. I regret to say I got the distinct impression from your talk that your main concern was for the advancement of these A.F.O.L. unions. It does not seem fair to me that so small a minority of our workers should dictate not only the relations between employers and employees but also the welfare of all workers and I do not think Government should encourage or abet such an undemocratic principle. I believe there is a growing sense of resentment both among employers and workers against a
Government which confines its support to union labor and apparently disregards its obligations to non-union labor.

I do appreciate fully what great difficulties the President and all his advisers face. The unemployed must be fed, clothed, and housed and those that have must be taxed to accomplish this.

But above all, if our democratic form of government is to survive it does seem to me that those clothed with authority must deal fairly and firmly with all. Can any form of Government last which does not provide security to all law abiding citizens?

Please pardon the length of this letter. I have written as I feel. No answer is expected but if I have misinterpreted the views you expressed on March 25th I would like to be set right.

Sincerely,

(signed) R. D. Lapham

RDL:PB

cce Regular Mail
R. D. Lapham, Esq.,
Office of the President,
American Hawaiian Steamship Company,
215 Market Street,
San Francisco, California.

My dear Mr. Lapham:

I have your registered letter of April 13th in which you review the labor problems faced by the American shipowner on the Pacific Coast, and in which you summarize what you understand to be my views on these subjects.

As you undoubtedly realize, every day brings me a large volume of correspondence roughly similar to your letter. An employer, a worker, a public official or a private citizen sets forth in detail a serious problem; expresses his views upon that problem; often makes assumptions as to the position of the government; and then asks for my comment.

Such letters, I believe, serve a very useful purpose. They bring directly to my attention and the attention of my associates the experience and the attitude of the people of the United States. Such letters have a vividness which makes them invaluable to any official responsible for the determination of policy and the administration of law. And so it is to these direct indications of public sentiment, that an official gladly turns to supplement newspaper accounts, editorial comment, academic treatises and statistical studies.

But, of course, it is impossible for any public officer to write an answer with the same detail that his
correspondent has used in his original communication. This is partly from lack of time, and partly for other reasons. A letter upon a specific subject from a public official, however informal its intent, is likely to be taken as a final decision of the government and equivalent to the law if the case. For the recipient and for those persons to whom he shows it, the letter thus has a significance out of all proportion to the effort and thought that the writer has been able to devote to the substance or to the exact wording of the letter. This often leads to unfortunate misunderstandings of some matter which may never in fact become an issue in which the Government will be obliged to act. It is desirable to confine formal expressions of opinion and advice to those cases upon which the law requires action.

It is because of these considerations that I do not answer in full your letter of April 13, and that I am not prepared to endorse the assumptions that it makes. Our conversations of March 25th related almost wholly to an attempt at mediation in the oil tanker walkout and to the description by your group of the results under the decision by the Longshoremen's Board. I regret to say that I cannot at this time recall all that was said. But please be quite clear that my running comments were not a formal statement of my views about A. F. of L. unions or employer organizations and positions. I think that a number of points in your letter indicate some misunderstanding or incorrect impression of what I said. I am not proposing at this time to go into more detail but wish to thank you warmly for your letter and its frank and informing statement of the present conditions in the longshoremen's labor situation as seen by you. The report will be carefully considered by all who deal with the subject.

I should not want you to misunderstand the general approach that I have toward the problems which you face. I recognize and know of many of the difficulties of which you speak. And, understanding them, I can only say that it is my experience and strong conviction that in times of great unrest and economic distress, the part of wisdom is to sacrifice the literal enforcement of some legal rights in an attempt to save the structure as a whole. Those who have economic or political power must use it in moderation.

Sincerely yours,

(signed) FRANCES PERKINS
CHAMBER OF COMMERCE OF THE UNITED STATES
24th ANNUAL MEETING
APRIL 27 - APRIL 30, 1936
WASHINGTON, D. C.

Address of: Roger D. Lapham
President, American-Hawaiian Steamship Co.
San Francisco, Calif.

Before: General Session
U. S. C. of C. Bldg. - Council Chamber
Thursday, April 30 - 2:15 P.M.

Subject: PACIFIC MARITIME LABOR CONDITIONS AS THEY
AFFECT THE NATION

RELEASE 2:15 P.M. THURSDAY AFTERNOON APRIL 30, 1936

The subject assigned me "Pacific Coast Maritime Labor
Conditions as They Affect the Nation" is not a narrow one
and may perhaps tempt me far afield. I shall, however,
endeavor to confine myself to facts and let you draw your
own conclusions. I know every business today has its own
problems, labor or otherwise, and I do not mean to inflict
on you any more of the story of shipping industry labor
problems, than is necessary to "paint the picture."

In March 1934, the Pacific Coast was threatened with
a strike of longshoremen, those men employed to handle
cargoes. The threatened strike was postponed pending
mediation by a Board appointed by the President of the
United States. Through the efforts of this Board a plan
for the settlement of disputes was accepted and approved,
both by waterfront employers and the longshoreman's union.
The Union, however, after accepting the plan refused to
abide by it and presented a peremptory demand and an ulti-
matum which the employers could not accept. As a result
longshoremen at all Pacific Coast ports struck on May 9,
1934.
The employers immediately replaced the strikers with men who were willing to work for the wages and under the conditions then in effect. Within a few days all work at Pacific Northwest ports had to cease owing to violence by strikers and to lack of police protection. The strikers took over entire control of the waterfront at Puget Sound and Columbia River ports and it was impossible to discharge or load at such ports until the closing weeks of the strike.

At San Francisco where police protection was furnished, ships were worked during the entire eighty-two days the strike lasted. However, three days after the strike started the teamsters at San Francisco refused to handle cargoes to or from the docks. The State Belt Line Railroad remained open furnishing the only channel of access. At Los Angeles ships were worked continuously and teamsters took no sympathetic action.

On May 26 a settlement plan was reached which had the approval of the more conservative longshoremen union leaders as well as that of the federal mediators. This plan failed because of the refusal of the men to accept it. On June 16 another agreement was reached. This agreement was signed by the employers and by the President of the International Longshoremen's Association and guaranteed by some of the conservative labor leaders of San Francisco, as well as by the Mayor of San Francisco and by the Federal Mediators. This agreement also failed. The radical strike leaders in San Francisco would not submit the agreement to a referendum vote of the men, although in Los Angeles the men by secret ballot did vote approval.

After this June 16 plan failed things went rapidly from bad to worse and the left wing elements assumed entire control of the situation. In the meantime, at San Francisco the docks had become congested through failure of the teamsters to haul and plans were made and carried into effect on July 3 to haul from the docks by non-union trucks. This precipitated on July 5 a day of rioting--two strikers killed and many injured. The docks and the Belt Line Railroad at San Francisco are the property of and operated by the State of California. The strikers threatened to close down the Belt Line, so the Governor of the State called out the militia to protect State property. This
only added "fuel to the flame" and the left wing leaders raised the cry that all employers were out to break all unions and began to work for a general strike. Despite the efforts made by conservative union leaders of other trades to stem the tide a general strike was called, effective Monday morning, July 16. This general strike failed as all general strikes must fail. When people are told at what restaurant they may eat and that only union men may get gasoline for their cars, the community wakes up. It then becomes a question of whether the elected officers of the City control the city or whether a few individuals can impose their arbitrary will on all.

When the general strike was officially called off the waterfront employers agreed to leave with the National Longshoremen's Board appointed by the President of the United States the entire settlement of the longshoremen dispute. This Board had been appointed a few weeks before, after the Federal Administration was fully aroused as to the seriousness of the situation. The Board was composed of three members, including the Assistant Secretary of Labor.

By referendum vote the longshoremen ratified this method of settlement and agreed to be bound by any award which the Board might make. The Board sat for over two months, held extensive hearings at all major Pacific Coast ports and finally on October 12th handed down its decision.

Among other things the award provided:
Wage increases of about 12% for straight-time and over-time.

The wages were fixed at 95c an hour straight-time, $1.40 over-time, instead of 85c and $1.25. This wage was higher than the 1929 wage.

The establishment of a central hiring hall at each port, to be jointly managed by the employers and the union but with a union dispatcher.

The establishment of a Labor Relations Committee, (50% employers and 50% union representation), to decide all disputes arising
under the award and the appointment of an Arbitrator by the Secretary of Labor to settle all disputes upon which the Labor Relations Committee could not agree.

That longshoremen should perform their work as directed by the employer.

One of the demands the Union made during the arbitration proceedings was the so-called six hour day. The award granted this Union demand, directing that a day's work should consist of six hours, and that straight-time should be paid for the first six hours work between 8:00 A.M. and 5:00 P.M. It also directed that no longshoremen should work in excess of 120 hours in any four week period. This was proposed and vigorously urged by the Union for the avowed purpose of reducing the average hours of work and spreading employment. Assurances were given to the National Longshoremen's Board that the Union desired employment for its members only for six hours a day and that it would provide ample longshoremen to relieve at the end of the first six hours work, thus insuring to the employers eight hours of work at straight-time pay and dividing the work among those available.

I shall speak later of other violations of the award but I might say now that as regards the six hour day provision, which the Union had urged in order to spread work, that this provision became a "dead letter" immediately due to the refusal of the Union to furnish relief gangs at three o'clock in the afternoon and up to this time the employers have been unable to work longshoremen in two daily shifts. Where it has been attempted strikes and stoppages of work have resulted, this in violation of the Union promises and of the award itself. What was intended as a spread work program has been converted by the radical union leaders into a program for increased daily wages. The records at San Francisco show that during the four week period March 1 to March 29 inclusive, of this year, longshoremen at that port averaged 168 hours per period instead of the 120 hours provided in the award and the average wage in dollars received, straight-time and overtime, per four week period was $195.00.

Now as regards other maritime workers, those employed in vessel operation, including licensed men (deck officers and engineers) and unlicensed men (sailors, firemen, stewards,
cooks and waiters). At the time the longshoremen strike started no trouble existed with the seafaring personnel and generally speaking American ship owners were operating their vessels under open shop conditions. After the longshoremen struck the maritime unions jumped in and declared a strike. This strike was really a paper one and ineffective because no officers quit and very few seamen deserted. However, many unemployed seamen, their ranks swelled by radical sympathizers, participated in picketing activities and violence during the strike and the left wing elements dominating the longshoremen espoused the cause of these maritime unions. As a result, at the end of the longshoremen’s strike American ship owners on the Pacific Coast were beset with demands by the longshoremen, the National Longshoremen’s Board and the press to recognize these maritime unions. Accordingly, Pacific Coast American ship owners agreed to allow the National Longshoremen’s Board to conduct elections to determine what unions, if any, maritime workers, including officers and seamen, wanted to represent them. All voting was done ashore, the voting places were picketed by union members with the result that relatively few did vote and those that did were of union affiliation. In the case of one company less than 10% of the seamen eligible to vote voted. Nevertheless the Board ruled, that that company had to deal with the International Seamen’s Union for the purpose of collective bargaining.

I might say at this time that very little difficulty has been experienced with the Unions speaking for the licensed men, i.e., deck officers and engineers. The troubles which I shall touch upon later have been confined to the seamen unions, those representing sailors, firemen, cooks, and stewards.

After these elections, agreements were reached with the various maritime unions, either by negotiation or by arbitration. Wages of officers and men were raised and generally speaking present maritime wages are higher than the 1929 level.

Let me now tell you how the left wing or radical maritime leaders have succeeded in securing the complete control they now exercise; the methods used to obtain such control and what I believe their final objective to be.

Some of you may have heard Congressman McCormack speak at the luncheon today on the subject of Communism. Those
of you who did happen to hear that address can read between the lines.

Many of these radical leaders are foreigners and outstanding and typical is the man named Harry Bridges, an Australian by birth, who first landed here in 1921, after deserting his ship. Shortly after arrival he was arrested at New Orleans for participation in labor troubles there. Afterwards he came to the Pacific Coast and worked regularly as a longshoreman. He took out his first papers in 1921 but let them lapse in 1928. He again took out first papers that same year and again let them lapse in 1935. He is still an alien and presumably does not intend to become a citizen. He is a clever and intelligent man and his rise as a leader during the strike was rapid and remarkable, and the spread of his power since then has been even more remarkable. Incidentally, it might be mentioned that he drew relief money during the time he was causing so much civil strife in 1934. I understand that he refuses to deny or admit that he is a member of the Communist Party but we do know that he is in close touch with the leaders of that Party in California and that his tactics closely follow the principles laid down by the Communist Party. True, he is one of many who are responsible for the growth of left wing power and when I speak later of Bridges, I mean to include all those associated with him.

A year ago Bridges and the left wing group were instrumental in creating the Maritime Federation of the Pacific. This is a vertical union including all maritime crafts, such as Longshoremen, Masters, Mates, Pilots, Engineers, Radio Operators, Seamen and Dock Clerks, as well as Carloaders and Warehousemen and employees of sugar refineries and flour mills and other industries located on the waterfront. The employers do not recognize this Federation and have no agreements with the Federation itself. They have, however, agreements with many unions which make up the Federation and such as the International Longshoremen's Association and the International Seamen's Union, and those two unions, by the way, are A. F. of L. unions. Bridges himself is not only President of the San Francisco Local of the Longshoremen but is also President of the San Francisco District of the Maritime Federation. The first objective of this Maritime Federation is control of all maritime labor, not only on the Pacific Coast where it is now firmly entrenched but also on the Gulf and the Atlantic. One of
the first things Bridges did to obtain such control was to eliminate all workers not sympathetic to this objective, or who he did not think would follow him. The award of the National Longshoremen's Board provided that all longshoremen who prior to a certain date had worked as longshoremen, whether union men or not, were entitled to be registered in the hiring halls and get their fair share of work. Bridges has succeeded in eliminating all non-union workers (refusing them admission to the Union), and has also eliminated those union who failed to serve on the picket lines during the big strike. All this has been done by intimidation and violence and by other means, so that these longshoremen have been driven to seek other trades and some are now on relief.

Bridges next step was to secure absolute control of the hiring halls and today the waterfront employer has to take the men sent to him by the Union, a procedure not contemplated under the award.

Bridges has never been an officer of the Seamen's Union but he has secured practical control of that union by having a sufficient number of his followers join that union. A sailor at sea has had little chance to express his views. A sailor ashore is the man that votes.

In this way Bridges has broken down the ordinary good relationship which should exist between employer and employee and has not hesitated to stir up as much class feeling as possible. Many longshoremen like to work continuously for the same line and many seamen like to stick by the same ship or sail with the same officers. Bridges and the left wing elements in control of the Seamen's Union have done their best to discourage continuous employment by refusing to let men make more than a voyage or two on the same vessel. Under the seamen's award the ship owner could hire union sailors at the pierhead. This is impossible today. No seaman can be had except through the union hiring hall - and only those get jobs who play the "Bridges' Game" - all this tends to lack of discipline aboard ship.

While driving out those workers he did not want and taking away from the waterfront employer and the ship owner control of hiring, Bridges moved in at the same time to extend his power by using two methods: first; job
action strikes and second; embargoes on "hot" cargoes.

The shipping industry is particularly vulnerable to job action attack. A typical instance was the case of the Steamer President Coolidge ready to sail from San Francisco to the Orient with passengers aboard or booked. A demand was made to fire the Chief Steward and the flimsy excuse offered was that eggs for the crew were not cooked properly. In this case the ship was delayed several days before the crew could be gotten back. Another typical case was where the union wanted a certain seaman fired. This seaman had served the company four years and had a good record. He had offered to join the Seamen's Union and even offered to pay a fine for having worked during the 1934 strike. He was refused admission to the union, the rest of the crew walked off the ship, the longshoremen quit work and several other vessels of the line here struck in sympathy by both seamen and longshoremen. As a result three vessels were tied up for several days until union officials could be persuaded to send seamen and longshoremen back to work; those two instances are only two out of three or four hundred.

To show that this job action is not a half-baked plan, I quote from a resolution adopted by the Maritime Federation last November, which reads, in part:

"Whereas, job action is and should be action taken when any maritime group desires to gain a concession without openly resorting to a strike, and

"Whereas in order to eliminate confusion and to insure coordination in the best interests of all Maritime groups concerned it is apparent that an organized procedure for job action must be laid down by this Convention, therefore, be it

"Resolved that the term job action shall mean only action taken by any maritime group in attempting to gain from their employers some concession not specifically provided for in their respective agreements or awards

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And be it further "Resolved that when job action reaches the point in the opinion of the maritime groups
affected by having their members pulled off the job, that
to go further may jeopardize the Maritime Federation as a
whole, the matter shall be referred to the District Council
for further action or adjustment."

Along with job action has come the "hot" cargo or
unfair cargo issue. This is aimed to extend the power of
the Maritime Federation back of the waterfront. Typical
of this was the refusal last summer to handle cargoes
destined to or from British Columbia ports. There was a
longshoremen’s strike on in British Columbia and to ex-
tend the influence of the Maritime Federation to Canada,
Bridges for more than three months made it impossible for
any American exporter or importer to use water transporta-
tion between British Columbia and the Pacific Coast. Anoth-
er "hot" cargo instance was the refusal to load cargoes
tendered deep sea lines by the river lines operating be-
tween Sacramento, Stockton and San Francisco. The objec-
tive there was to force the river line unions to obey
Bridges’ orders. Still another type was the refusal of
the longshoremen at San Francisco to handle shipments
tendered by a local packing plant, some of whose employees
were on strike. Bridges wanted to force the employees of
that plant to join his union and refused to allow his long-
shoremen to handle that plant’s cargo. These "hot" cargo
issues were referred to the Arbitrator of the Labor Rela-
tions Board, who had been appointed by the Secretary of
Labor and the Arbitrator ruled that longshoremen must
handle all cargoes tendered, whether "hot" or "cold." Ob-
viously, it is the duty of a common carrier to handle any
shipper’s cargo, whether it comes from a union or a non-
union plant.

On top of the many delays due to job action strikes
and the refusal to handle "hot" cargoes, Bridges has forced
deliberate soldiering on the job - "take it slow, boys"
"refuse to handle four barrels in a sling" - "make it two",
etc., etc. As a result, with the decline in efficiency the
cost of handling freight has increased, in some cases, as
much as one hundred per cent, not to speak of vessel time
lost.

Bridges boasts of his success in securing more for his
men than granted under the awards and agreements. One of
the reasons for such success has been the failure of water-
front employers and ship owners to stand together. Bridges’
tactics are clever. They have been to avoid as far as
possible stepping on the toes of all employers at the same time. He makes trouble for one employer one day and another the next, and his aim is to keep them, as far as possible, from acting in concert.

Recently things came to a head in San Francisco because longshoremen refused to discharge cargo from a vessel which had shipped its crew on the Atlantic Coast. Bridges as President of the San Francisco District of the Maritime Federation, set up a Maritime Federation picket line which the longshoremen said they could not pass through, but bear in mind that Bridges is also President of the San Francisco Longshoremen's Union.

The waterfront employers took summary action and because of this violation, as well as numerous other violations of the award, suspended all relations with the San Francisco longshoremen. This resulted in the calling in of the Arbitrator. He pointed out that he had no power to compel either party to live up to the award but took the position that unless henceforth both parties lived up to the award and the rulings already made under the award, and to such rulings as he might make hereafter, he would no longer act as Arbitrator. His only recourse if there was another violation was to resign and make public the reason why he resigned. As a result Bridges promised publicly henceforth to abide strictly by the award.

Those of us who have lived close to the picture and have watched the developments of the past two years were not surprised at the recent seamen labor troubles on the Atlantic Coast. We know that Bridges' aim is to extend his control to the Gulf and the Atlantic and that he hopes to have a maritime federation which will supplant all A.F.O.L. unions in shipping. Once having secured that control, the next step will be control of all trucks by refusing to handle cargoes to or from truck owners who do not submit to affiliation with the Maritime Federation. If that move is successful, the next step is to secure control of the railroad unions. Once that is secured, Bridges and his group will control the distribution of the country and whoever controls distribution rules the country. This may seem extravagant and far fetched, yet we ship owners on the Pacific Coast, in the light of what has happened, do not think that Bridges' goal is impossible of attainment.
In closing I want to put one more thing before you. You recall when the San Francisco general strike was ended in 1934, the waterfront employers and the men by referendum vote agreed to leave with the Board appointed by the President of the United States the settlement of the longshoremen’s dispute. During the discussions had with the Board prior to the agreement to leave everything in its hands, the employers expressed doubt that the union leaders with whom they were dealing were either willing or able to abide by the decision of the Board. The answer was that the party who violated the award would have the full force of the Federal Government against it. The waterfront employers may not be perfect but they have made an honest and sincere effort to comply with all the provisions of the award. On the other hand, the unions for almost two years have violated awards or agreements either by job action, by refusing to handle "hot" cargoes and in numerous other ways. These violations have been reported in detail to the Secretary of Labor. The reply is "sorry - but we have no power to enforce compliance."

What then is the remedy? I can only point out that the Wagner Act has given labor increased privileges and power but with no corresponding increase in responsibility. Power inevitably leads to abuse. Corporations these days are being made to live more and more in glass houses - perhaps, some way can be found to require labor organizations to live more in the open.

I have gone into much detail on a situation affecting one industry in one section of the country. Your interest is not so much in this one industry or in one section of the country as it is in its significance to your own industry and your own section of the country. Because this is not a local condition. It is a definite trend. More than that, it is a definite policy and sooner or later I believe you may be faced, in your industry, with what we have faced and are facing on the Pacific Coast in the shipping industry.

* * * *
"THINKING ALOUD"

or

"THE PRESENT THOUGHTS OF ONE EMPLOYER"

PREFACE

This article is my own creation and is not to be taken as prepared by or representing the employer side of the War Labor Board table.

It was written mainly to provoke discussion among employer members of the War Labor Board. It grew into a paper speculating on what the Board might do.

Roger D. Lapham
Employer Member of National War Labor Board

FOREWORD

Being some observations expressed in a rambling fashion, and mainly written to provoke discussion and thought among the regular and associate employer members of the National War Labor Board. Later revised in the thought that others might be interested.

SUGGESTED READING

1. The lecture of Mr. William M. Leiserson, (member of the National Labor Relations Board), "Labor Relations and the War," delivered February 18, 1942, also the address given at Northwestern University, January 12, 1942, by Federal Judge Charles E. Wyzanski, Jr. As a public member of the now defunct National Defense Mediation Board, Judge Wyzanski's remarks carry the weight of first hand knowledge and experience.

2. Undoubtedly, employer representatives who served on the Mediation Board will concur in almost all of Mr. Leiserson's comments and criticisms, particularly when he
says (page 12) "but any more or less permanent arbitra-
tion agency must have a set of policies and principles to
guide and control its decisions or awards."

3. The Mediation Board not only refused to adopt a
set of policies and principles, but by resolution declared
and reaffirmed that each case was to be handled strictly
on its own merits and without regard to any recommendation
made in any other case. The Board refused to admit that
any recommendation made created any precedent.

4. It is noteworthy that on November 11, 1941, in
the "Captive Mine" case, two CIO members filed a dissent-
ing opinion objecting strenuously to the majority decision
which had refused the United Mine Workers' demand for a
closed shop because this decision was in conflict with the
Bethlehem West Coast Shipyard findings made June 18, 1941,
where the employer was told to give the AFL a closed shop.

5. Both Mr. Leiserson and Judge Wyzanski doubt
whether any Board such as ours can successfully combine
the separate functions of mediation and arbitration.

The present procedure of the War Labor Board is as follows:

A. Panels empowered only to mediate, and failing to
settle a dispute, to report facts and issues to the
Board accompanied by recommendations--unanimous, or
majority and minority.

B. The Board after hearing from the Panel, or if it
deems advisable, after conducting formal public hear-
ings, to make its final determination.

Time alone will determine success or failure of this plan.
But one thing is certain—to have any chance of success,
the rules laid down must be strictly adhered to. Lack of
proper administration has ruined many well planned pro-
cedures.

MANAGEMENT LABOR CONFERENCE

6. Mr. Leiserson's comments on this Conference last
December are very much to the point. On page 17 he says,
"It was unfortunate that the Conference was adjourned so
hurriedly. Had it been kept in session and had the Government insisted on submitting to the Conference for careful study and discussion the perplexing difficulties it was faced with because of the contrary positions and practices of labor and management, it would have resolved some problems, if not all."

However, Mr. Leiserson overlooks the fact that the Conference was handicapped by the President's statement made to its members Wednesday morning, December 17, 1941. The president said then, "The country is expecting something out of you in a hurry--I don't say by tomorrow night--but it would be a thrilling thing if we could get something out in the way of a unanimous agreement by tomorrow night, Thursday, (December 18) or, at latest, by Friday night, (December 19)." The Conference remained in session just one more working day than the President gave it.

7. It was unfortunate the Conference was headed by a moderator handicapped by a background of Mediation Board acrimony. Just a few weeks before, the Board had been pretty well killed off by the hasty resignation of all its CIO representatives who were incensed because of the nine to two decision against the union in the "Captive Mine" case. John L. Lewis at that time publicly attacked Chairman Davis, charging him with bias.

8. If the Conference had had a different chairman, - one of broad national reputation, and had been given reasonable time to deliberate, it might have agreed on how to treat the union shop issue.

9. On December 7, 1941--yes, December 7, 1941, John L. Lewis had won a closed shop arbitration award from Dr. John Steelman. In theory, but not in actuality, this arbitration had been voluntarily agreed to by both parties; and in theory, but not in actuality, Dr. Steelman was supposed not to represent Government. The fact that Lewis had defied the Administration and had won out, made it most unlikely that Labor leadership, whether AFL or CIO, would agree to any new Board unless such Board was free to arbitrate the closed shop issue.

10. Labor members of the Conference vigorously opposed fixing in advance any general policies or principles for the new Board to steer by--it was to set sail
without charts or instructions in the hope that somehow, somewhere, a safe harbor of industrial peace would be found. The President in dismissing the Conference on December 23 supported labor's contention that the new Board be allowed to write its own ticket.

11. Both Mr. Leiserson and Judge Wyzanski doubt the survival of the War Labor Board. All the more reason why we, representing industry, and sharing the responsibility for the Board’s success or failure, should study and re-study the constructive addresses of Mr. Leiserson and Judge Wyzanski.

RECOGNITION OF LABOR’S POLITICAL STRENGTH

12. After eleven months service as an employer member, first on the old Mediation Board, then on a short-lived Management-Labor Conference and for the last two months on the new War Labor Board, I am increasingly impressed with the grave responsibility placed on the men representing the business side of the table. At best we face, and are facing, a terribly difficult task—made even more difficult because we are a group of men—some meeting each other for the first time, representing different viewpoints, different sections of the country, different industries and with different degrees of training in employer-employee relations.

13. Per contra, remember how thoroughly labor is organized, and no wonder, since the interests of labor are the sole objectives of labor representatives. There may be inter-union feuds, but when it comes to advocating or opposing matters affecting anything important to labor, all factions, AFL, CIO, or what not, instinctively unite. And don’t forget that today the two major national labor organizations are trying to bury the hatchet and are doing their best to put down all jurisdictional disputes.

14. Will anyone deny this statement or charge exaggeration when we say that for the past nine years we have had a labor-minded Government—with all three branches more partial to labor than to industry?

15. A few months ago a powerful labor leader defied
the Administration in a way that shocked all thinking citizens, and, by such defiance, got what he demanded. Had any "captain of industry" acted as John L. Lewis did, some way would have been found to jail him for contempt and the country would have applauded. This is mentioned only to emphasize how strong a political influence labor wields. Today, the President has a group of six labor leaders (three AFL - three CIO) consulting and advising with him on matters of vital importance to industry as well as to labor (and, incidentally -- not, primarily -- to the entire country). But, it is worth noting, there is no similar group acting in like capacity for business.

SUGGESTED ORGANIZATION OF MANAGEMENT REPRESENTATIVES

16. But enough of wailing. Let's get down to practicalities. If the labor side of the table is organized, why not learn the lesson and go one better? I suggest that the eight employer members and alternates:

(a) Appoint a rotating chairman to serve continuously for say, a month, and to be succeeded by another member who will carry on the next month, and so on. The chairman's job to be something like the whip of a political party -- to keep track of what is going on; to make sure there are sufficient employer members available at the right time, and, generally, to supervise employer representation during his trick at the wheel. The chairman (or some designated employer member) should also hold himself ready to consult and advise with employers who are or may be called to Washington in connection with labor disputes certified or about to be certified to the War Labor Board.

(b) Appoint a permanent secretary for the management group whose job will be not only secretarial but will include assistance in preparing majority or minority opinions. (Note: This may require some legal advice.) This secretary should have all necessary clerical help.

(c) Schedule regular conferences of employer members at least one evening a week, say, every Monday night, which meeting should include associate and special mediator members. In short, use every means to get the management bunch to know each other, encouraging them to exchange views
but not expecting them to think alike or to be bound by any caucus rule.

(d) Ask every regular or alternate employer member to remain continuously in Washington for at least a few weeks at a time. It is obvious that when a member serves only three days or less a week and jumps back and forth between his home or business and Washington, with such staggered attendance, he cannot do justice to a job, the importance of which demands, if possible, continuous attendance (24 hours a day would not be too much.) Management on the War Labor Board should be represented by top-side executives who have had broad training in business and whose contacts are not narrow. Of course, first hand experience in dealing with labor difficulties makes any business executive more valuable as a member of this Board. The main thing, however, is unbroken rather than staggered attendance and it would not seem unreasonable to ask those members who cannot arrange their own affairs so as to give at least two weeks of continuous service to step aside in favor of those who can. This does not mean that a member should not take or, for that matter, be required to take, leave from Washington, if he is to give his best to this ever present problem of human relations. One must step out of the treadmill every now and then to maintain his perspective.

(e) Ask advice from industry leaders and experts of national standing on such broad matters as a wage policy, etc. The idea would be to have a group of volunteer consultants behind the front lines. Board members will have their hands full with the daily run of current problems.

17. To learn from the past, I quote from a recent letter from an employer who took a prominent part in the deliberations which resulted in the organization of the War Labor Board in 1918:

"I venture one further consideration respecting the nature of service by employers upon any War Labor Board that may be established. The experience of the last war was that such service made tremendous demands upon time and energy. I know it was necessary for the employer members to live together in a house rented for that purpose in Washington, that Mr. Taft moved from New Haven to this city, that employer members found that even with the use
of alternates they lived upon trains as the number of cases increased and the numerous personal difficulties multiplied. There were, as I recall it, one hundred and four days of executive sessions during a single year, exclusive of public and group sessions. For the labor members it was, of course, a part of their daily work. For the employers charged with heavy executive responsibilities, it became increasingly difficult as their managerial responsibilities increased. Alternates will be vitally important, and they should be equally empowered with authority with their principals so that time required may be divided as occasion arises. Also ample clerical and stenographic assistance will become vital as was found in the last War Labor Board. So that it will be very important that consideration should be given to the executive responsibilities of employers who may be asked to serve on any board created. The service will also often be vexatious and irritating. Sometimes it was made so during the last war. That may be a condition that is not to be overlooked."

THE GROUP INDUSTRY IDEA

18. To the employer members of this Board the sheer necessity of organization and unity is being brought home increasingly day by day. Yet, how long will it take management to realize that when labor organizes on an industry-wide basis, it is time for management to follow suit—and that unless there is equal strength on both sides of the bargaining table, a one-sided deal results. It is astonishing that most company executives fail to recognize, let alone heed, this simple fact; how the most blind appear to be some big employers in the most important industries who place their individual or company aims ahead of the broader industry interest.

There are signs of awakening which may be accelerated as the war lengthens: stockholders as American citizens may begin to demand of their management servants in aircraft, steel, oil, or any other industry, group cooperation working to solve the labor status peculiar to each group rather than unorganized individual effort. Divide and rule has been practiced by labor; UNITE AND SERVE SHOULD BE THE GOAL OF INDUSTRY.
And, surely, team play within industry will enable it to deal more effectively with post-war dangers—provided we first settle the Totalitarian Powers "Affaire."

THE BATTLE OF COMPLACENCY

19. But get behind me, Jeremiah! The big question is "Where do we go from here?" and more particularly, "What should the employer members of the War Labor Board do?" "What should and can be their contribution to the cause of production?"

20. I will not believe it is possible for the United States to lose this war. We have had reverses in the Far East and elsewhere with no present sign that the tide is turning. To win this war, the country must awake to the realization that we are in a struggle for existence and that while that struggle lasts, we had better forego talking about principles or private enterprise and even freedom of individual action. For, if we do not win this war, will not our way of life be the one prescribed by Hitler or the "Son of Heaven" or both?

21. Management has just one job to do in war—production and service—and anything which impedes service or decreases production or fails to produce the maximum production cannot be tolerated. Nothing else matters PROVIDED WE ARE CONVINCED OUR NATIONAL EXISTENCE IS AT STAKE.

22. No one can deny that cooperation of the closest kind between management and labor is vital if we are to attain our maximum productive effort—the problem is, how to reach that goal.

23. But now to something more important than organization or machinery, the mental attitude of management. How essential it is that business executives (who, after all, are supposed to have the brains of production) adjust themselves to the conviction that the war must be won despite the obstacles which exist within our own boundaries.

We must accept government as it is, not as we might wish it to be. The weaknesses of democracy are always exposed in time of war. The dictators get off to a flying
start, and the slow-moving democracies have a long stern chase. To win a war requires team play—voluntary team play preferred. But discipline and cooperation are required in the first line of offense. Why not then in the second line, the line of production and service?

24. We still have restrictive anti-trust laws and judicial decisions which threaten management if it cooperates on an industry-wide basis. We now indict individuals and companies for violation of anti-trust statutes because of actions taken years ago. This hinders the task of today and creates feelings of uncertainty and bitterness. Yet government is not ready to remove this threat even though cooperation of business is demanded by all except the Attorney General.

MAKE UP YOUR OWN MIND

25. Business is always inclined to blame government. Why doesn't the President advocate a National Wage Policy? Or advocate this or that? We are looking to Mr. Henderson or Mr. Nelson, or someone else to do the leading.

26. As an employer representative of this Board, I feel it is this Board's duty to go ahead and establish a National Wage Policy as well as a policy with respect to the closed shop or any modification thereof. If we are called off by Higher Authority or if Congress chooses to carry the ball itself, why, that's that. But in the meantime, let us go ahead, saw wood, and do something.

Vide Deuteronomy 1 - Verses 16-17

"And I charged your judges at that time, saying, Hear the causes between your brethren, and judge righteously between every man and his brother, and the stranger that is with him.

"Ye shall not respect persons in judgment; but ye shall hear the small as well as the great; ye shall not be afraid of the face of man; for the judgment is God's: and the cause that is too hard for you, bring it unto me, and I will hear it."
THE WAGE QUESTION

27. There are two main issues this Board must deal with in the very near future: wages and union status. I shall not attempt to deal at length with wages here—much has been said about a National Wage Policy. Whether this Board can or will write one or not remains to be seen. To the lay mind, if we are to have price control—it would seem as if wages, which figure largely in costs, must also have some measure of control—and taxes, too, surely must figure in the picture.

Perhaps something like the following might be adopted as an appropriate wage policy:

1. There should be no further general increase in wages based on an increased cost of living or additional taxes. We cannot, as a nation, continue the standard of living to which we were accustomed. We are at war!

2. There should be an adjustment of wages to meet prevailing average wages for like jobs in a given community, for like jobs in a competitive industry in a comparable community, or in the lowest paid classifications, if cost of living increases should be so rapid as to work a hardship measured by the amount in the weekly pay envelope of such groups.

3. Premium or overtime payments for time worked should be at the rate of one and one-half times the regular rate and should apply only to hours worked in excess of the hours which may be compensated at the regular rate under Federal statutes, irrespective of the day of the week, provided that where an employee is required to work seven consecutive days, he should be paid double time for the seventh day or any part thereof.

UNION STATUS

28. As to union status, this should be a simpler issue than wages for which to find a solution. Yet, the truth is, of the two, it is the more troublesome because neither management nor labor seems able to discuss it
without an emotional pounding of the table.

The Executive Order creating this Board really establishes a court of compulsory arbitration. The order provides that "after it takes jurisdiction, the Board shall finally determine the dispute." But the order leaves to the Board its own methods of determination. There has been some talk that final determination of some issues might be left to parties appointed by the Board. To do so would seem to be an evasion of responsibility. The conclusion is inescapable that the Board, being charged with the duty of final determination, cannot pass on to any other party its own obligation.

Under normal conditions, we can expect that every labor leader will seek a closed shop, or as near to it as he can get, and that every employer will endeavor to retain as much as he can of his freedom of hiring and firing. The employer is now compelled by law to deal with the legal collective bargaining agency of his employees, and certainly there is now no sign of any demand to change this part of the Wagner Act. Employers are not only expected to observe the law, but should be meticulous in dealing fairly and without reservation with whoever the legal collective bargaining agent is, whether the agent be saint or devil.

29. It may be argued that no labor leader or organization should take advantage of the emergency to force greater concessions in the form of union security than an employer is willing to give. But the unions insist that, inasmuch as they have willingly abandoned for the war period their right to strike, the employers should not take advantage of them by seeking to weaken existing union organizations.

30. But let us stop and think—neither labor or industry wear the uniform—but, to repeat, they are the second line of offense and just as vital to the country as are the men on the far-flung battle line. Neither industry nor labor can or will fail their brothers in uniform.

31. Employers will admit their obligation to continue during the emergency such union security relations as already prevail in existing labor contracts. Where there is a union shop, it must remain a union shop, and where maintenance of membership is required, such must continue for the war period.
32. The question now arises, if the employer has recognized a union as the proper collective bargaining agency, how far and to what extent should he be compelled by a Government, such as the War Labor Board, to grant a closed shop or modification thereof? It is admitted, of course, that the employer is free to grant voluntarily and the union is free to ask for a closed shop or any form thereof, provided no economic coercion of any kind---secondary boycott or hot cargo---is used. (As per acceptance of President's letter, December 23, 1941).

THE CLOSED SHOP AND MODIFICATIONS THEREOF

33. It seems axiomatic that Government will not compel a closed shop. On November 13, 1941, the President said: "I tell you frankly that the Government of the United States will not order, nor will Congress pass legislation ordering a so-called closed shop. The Government will never compel this five per cent (The non-union employees of the captive coal mine industry) to join the union by a Government decree. That would be too much like Hitler's methods towards labor." It is unbelievable that this Board would ever make a final determination compelling an employer to force an employee to join a union in order to secure or hold a national defense job. The final result in the captive coal mine case contradicts this statement; but remember the excuse, however flimsy, was that that decision was the result of voluntary arbitration. John L. Lewis has characterized the November 13 statement of the President, quoted above, obsolete. But the plain words of the President have never been contradicted at the source.

34. Some argue that once a Labor Board election is held and a certain union wins and is designated the sole collective bargaining agency, then every one in the plant who voted for that agency is under obligations to support it. Therefore, if union and management agree that all members of the Union thereafter must remain members in good standing or otherwise be discharged, there can be nothing unfair in such a procedure---for inasmuch as once a man has selected his agency, he should be compelled to stick with it for at least until the expiration of the
existing labor agreement.

35. Others feel this is asking too much; that no maintenance of membership clause should be granted by an employer to a union unless, after the agreement with the union is entered into, the individual employee voluntarily authorizes the employer to discharge him if he fails to maintain in good standing membership in his union. (Note: Some definition of good standing is always desirable. Ordinarily, it means payment of regular dues. Whether it should include payment of assessments or fines is debatable.)

**COMPELSON AND PERSUASION**

36. The difference between compulsion and persuasion can be as wide or narrow as the distance between the banks of the Amazon and a two-foot brook. In either case there is always water between the banks. For government to compel a management-union relationship, whether closed shop or frozen membership, is in my opinion unwise for both union and management. What government gives, government can take away. The union, by accepting membership through compulsion, will inevitably invite more government control and regulation. Government fixing of employer-employee relations should be and is resented by industry. And in these days when government is demanding that management produce the maximum, why give management any excuse for failure to produce because government prescribes some employer-employee relationship which is not specifically required by law.

37. Because of the late Mediation Board’s action in compelling certain union-management relationships, such as in the Bethlehem Shipyard, North American, and Federal Shipyard disputes and because John L. Lewis successfully defied the federal government, there has been built up in the past nine months much bitter feeling on the closed shop issue. The public knows it was not the intent of the Wagner Act to force the closed shop on employers and a study of the hearings and debates prior to the passage of the Wagner Act confirms this; that union leaders in their grasp for power and taking advantage of the increasing demand for work due to the emergency have been aided and abetted by government in getting more than what
they were entitled to—not only in union security but in other ways—and there is much justification for the assertion that unions have been able to blackmail management into payment of higher wages by demanding at the bargaining table a closed shop.

These emotional feelings on the union shop question boiled over during the labor-management conference held last December. All the more reason why the present emergency calls for a cooling-off period and more objective thinking on both sides of the management-labor table. To bring this about is easier said than done, but, if the spirit is willing—and God knows it should be—the flesh ought not to be weak.

THE TWO EXTREMES

38. What now is the status of the so-called union security issue?

ON ONE SIDE—the emphatic and vociferous statements of union leaders that they must have union-shop provisions in all labor contracts. They demand this Board rule, whether management agrees or not, that every man must join a union to hold a national defense job. This they ask for the security of their unions mainly because they profess to be afraid of anti-union activities of employers. They dwell not only on what they say were the anti-union practices in some industries a few years ago but even go back to anti-union employers' records ten, twenty, or thirty years ago. They assume, despite the recent gains of labor through legislation, such as the National Labor Relations Act, as well as through Administrative action partial to labor, that union existence is threatened today, or if not today, will be tomorrow, so they seek what they call further protection, not through legislative channels, but by rulings of a Board created by Executive Order.

39. Union leadership has consistently opposed any legislation tending to regulate any abuse of union power. It has even opposed such moderate legislative action as requiring unions to live in glass houses—indeed in some such way as corporations have been more and more compelled to do. Union leadership still objects officially to compulsory registration with some federal agency and the filing of
union by-laws, constitutions, etc., as well as sworn and audited financial reports. It continues to insist upon power without responsibility.

40. Unquestionably, most labor leaders of vision must realize the danger of reaction to union excesses. Two hours after Dr. John Steelman awarded John L. Lewis a closed-shop in the "Captive Mine" case Pearl Harbor was attacked. If that attack had been postponed one month, the reaction of the nation to the successful defiance of government by John L. Lewis would have been most damaging to the cause of labor. The war is the newspaper headline of the day. The no-strike, no lockout promise and everything to be settled by peaceful means is the formula which the country expects management and labor to adhere to. The party who fails to follow that formula will incur resentment all the stronger because it has been suppressed since December 7, 1941.

41. ON THE OTHER SIDE - we have those employers who haven't any closed-shop, union-shop, or other form of union security contracts loudly insisting that they will not give a union any more than they are obliged to under the Wagner Act. They ask that Congress freeze the closed-shop issue, and henceforth forbid an employer from entering into any sort of a closed-shop contract or modification thereof, whether an employer be willing to do so or not. There still are employers who even now resist dealing with their employees through collective bargaining agents--some who do not wish to treat with any union at all, and others who want to pick the right union to deal with. Such employers use every legal device to prevent the selection of a bargaining agent.

42. Many employers insist that union leaders and organizers do not really represent the great majority of their workers. They say the minority dominates the majority (and historical precedents can be found) and apparently would like to name themselves just who should speak for their workers. Whatever complaint there might be about the few running the mass, the fact is those employers who "kick against the pricks" are not willing to face reality. They cannot swallow the fact they have to deal with whoever may be the spokesman for their workers whether he became so by merit or fraud. They will not concede their workers should run their own show and that
if unscrupulous and dishonest leaders control, they must remain in control until kicked out by the men below.

Note: It is true that union elections have sometimes not been conducted honestly. But the remedy lies through legislative action. There are laws governing election of corporation directors, etc. Maybe the rank and file of union members should have legal protection against the improper acts of their officers in the same way as stockholders have.

43. So, here we have two extreme positions. What can and should this Board do to bring these two extremes toward the center - always keeping in mind - in order to secure maximum production or service, there must be the closest kind of cooperation between management and workers if we are to win this war - this battle for national existence?

AN IMPORTANT ASIDE

44. A thoughtful inventory of our present national labor situation sums up as follows:

The AFL and CIO have agreed with the President there shall be no stoppages of work during the war. The nation expects and will demand that this pledge be carried out. If government puts some ceiling on wages - a policy advocated today by a large sector of the American public and by some Government agencies and many members of Congress - then should we not think of the situation in which leaders of organized labor find themselves? With the right to strike eliminated and the wage level limited by government, how are these leaders to retain their members? The overhead expense of these large national labor unions is substantial. Their revenue flows only from their membership. Can union leaders be held accountable for labor troubles if, because of a falling off in their membership, they find they control a minority rather than a majority in the plants where they are the bargaining agents?

45. If one is realistic, it is hard to reconcile the views of those in management who wish to hold union leaders responsible for more stable labor relations and yet who will not help them, in some practical way, to attain responsibility.
THE CONTROLLING THIRD OF THE BOARD

46. We must not forget the make-up of the War Labor Board: four members representing labor, four representing management, and four representing the public, each member with one vote. It is reasonable to expect that the votes of the four public members will determine the Board policy with respect to this troublesome union security issue. It is a sure bet the four public members will be unanimous in attempting to find a middle ground between the extreme employer position of refusing to give more than required by law and the extreme union position that every worker on national defense must belong to a union. The four public members all hold what business terms liberal views. They believe in collective bargaining and hope for more responsible union leadership as well as a more broad-minded industry viewpoint. They look forward to a more universal acceptance of such management-union relationships as have existed in England as well as in the Scandinavian Countries.

THE CONTROLLING THIRD: WHAT DOES IT THINK?

47. Believing in the democratic processes, it is most unlikely that the four public members will compel an employer to impose upon an employee union membership.

48. Will they advocate the so-called "FROZEN MEMBERSHIP" clause as the Mediation Board did in the North American and the Federal Shipyard cases? The clause in the latter case -- made famous by the refusal of the company to accept it and the subsequent taking over and operation of the yard by the Navy -- read as follows:

"In view of the joint responsibilities of the parties to the National Defense, of their mutual obligations to maintain production during the present emergency and of their reciprocal guarantees that there shall be no strikes or lockouts for a period of two years from June 23, 1941, as set out in the "Atlantic Coast Zone Standards", incorporated herein and made a part hereof, the Company engages on its part that any employee who is now a member of the Union, or who hereafter voluntarily becomes a member during the life of the agreement, shall, as a condition of continued employment, maintain membership in the Union in good standing."
49. What happened? During the four months or more it operated the plant, the Navy never enforced this clause. As an employer, the Navy refused to do what the Mediation Board said a private employer should do.

50. It will be noted, the Mediation Board required the company to discharge a union worker for failure to "maintain membership in the union in good standing." Thus, the Mediation Board refused the individual, who was a union member at the time, the opportunity to say whether this requirement of a labor contract, which directly affected him, met with his approval or not.

51. Our understanding is that when the Navy early last January, returned the Federal shipyard to its owners—presumably because for national defense reasons it seemed the wise thing to do—it did so without imposing upon the owner any conditions as to the union status of the workers. At present this shipyard at Kearny, New Jersey, is being operated without a written labor contract, although the conditions negotiated with the union last summer, prior to government seizure of the yard, are now in effect.

52. Will the public members of the War Labor Board advocate as a final determination of the Board that an employer impose upon his employees what the Mediation Board asked employers to do in the North American and in the famous Federal shipyard cases?

Viewed realistically, as well as historically, such a final determination would play havoc.

GUESSING AT A FINAL DETERMINATION

53. In the event management and unions cannot agree on the issue of union status, the Board's four public members seeking a compromise may urge something like this—

If an employee VOLUNTARILY tells his employer that he is a member of a union and wants to retain his union membership for the life of a particular labor contract, then it is proper to require that management and union write into that contract some clause to bind those workers who are willing to be bound. To emphasize, an employer will be asked to discharge an employee for failure to maintain good membership standing in his union, provided THAT AFTER
A LABOR CONTRACT IS ENTERED INTO, the employee notifies his employer that he intends to remain a member of the union for a specified period and understands that if he does not do so, he is subject to discharge.

54. The argument will be made that if management really wants to deal with the union in good faith, it should concede that if responsibility is expected of union leadership, such leadership must have membership support. Therefore, management should say to its employees, who have voluntarily bound themselves to union membership, "Why, we expect you to pay your union dues just as you would pay your grocer's bill and if you fail to do so, you are not the kind of man we want to keep on our payroll."

55. Different kinds of clauses can be drawn up to cover the general idea outlined in paragraph 53.

One can be classed as the VOLUNTARY, IRREVOCABLE CHECK-OFF clause, such as is included in the recent labor contract between Marshall Field and Company and the Textile Workers Union of America - CIO, covering the workers at the Marshall Field plant at Spray, North Carolina.

"All employees who are now members of the Union or who may in the future become members will be required as a condition of employment with the Company to maintain their membership in good standing during the life of this Contract: Provided, that this provision shall apply only to employees, who, after the consummation of this agreement, individually and voluntarily certify in writing that they authorize union dues deductions, and will, as a condition of employment, maintain their membership in the union in good standing during the life of the contract. Upon receipt of the above authorization, the Mill agrees to deduct from the weekly earnings Union dues in the amount of 25 cents per week, to be paid to the Union."

56. There is also the VOLUNTARY, REVOCABLE CHECK-OFF clause, similar to the Marshall Field clause, but permitting an employee on due notice to tell his employer to cease paying his union dues. And there can be variations such as the VOLUNTARY, LIMITED REVOCABLE CHECK-OFF clause,
reading as follows:

"Upon receipt of written authorization from him or her, the Company shall deduct from each old or new employee dues in the amount of twenty-five (25) cents per week to be paid to the local Union. An employee may revoke this authorization only by giving thirty (30) days written notice to both the Company and the Union and only upon the basis of a legitimate reason not related to wages, hours, and conditions of employment. If there is a dispute as to whether the reasons are legitimate, the Company shall not be a party to the dispute, but the employee or employees affected, and the Union shall, if they are unable to agree on a method of settling the issue among themselves, refer it to a person to be nominated by __________. The decision of the arbiter shall be final and binding, and a copy of the decision shall be sent to the Company and the parties involved."

57. Most employers will object to a checkoff, whether voluntary or not, because they feel collection of dues is a function of union and not of management. There is much merit in this contention, because, if a union wants to really run its own show, it should not lean upon management as a bill collector. For those objection to the checkoff, a clause such as follows might be used.

**UNION SECURITY**

The parties agree that if the employees who are now members or who become members of the Union signify they will remain members in good standing during the life of this agreement, they shall remain members in good standing in the Union during the life of this agreement as a condition of employment. The provisions of this paragraph shall only apply to employees who sign cards at a date subsequent to the execution of this agreement which contain a statement by the individual employee that he is a member of the Union and that he will remain a member of the Union in good standing during the life of this agreement as a condition of employment. These signed cards are to be filed with the Company by the employee.
Form of Card to be used:

I am a member of Local _____ of ________, and I hereby agree that I will remain a member in good standing during the life of the contract in effect between the Union and _________ Company as a condition of employment.

Note: It would be well to define exactly what "Good Standing" means.

58. Many employers object to clauses similar to those mentioned above because, while in wording and theory the action of an employee in signing an authorization is voluntary, in practice it is more often involuntary. They point to the many ways in which coercion and intimidation are used to compel union membership—not only by violent means, but by threats of all varieties, including social ostracism. Words forbidding coercion do not satisfy some employers who know from actual knowledge how little provisions of this kind mean. It is, of course, difficult to police written words of any agreement. Good faith is always more effective than the written word, but the fact remains that most objections to voluntary maintenance of membership or check-off authorizations would fade out, provided management was satisfied their workers could really exercise their own free will. How to bring this about will always be a problem.

59. Here is another clause worthy of serious consideration:

"The Company and the Union mutually agree that, having regard to the critical national emergency, a forward step should be taken in the direction of strong, independent and well disciplined organization of the Company's employees, with the intent and purpose that the maximum value, particularly as to production, may be derived from this agreement, and that the management staff and the workers employed by the Company may co-operate with mutual respect and confidence."
"In the light of these considerations and of the reciprocal guarantees that there shall be no strikes, lockouts, or slowdowns, during the term of this agreement, the Company agrees to furnish all of its present employees, and hand to each new employee when he enters upon his employment, a copy of this agreement, including the constitution and by-laws of the union, together with a notice attached reading as follows:

NOTICE TO NEW EMPLOYEES

"Your attention is called to the fact that the Corporation has negotiated the attached agreement fixing the hours, wages, and working conditions of its eligible employees with Local No. __________. You are advised that the Company approves of its employees who choose to do so joining and remaining for the period of this agreement a member of the Union and take part in the activities of the Union under its constitution and by-laws.

"The Union has agreed that it will at all times admit to its membership any employee of the Company of the eligible group, as defined in the agreement, on reasonable and non-discriminatory terms and that any employee who has been refused membership for any reason, or who has been suspended or expelled from the Union, may appeal his case to the Executive Board of the International Union of the __________.

"The Company has agreed with the Union that neither it nor its officers, foremen or supervisors will differentiate in any way among its employees; nor will the Company, its officers, foremen or supervisors discriminate against, interfere with, restrain or coerce employees because of membership in, or activity on behalf of the Union; nor for the presentation of any complaint, dispute or grievance. The Company has further agreed that it will not permit any organization activities of any kind on Company time or property. The Union has in turn agreed that neither it nor any of its officers or members will intimidate or coerce employees into membership in the Union, and that it will not conduct any Union activities on Company time or property except as expressly provided in this agreement."
"This Agreement sets forth terms and conditions of employment applicable alike to all production and maintenance employees and the Company will not recognize any other collective bargaining agent, except as required by the National Labor Relations Board, nor enter into any other agreement setting forth terms and conditions of employment for employees as herein defined, during the life of this Agreement.

"The Company requests that you examine this Agreement carefully. For further information you are referred to the union office at ____________, where you can obtain the details regarding qualifications for membership, initiation fee of $____, and the monthly dues, as well as copy of the union's latest financial statement of income and expenditures, which the union publishes annually."

It will be noted there is no suggestion of check-off or individual authorization here. It is based entirely on good faith. Maybe something like this would be the best thing to try out.

"SUPPOSING"

60. Now suppose the War Labor Board is conducting a formal hearing in a dispute where the issue is union status—the union demanding a union shop and industry refusing anything more than the law requires—what might be the position taken by industry on that occasion?

Let us assume industry had thought things over—had made up its mind that today the national existence was at stake—that maximum production and service could not be obtained without the closest cooperation with its workers—that whether it liked the general run of union leadership or not, it accepted the fact that such leadership was the recognized spokesman of its workers—that it had to admit the spokesman of labor exercised a great deal of political influence in all branches of the federal government.

Suppose industry adjusted itself to living in the present, rather than in the past—admitted that always saying "no" to almost everything had not produced too much success with the labor leaders of today and their political
supporters—that something had to be done to work closer to the men who were the spokesmen for their workers in order that industry and labor together could do the job required for national existence. What then should be industry's course of action?

A SUGGESTION

61. Why not try this out and say to the War Labor Board and that means the public, "We want to forget the past and start fresh. We want to ease our conscience of any charge that we are not doing and will not do what we can to bring about maximum production. We do not believe maximum production can be obtained by requiring all men who work for national defense to join a union. The President said, 'That would be too much like Hitler' and we concur. We realize the recent industrial development of the United States has resulted in the building up of larger employer units, thus making it a more and more difficult task for the leaders of industry to keep close to the men down below.

"Because of this development, the position of unions in the economic world of today is both natural and legitimate. We believe the rapid growth of unions in this country, fostered in a political way, has caused plenty of trouble for industry and has interfered with and restricted production to the detriment of the consumer. But we admit there have been, are, and will be chisellers in all walks of life and that unions, if we are willing to see far enough, will not only police industry chiseling, but will give rank and file better protection against unfair treatment. Therefore, we believe our workers should join the union which represents them.

62. "But, we would like to know whether union leadership, such as is represented on the labor side of the War Labor Board, would undertake to cooperate with management and, perhaps, with the assistance of the War Labor Board itself, ask Congress for certain legislation such as:

Registration of unions, national and local.
Filing of union constitution and by-laws.
Filing of audited, sworn statements of receipts and expenditures.
We think this is a reasonable request because no one can deny that racketeering exists here and there and that unions are sometimes dominated by a minority, whether for personal or political reasons. We recognize that, while it may be up to union members to run their unions and impose their own self-discipline, in practice, this is far from easy and, therefore, we ask that responsible labor leaders join with us in telling Congress to impose some moderate legislation requiring unions to live in glass houses.

"Note.--International Unions have often admitted inability to control their locals - "The Local is Autonomous - What Can We Do?"

"If we could have such assurances, we would be glad to have the War Labor Board say to us, 'Sign a contract in which your men can voluntarily obligate themselves to union membership and we will do our best from the Chairman of the Board down to the most junior foreman to play ball with the union and go to bat to win this war in the shortest possible.'"

A SOLUTION

63. If industry took this position, maybe the public members of the War Labor Board would gladly welcome fixing a national union security policy along the lines indicated and, while words can only be accepted as a guide to good faith, perhaps the labor members of the Board, as well as the management members, would unite with the public members in making an unanimous final determination which would serve as a guide for permanent industrial peace. Certainly, the nation would hail any solution which would enable industry and labor to concentrate on finishing off Adolf, Benito, and the Son of Heaven.

May I close on the note that both management and labor might develop a new attitude and philosophy of life and that goes for Mr. John Q. Public, too. Suppose the twelve members of the War Labor Board had been on Wake Island when the Jeps attacked and suppose they had had to jump up from the conference table, seize what weapons they
could, and fight for their lives. Then, just as the Japs were about to overwhelm them, suppose a plane had miraculously appeared and carried these twelve men to Washington. If that had really happened, we would have had real industrial peace by this time.

SUGGESTED READING FOR EPILOGUE

"The Ship That Found Herself"

by

Rudyard Kipling

Revised and Finished
Washington, D. C.
March 18, 1942
Roger D. Lapham
Employer Member
National War Labor Board
THE CHINESE SITUATION AS I SAW IT

Address of

ROGER D. LAPHAM

Chief of the ECA Mission to China
May 5, 1948 to June 30, 1949

Before the

Commonwealth Club of California
San Francisco, California
September 8, 1949

This address is based largely on a personal report prepared for ECA Administrator Paul G. Hoffman first completed July 13, 1949, but not submitted to him until after the State Department released its so-called "China White Paper" on August 5, 1949.

I emphasize the observations and comments made, as well as the conclusions reached, in this address reflect my independent thinking and have in no way been influenced by the publication of the 1054 page document prepared and issued by the State Department.

Roger D. Lapham

September 13, 1949
215 Market Street
San Francisco 5
Mr. Chairman, Members and Guests of the Commonwealth Club:

This is my first public talk on China since I resigned as Chief of the ECA Mission to that country on June 30th.

I am no "old China hand"—nor do I claim that my year in China qualifies me to speak as an expert. But the job I held brought me in direct contact not only with topside China government officials, but with many Chinese in all walks of life, and in widely different parts of that huge country where I travelled over 30,000 miles by air, ranging from Mukden to Canton and from Chungking to Formosa in a little less than a year.

Our Mission's task was the proper supervision of the spending of $275 million voted by Congress for economic aid, but we had no responsibility for—nor supervision of—the $125 million for military aid authorized by Congress at the same time; the disbursement of those monies was left entirely to the discretion of the Chinese Nationalist Government.

In the FOREIGN ASSISTANCE ACT of April 3, 1948, Congress directed that the funds later appropriated be used in support of the Republic of China; the Nationalist Government headed by Chiang Kai-shek. It further required the Chief of the China Mission to keep in close touch with Ambassador Stuart in order that our activities should in no way conflict with our foreign policy objectives with respect to China. Not only was our Mission in constant touch with our Embassy in Nanking, with Admiral Bedger, commanding our Naval forces in the Far East, and with the Military Attachés assigned to our Embassy, but our eight regional offices were in daily contact with our Consul-Generals stationed in their areas. We were also fortunate enough to receive much valuable assistance and advice from American business men, medical missionaries and others who had lived in China for many years, and understood local conditions far better than we did.

The funds allotted us were spent primarily for food, cotton, and petroleum products. In six of the larger cities we rationed a certain amount of rice, wheat or flour to every inhabitant—man, woman, or child. This food was sold and paid for in Chinese currency at a price below that of
the open market. Enough raw cotton was supplied to the textile mills in Tientsin, Tsingtao and Shanghai, to take care of more than 50% of the yarn and cloth produced; this was also sold, and the proceeds used to purchase more cotton. Fuel oil and gasoline were supplied for civilian purposes, to keep essential power plants going, and for other industrial uses.

We had planned to spend money for a Reconstruction and Replacement program—rebuilding railroads, building additional power plants, modernizing coal mines, and for various other very necessary projects in different parts of China. But practically none of the funds allocated for this purpose were spent, when it became apparent that the Communists were likely to occupy most of China by the time any work could be started, let alone completed.

I have said that I am no "old China hand," but I had been there twice before my duty with the ECA Mission. In June, 1937 I visited China for the first time, spending three weeks in Shanghai and Peiping. Conditions were generally good; the Chinese dollar was well stabilized, and the exchange rate was Chinese $3 to U.S. $1. Shanghai was then an international settlement, trade was flourishing, and everything was high, wide and handsome—save for one cloud on the horizon. Everyone expected Japan to move in. The hope constantly expressed was "Give us a few more years to get ready." Chiang Kai-shek was at the height of his popularity, and was working hard to unify his country.

I do not need to go into the tragic events of the next twelve years in China at any great length. From 1937 to 1941 Japan was not only conquering a great part of China, but was also rushing preparations for a greater war; and the United States did little or nothing to check her, refusing even to embargo shipments of scrap iron and other strategic materials destined Japan.

I visited China again on a trip around the world in June, 1947, spending two days in Shanghai. At that time U.S. $1 could purchase Chinese $50,000; a year previous the exchange rate was Chinese $2,000 to U.S. $1. American business men I talked to were pessimistic with regard to China's future, and felt the Nationalist Government could not last another six months unless aggressive and affirmative steps were taken to clean house, start reforms, and establish a sound currency. And speaking of currency
inflation, when I arrived in China June 7, 1948, U.S. $1 could purchase 1,400,000 Chinese. On August 19 it could purchase 12,000,000 Chinese. It was then that the Government initiated its so-called currency reforms—issuing new Gold Yuan notes, and fixing the rate of GY4 to U.S. $1. At the same time prices and wages were frozen by Decree, and everyone was urged and required to turn in their gold, silver, and foreign exchange for the new GY notes. Eight months later this new currency was worthless and the Chinese had pretty well lost all confidence in the Nationalist Government.

The collapse of the Government was due not only to the military defeats it suffered, but also to its failure to institute reforms behind the front lines; to make even a half-hearted or intelligent attempt to decrease its budget deficit. The success of the Communists can be largely attributed to the weakness and incompetence of the Kuomintang Government headed by the Generalissimo.

In making these drastic statements, I do so with the full knowledge that credit is due Chiang Kai-shek for retaining control of such a loosely-knit country as China for over twenty years. I give him credit for his refusal of opportunities to sell out his country to the Japanese; and I give him credit for opposing the ideologies of Moscow Communism. But the good work of a man did yesterday cannot offset his failures of today, and the fact remains that the Generalissimo is a stubborn, obstinate man, who refused to delegate authority, who relied on incompetent favorites for many of his subordinates, and who put on the shelf competent military men who could have helped him. Not only is he responsible for the defeat of the military front, but as I have already said, he can largely be blamed for the failure on the economic front. Lacking first-hand knowledge in this field, he did little or nothing to establish civil reforms, or to take effective steps to offset the well-planned operations and propaganda of the Communists. He made little effort to find the right people who could have helped in this field, and those he did use were largely "yes-men," unwilling to assert themselves, or perhaps even to tell him the truth.

General Marshall, as you will recall, spent the year 1946 in China attempting unsuccessfully to bring the Nationalists and Communists together in a coalition government.
And here, by way of comment, our efforts to bring about a coalition government were undoubtedly induced by the feeling generally held at that time, that any differences of opinion between Russia and the United States could be ironed out by sitting down at a conference table, and as reasonable men on a give and take basis, reach a reasonable and mutual understanding. The actions of Moscow leadership since then have demonstrated how far off the beam we were. But our policy with respect to China was based on that erroneous assumption—we got off on the wrong track—and have never since admitted our mistake, either publicly or officially.

Early in 1947 Marshall became Secretary of State, and in June of that year laid down the principles of the Marshall Plan. I believe that when the Secretary first advocated this plan, he was thinking not of China, but of Europe, as his public statement of January 7, 1947, made at the time he left China, clearly indicates how hopeless he felt Chinese political situation then was, and seems to imply that he felt that our best policy would be to let the Chinese people work out their own salvation. When Secretary Marshall submitted his recommendation for economic aid to China—$550 million—in February, 1946, my guess is that he did so mainly for political expediency; for it was certainly an about-face from his previously implied opinion of "A plague on both your houses." But he knew that many members of Congress wanted to aid China, and perhaps he felt it wise to advocate something for China, if only to make the going easier for Congressional approval of his European Recovery Plan. I may be wrong—but it is hard not to believe that the policy of "Let the fires burn and the dust settle" has been the real policy of our State Department towards China ever since Marshall left that country early in 1947.

One thing stands out today—American influence in China is far, far less than it was on VJ Day. Who is responsible for this loss of influence, and what might have been done which wasn't done can be debated indefinitely. Our Mission did all that it could be reasonably expected to do to carry out the general objectives laid down by Congress—viz.: to strengthen and assist the Republic of China controlled by the Kuomintang party, but the handicap was too great. I have referred at times to the Mission as a successful failure, but that is really a misnomer; for what we were doing was fighting a rear-guard action against
tough odds with a staff which at no time numbered more than 100 Americans, and 400 non-Americans, mostly Chinese, distributed among the eight cities where we operated. (See Note 1.) The termination of the Mission was due to factors entirely outside of its control—those which I have already mentioned—the incompetence of the Chinese Government, the depreciation of the currency, and the lack of will-to-fight manifested by the Chinese Nationalist troops,—and to this list I must add one other factor; our American policy as enunciated by Congress was to support the Nationalist Government, and so in effect the United States took part in a Chinese Civil War without being willing to accept the responsibility, or to commit itself to the extent that was necessary to make this policy effective. The result is of course apparent; the side we backed has lost every round to date, both on the military and economic fronts.

But on the credit side of the Mission's ledger must be placed these material facts: we made certain that the monies we handled were actually spent for the purposes intended; we still have at least $50-million of the original grant left, which will be returned to the Treasury by February 15, 1950 (See Note 2)—the time ECA has left to spend it, unless conditions in China change so drastically within the next few months that it can be used for its original purpose; we were able to avert serious rioting in several cities by the procurement of food at critical periods, we maintained employment in the textile mills, and I do not feel that the funds spent or the tremendous efforts made have been wasted.

And in addition to these material facts there were certain intangibles which are hard to describe but no less important. Among these I would name the respect for the honesty of purpose and integrity gained for our group from all the organizations with whom we dealt, and the real friendship of many high-class and truly patriotic Chinese. Among the latter I would like to speak of Wong-Wen-Hao, the former Premier; of General Fu-Tao-Yi who did his best to hold North China, and of K. C. Wu. Mayor of Shanghai,

Note 1. Today only nineteen Americans remain with the ECA in China and probably not over seventy-five non-Americans are left on the Mission’s payroll there.

Note 2. This is an under estimate—chances are $75-million or more will be returned to the U.S. Treasury out of the $275-million appropriated for economic aid.
acting under circumstances of the utmost difficulty with
the greatest intelligence and co-operation. He and I
often compared notes on the problems one faced as Mayor
of a great city. I must also mention Li Tsung-jen the
Acting President and President in name only as Chiang
Kai-shek refused to release to him either power or funds
with which to make an effective stand against the Commu-
nist offensive. When Chiang entered retirement—and an
extremely active retirement it was—on January twenty-first
last, he continued to exercise effective control behind
the scenes. He kept possession of the Nationalist cash-
box, and many important military and civilian leaders,
including many reactionary members of the Kuomintang Party
still seek and accept his guidance.

The Chinese by-and-large are a great people; can we
blame them if they are tired and sick of war after twelve
years of it? It seems to me I remember there was quite
a hue and cry to "Get our Boys home for Christmas" after
four years of fighting. When the Japanese invaded their
homeland, the Chinese resisted the foreigner; when the
Chinese moved their capital from Nanking to Chungking,
they did a magnificent job in transporting factories and
machinery, and establishing an industrial center in
Szechuan. But when the Japanese war was over and the
Chinese re-occupied their homeland, a natural let-down
followed. The struggle for control between the Nation-
alists and the Communists has been a Civil War, and condi-
tions were very different from when they were fighting a
foreign enemy. For centuries the Chinese peasant has
struggled to grow enough food to live on. The great
majority of them are more interested in where their next
meal is coming from than they are in what party controls
their central government. But never forget this: the
Chinese have a great sense of humor, and I honestly do
not believe you can sell Moscow ideology to a people who
possess that trait. Have you ever seen a Communist who
could laugh at himself?—I haven't; but poor as they
are and hungry as they are, the Chinese can and do laugh
at themselves.

Let me tell you of one little incident. My wife was
visiting a Chinese refugee home and school in Canton one
day. It is financed and operated by Chinese for war or-
phans, and they feed, train, and teach over 100 children
in what remains of a bombed out American Mission school.
The older boys make plates, cups and saucers out of discarded tin cans retrieved from garbage heaps. The older girls re-knit old, worn wool from sweaters or other articles which have been thrown away, to make warm socks for the younger children. It was raining that day, so all the children were under partial shelter. One group of younger teen-age boys were practicing on band instruments which some visiting American had obtained for them from a famous American company. When she first saw them they were playing the "Hymn of Joy" theme from the Beethoven Ninth Symphony. Ragged and hungry—they have only two meals of rice and vegetables a day—they were playing the "Hymn of Joy"! They saw her, finished their piece, the leader with a shy smile and a twinkle in his eye, tapped twice with his drumstick and they burst into "Yankee Doodle"! Do you wonder that tears came into her eyes and a choke into her throat?

Aside from their sense of humor the Chinese have long memories; and in spite of the fact that they have been exploited by their own government for centuries, taxed to the point of diminishing returns, forced by foreign governments to give up their treaty ports as well as making other tremendous concessions to them, the work of many Americans who, with no ulterior motives, have spent their lives among them has not been without far-reaching effect. Some day—even though in the now unpredictable future—the dust will settle, and I am certain that the efforts of our schools, our colleges, and our unselfish missionary workers will not have been in vain.

Now—so much for the past and present, but what of the future? The two questions I am most frequently asked are: "Is there a government in China that it is worth our while to support today?" and—second—if not, What should American policy be from here on in? Many Americans still want to support Chiang Kai-shek; his name is an anti-Communist symbol. He was our ally, the Chinese Christian leader in World War II. But I must reiterate my personal conviction that any leader who has lost as much of the confidence of his people as he has in the recent past, is not the man to back today. I have heard that the Generalissimo believes that a war between Russia and the United States is inevitable; and that, if he can hang on until that takes place, he is bound to receive our military support. If war with Russia should develop, and we need China's aid—let us not back a Chinese leader who has lost the confidence of his people.
Whom, then, should we choose? The Acting President Li Tsung-jen? I believe he is sincere and honest, and does represent the more liberal elements in the Kuomintang. Perhaps he could rise to the occasion, but to date there has been little to indicate that he can lead a successful war against the Chinese Communists.

Are we going to search for and pick some relatively unknown leader and place our bets on him? Are we going out of our way to back any untried leader or group, so that the Chinese Communists can advertise to the world that such a leader is the hand-picked puppet of imperialist United States? Personally I cannot advocate that; but one thing is certain—we should not again make the mistake which we made a year ago, when the Congress appropriated $125,000,000 for military aid to China to be used without restrictions and solely as the Nationalist Government directed. That was a grave mistake. If military aid is again given, then we should assume full supervision and control over its end use. This $125,000,000 can be considered as thrown down the rat-hole. The Nationalist allocation of those funds to the different branches of their military forces was, to say the least, most unwise. There seemed to be no disposition in Washington in any way to influence a proper allocation of these monies or, for that matter, to do the utmost to expedite shipments of the munitions ordered. As long as the Congress had voted this sum, the Administration had some implied responsibility to see the best and quickest use was made of it.

Although I believe that military aid would have been the most effective means of combating Chinese Communism in the past, I am convinced that the granting of such aid is neither practical nor feasible at this time. Nor do I think that we should today try to pick any Chinese leader or leaders, backing them with military assistance even under our supervision and control. If new leaders are to arise in China to carry the banner against the Communists, they must arise by their own power and first demonstrate their fitness, before we help them. I see nothing else to do now but to abandon any thought of military help either to Chiang Kai-shek, Li Tsung-jen, or any other anti-Communist as now known. What we should do a year, three years, or five years hence, is another matter and should be decided in the light of what the situation may be at that time.
A natural follow-up of question number two what our policy should be from now on is: "Are the Chinese Communists really Moscow dominated or not? Or are they not progressive Chinese interested in land reform, and trying to improve the lot of the Chinese peasant? On the answer to this, hinges the answer to our future policy towards China. I have had no personal contact with any Chinese Communist leaders, but many people of our Mission have had, in previous years, as have other Americans whom I met in China. There is no doubt in my mind that the leadership of the Chinese Communists is in tune with Moscow. Certainly their strategy and tactics including their clever propaganda prove, without question, that they have been and are following the Moscow pattern. The recent statements of Mao-tze-tung are evidence. We can speculate plenty on whether the Communists, once they are really established, will not turn out to be more Chinese and anti-foreign than tools of Moscow, but we must face realities and not indulge in wishful thinking. In all probability the Communists will control most, if not all, of the mainland whenever they see fit to take it. Their government will be one unfriendly to the United States. This is understandable if you recall the conflicting policies we have followed in dealing with the Chinese, and that we have been and still are backing an incompetent government which the Communists have defeated all along the line.

I have no more use for the ideologies of Communism as practiced by the totalitarian Politburo of Moscow than any real American should have. I believe in the principles of the Marshall Plan; and I endorse the Atlantic Pact. I think the only effective way to deal with Moscow is not the way of appeasement. We must decide what principles are right to stand for—and then stand. The world outside the Russian orbit faces a clever and ruthless enemy, whose one objective is to impose and spread its ideologies as widely as possible, by whatever means are feasible at the time. History teaches that a totalitarian power, dominated by one man or a few men, never stands still. Having established arbitrary control over its own people—teaching them one viewpoint and refusing them any opportunity for accurate knowledge—a totalitarian power which will not permit its people to travel outside its boundaries or permit foreigners free opportunities to travel within its possessions, must always remain a threat to those people accustomed to individual rights and freedom of speech and religion.
The victories of the Communists on China's mainland have had a widespread and disturbing effect on the world situation of today. The Communists control the most important part of China. Manchuria and North China, rich in coal deposits and material resources, form the backbone of the country. The psychological effect of Communist advances on the people of Japan, of countries south of China, as well as of the Philippines and of India is far-reaching. Many believe that Moscow, continuously aggressive on the European flank, has been and is more interested in the spreading of its ideologies in Asia than in Europe. The Western powers have centered their attention in the West and appear to have overlooked the importance of Moscow's Pacific flank. Recent happenings in China, evidenced by the shelling of British warships on the Yangtze last April, have brought plenty of face not only to Britain but to the United States as well; and never forget the possibility that a few ruthless, determined men with one objective, no matter what their nationality, can in a short time entirely dominate millions of their fellow countrymen. What has happened in Russia during the past thirty years is proof of this in itself.

Certainly no one can deny that the Chinese Communists are enemies of the United States and utterly opposed to any democratic form of government. We should use every means to stop the spread of their influence and control. But, what are the means open to accomplish this objective? We are critical, and properly so, of past mistakes we have made in China policy. The policy we have followed has been a failure—results speak for themselves. It is hard not to argue that military assistance is the only effective way to oppose the Chinese Communists—but do we want to go to extreme limits? Send half a million or more men, well-trained Americans in uniform, to actually conduct a war of our own on China's mainland? Would the Congress authorize that, and the necessary funds to conduct a large scale war? I do not think so; nor do I, personally, advocate it.

Can we conduct a successful military campaign by using only an air force? Perhaps much could be accomplished that way, for the time being; but would a successful air offensive be decisive? Would it not mean that success in the air would have to be followed by occupying ground troops? I cannot believe that the advocates of any such
plan, if there are any such advocates, can persuade the Congress and the American people to follow that line.

Now let us consider the important and rich Island of Formosa or Taiwan as it is now called. That island, lying between Japan and the Philippines, was largely settled by the Chinese some centuries ago; but was ceded to Japan after China lost the 1894 Sino-Japanese War. In the fifty years Japan ruled the island, she developed its resources and, although the economy was tied to Japan 100%, she gave the native Taiwanese a stable government and treated them with reasonable decency.

Come VJ Day and, pending the signing of a final peace treaty between Japan and the Allies, Taiwan was turned over to the Government of China, in accordance with an understanding reached at Cairo, November, 1943.

The record of the four-year Nationalist rule, during which the native Taiwanese were shamelessly exploited by carpet-bagging mainlanders, is disgraceful. The first Governor appointed by Chiang Kai-shek was a rapacious warlord. In February, 1947, a minor incident gave him an excuse to liquidate ruthlessly some thousands of Taiwanese who had resented the treatment accorded them.

During the past seven or eight months, many thousands of Nationalists from the mainland have taken refuge on the island—perhaps a million or more, including some 400-thousand of Nationalist military forces. There is every indication that the reactionary elements of the Kuomintang intend to use the island as a base from which to attack the Communists on the mainland.

Some of our topside military people believe it vital to our national security that Taiwan be not occupied or controlled by a government unfriendly to us; and some advocates going to any extreme if necessary, to prevent such a happening.

Technically, the future of the island cannot be decided until the Japanese peace treaty is signed; and it appears now there will be no early peace treaty.

A United Nations Trusteeship for this island has been suggested; but can we expect the Soviets to agree to that? And we face the fact that outright military occupation by us would afford plenty ammunition to Communist propaganda against so-called American imperialism; and,
more important, would alienate the sympathy of millions and millions of Orientals.

But the island does need our economic assistance. We might well consider spending ECA funds still uncommitted on that island for badly needed fertilizers and for capital expenditures to increase power production and to improve transportation facilities—provided a way could be found to insure that whoever controlled the government of that island would not only listen to but actually follow the directives of American advisors. This precaution must be taken to insure that our taxpayers' monies would be in no way wasted—and would be spent for the benefit of the Taiwanese, and not for the benefit of reactionary mainlanders.

That approach should be thoroughly explored today.

To get back to what we can do to check or neutralize the influence of Chinese Communism on the mainland—

As time goes on, the Communists will need more and more to trade with the outside world, principally through such ports as Tientsin and Shanghai. They will want to export and import, to buy and to sell. They cannot depend on Russia to supply their material needs; but Britain has many business interests in China; she still holds Hongkong; there is every indication she intends to keep the door open in China in order to continue her trade. It seems obvious that Britain and the United States should make every effort to agree on a policy toward the Chinese Communists. It is to our mutual advantage to do so.

I do not believe that economic blockade is the right approach. Such a policy would give notice to the world that we had, on our own initiative, abandoned our Chinese friends. It would give Moscow a free field in which to operate, and to justify the oft-repeated statement that American imperialism is selfish and cares nothing for the welfare of the Chinese people as a whole. For these reasons I am opposed to an economic blockade.

America has countless Chinese friends—people of education and capacity—whom the Chinese Communists will need to employ. Their position can be immeasurably strengthened if our skill is great enough and our patience enduring. The odds are stiff against us; but there is still a fighting
chance of our influencing the trend. If the friendship
of China cannot be won—at least the animosity of leading
Chinese Communists may be neutralized. In the long run,
there is the chance that Russian aim and restraint
will promote antagonism on which we can capitalize.

For the present my recommendations are as follows:

1. Continue American private business with the Chi-
inese, as far as it may be possible, in such a way as not to
enhance to any dangerous degree the very limited war poten-
tial of the country.

2. Extend all possible help to American endowed
enterprises—educational, medical, and missionary—efforts
being made to promote the continuation of the private
support which these enterprises have received in the past.

3. Keep open our Embassy and Consulates in China,
staffing them with the ablest personnel procurable, in
order that we may pit our best capacities against the
serious problems still to be faced. (See Note 3.)

4. The only practical way to keep the door open,
as well as to listen and observe what goes on behind the
bamboo curtain, is to accept the fact that we may soon
have to recognize in such areas as they control, the Com-
munist Government, as the de facto government, and be
prepared to recognize it whether or not we like it!

The snow-balling interest in China and the problems
of the entire Far East are hopeful indications that we are
aroused to the dangers and the difficulties confronting us
in these areas. This is a dark hour for China; but the
Chinese have a proverb:

"Better to light one candle than to curse the darkness."

Perhaps just our very awareness of the situation and
our desire to do something about it may provide the spark
which lights the candle.

Note 3. The U.S. Ambassador to China returned to Wash-
ton last month. The sub-Embassy and Consular offices at Canton
recently were closed and since this address was made the State
Department has announced the closing of the Consulate at Hankow
as well as staff reductions in other Consulate offices in China.
In closing, let me emphasize this—I have no wish to take sides in a Democratic-Republican political fight about our foreign policy toward China. I hope that this country can develop a real bi-partisan policy toward China, as well as toward every other country we have relations with. On the other hand, any Administration is responsible under the Constitution for the direction of foreign policy; and can be and should be called upon by interested citizens to explain its motives and actions.

As Mayor of San Francisco, I always tried to call my shots as I saw them. This is what I am doing today in attempting to comment briefly on one of the most confused and complex problems which has ever faced our State Department. My views may not be the same tomorrow or a few months from now. For there is one thing my year in China taught me—you cannot afford to hold fixed ideas. You must keep your thinking fluid, facing things as they are and not as you would like them to be.
January 5, 1950

Honorable Herbert Hoover,
Waldorf Astoria Hotel,
New York.

Dear Mr. Hoover:

I was somewhat surprised when I read the text of your January second letter, addressed to Senator Knowland—not so much because of your belief that we should not recognize the Communist Government in China but more because you advocate continuing support to the Nationalist Government, and further that you advocate that the United States Navy be instructed to protect the Nationalist Government in Formosa, the Pescadores, and possibly in Hainan.

I know that you have had a much broader experience in foreign affairs than almost any other living American. I had the pleasure of being one of the great many who served under you in the American Relief Administration. You may recall also that I was with Ed Flesh in London in 1919 and I still treasure a certificate signed by you as United States Food Administrator and Director General of Relief. Incidentally, I was very sorry to learn of Ed Flesh's death several weeks ago. He was a fine man and a good boss.

Some months after my term as Mayor of San Francisco expired, I accepted an appointment from Paul Hoffman to serve as Chief of the ECA Mission to China. I arrived in Shanghai June 7, 1948 and left Canton for home at the end of May, 1949. While I had paid two brief visits to China previously, I could not represent myself as an old China hand, nor do I feel that my year there as Mission Chief qualifies me as a China expert.

However, I did receive some intensive education during my service with the ECA representing "Uncle Sugar". Our Mission handled innumerable requests for economic aid. Necessarily I worked very closely with Ambassador Stuart, whom I got to know well, and toward whom I have the
warmest feelings and the greatest respect. It is most unfortunate that since his return to Washington he has suffered a stroke and I am afraid is permanently out of commission.

Our Mission also worked closely with our Navy forces, commanded by Admiral Oscar Badger; and we were in frequent touch with Major General Barr heading the Army Advisory Group, as well as with our military and naval attaches; also with the Consuls General and Consuls located in the areas served by the ECA. While my contact with Chiang was limited to a few meetings, at which Ambassador Stuart in every case acted as interpreter, our Mission did have frequent and continuing conferences with three different Prime Ministers and with other Ministers whose duty it was to cooperate with ECA.

Necessarily we had to keep in close touch with the military situation as we were directed by Washington to cease operations in any areas controlled by the Communists--finally having to withdraw from Tientsin and Peiping early last January, from Nanking and Tsingtao later in the Spring. When Shanghai fell in late May, ECA operations were limited to the Canton area and Formosa -- and that on a very minor scale.

We dealt also with all the problems arising from currency inflation. When we first arrived early June 1948, the exchange rate was 1,400,000 Chinese to US $1. By August 19, it had risen to 12,000,000 to US $1. At that time, the Nationalist Government instituted its so-called currency reform and endeavored to hold the new currency and exchange rate at 4-1, at the same time freezing prices and wages. With the collapse on the military front and no effort made to cut expenditures or increase revenues, that currency went by the board; and the confidence of the people in the Nationalist Government was completely shaken. Chiang became a thoroughly discredited man.

While I am no longer on the ECA payroll, having resigned on June 30th last, I have kept in touch with recent developments in China. I have talked with a great many people who have passed through San Francisco, returning from China in the past few months--government people, business people, and others.

I enclose a copy of a talk I made before the Commonwealth Club in San Francisco last September, also a memorandum.
dated December 28, 1949, giving my present views.

For the life of me I cannot stomach the thought of continuing any kind of support, military or otherwise, to Chiang and what remains of the Kuomintang Party, now holed up in Formosa. I deplore as much as you do the spread of Moscow influence in China and the Far East. I am sure the American people are pretty well convinced by this time that the spread of that influence is a threat to our national security. From now on, it is just a question of what methods to use to combat that spreading influence. Of course there can be plenty of honest differences of opinion as to the proper method.

I know that the State Department can be criticized plenty for what it has done or failed to do in China in recent years; but, while I am a registered Republican, I do hope that our future policy toward China and the Far East will not become a domestic political football. As a plain American citizen, with children and grandchildren, I am thinking of the future more than of the past.

Almost a year ago, I called on General MacArthur in Tokyo, to get his views about Formosa. The General was outspoken, and said in no uncertain terms that the national security of the United States would be in danger if Formosa was occupied by an unfriendly government. Events have moved swiftly since then. If we now take aggressive steps to support the remnants of an unsuccessful and incompetent government on that Island, we will I believe not only incur the further enmity of the Communist regime on the mainland; but what is far more important will arouse the antagonism of other governments in the Asian crescent including India and Pakistan. Russia, of course, will play up the imperialistic aims of the United States; and we will run counter to the feeling of nationalism which has been slowly but surely growing among the peoples of the Far East—the feeling that while the Western powers may be more efficient and competent, nevertheless they want to run their own show.

If it is decided at the highest levels in Washington that Formosa must be held by a government friendly to the United States, and that we are willing to risk war to insure that, then let us take the bull by the horns. Tell Chiang and his crowd to step aside—using force if necessary. Tell the native Formosans and the rest of the world that we are occupying Formosa, not to use it as a military
springboard for military operations against the mainland, but to develop the Island for the benefit of the native Formosans, who as you must know have been dreadfully exploited by the Kuomintang ever since V-J Day.

Further, assure the world that we are only stepping in on a protectorate basis. After all, our own military strength released Formosa from Japanese domination. China played no real part in freeing that Island. Of course we will have difficulty in selling the rest of the world, our good intentions. Hell has always been paved with good intentions. We will be taking unilateral action outside the United Nations.

No matter what action Washington determines, we will be in for plenty of trouble. As former Commander-in-Chief, you know the heavy burden borne by any man who occupies the White House. No one not on the inside can correctly estimate the effect of aggressive action on Formosa and what it may lead to—but the one point I emphasize over and over again is: Let's not take any affirmative action at all if it means we back Chiang and his discredited leadership.

I know Senator Knowland as well as others still think Chiang can do his stuff; but, if you had talked with as many people as I have during and since my year in China—not only with Americans but with many Chinese who opened up to me confidentially—I feel sure you would believe, as I do, that in supporting Chiang further, we would be buying ourselves only more and more grief. As one American who has served a long time in China under the Nationalist Government recently put it to me—"Chiang has more friends in Congress and in Rockefeller Center than he has in all China".

I hope that I have not offended you—but I just could not help but give my own views for whatever they may be worth.

With best regards,

Sincerely,

Roger D. Lapham

Enclosures
Airmail
RDE:
H
W
HERBERT HOOVER

COPY

The Waldorf Astoria Towers
New York, New York
January 9, 1950

My dear Mr. Lapham:

I am glad to have had your letter.

The trouble with all these proposals is that they do not go to the roots of the problem -- our relations with the Communist Government of China and the defense of the Pacific. They are schemes of scuttle and run.

With kind regards,

Yours faithfully,

/s/ Herbert Hoover

The Honorable Roger D. Lapham
215 Market Street,
San Francisco, California
MEMORANDUM OF EXPLANATION

On September 8, 1949, I spoke before the Commonwealth Club of Northern California, at San Francisco, on the subject, "THE CHINESE SITUATION AS I SAW IT". This talk, prepared for a radio re-broadcast and necessarily limited as to time, described the activities of the ECA Mission to China during the year ending June, 1949. I pointed out the difficulties faced by the Mission, expressed some personal opinions as to the shortcomings of the Nationalist Government, and ended by making certain recommendations. These were:

1. Continue American private business with the Chinese as far as it may be possible, in such a way as not to enhance to any dangerous degree the very limited war potential of the country.

2. Extend all possible help to American endowed enterprises—educational, medical, and missionary—efforts being made to promote the continuation of the private support which these enterprises have received in the past.

3. Keep open our Embassy and Consulates in China, staffing them with the ablest personnel procurable, in order that we may pit our best capacities against the serious problems still to be faced.

4. The only practical way to keep the door open, as well as to listen and observe what goes on behind the bamboo curtain, is to accept the fact that we may soon have to recognize in such areas as they control, the Communist Government, as the de facto Government, and be prepared to recognize it whether we like it or not!

Almost four months have passed since my talk was made; and today, the question of recognizing the Chinese Communists is becoming more and more debated. I have been asked what reasons prompted my recommendations; and this memorandum is written to explain the reasons why I think it is in the
best interests of the United States to prepare, in the near future, to recognize the Chinese Communists, not only as the de facto government but very likely as the de jure one.

While four months ago, the Communists had not secured control of as much of the mainland of China as they have today, it was apparent that, barring unforeseen miracles, what has happened, would happen. The collapse of the Kuomintang government both on the military and the economic fronts has been a continuing and an accelerating one. The strategic islands of Formosa (Taiwan) and Hainan still remain under Nationalist control; but there is good reason to believe—again barring unforeseen miracles, as well as possible but not probable affirmative action by the United States—that these two islands will fall to the Communists in the not too distant future. It seems plain that the Chinese Communist objective is to drive Chiang and the Kuomintang Party off all Chinese soil; and that every effort will be exerted to accomplish that objective as soon as possible.

Before I made my definite recommendations last September, I considered certain alternatives:

(A) A vigorous and continued opposition to the Chinese Communist regime by the United States. Such a policy I assumed would require our support of any acceptable Chinese anti-Communist opposition both by military and economic means. At this late date it is plain that economic means would have to be subordinated to military means. This policy then would require active and open military support to what remains of the Nationalist Government; or failing that, support of some other Chinese group as yet unknown, which might be encouraged to resist the Communists. It is plain that any anti-Communist military resistance would not only have to be supported by arms and ammunition supplied by the United States but also would require direct military supervision by the United States along strategic as well as tactical lines. Few competent observers now believe that Chiang and what remains of the Kuomintang Party could accomplish anything even with our military support and supervision. Chiang has lost the confidence of his people, due to his recent failure as a military commander as well as his inability to prevent a collapse on the economic front. Without going into great detail, one thing stands out—the Nationalist military forces, ground troops, navy, and air force,
have been defeated by the Chinese Communists who, at the outset had fewer troops, were not as well equipped, and who had no airforce or navy. This defeat can be attributed to an obstinate leader, unwilling to delegate authority, and giving preference to favorites rather than seeking the most competent assistance. I am convinced that it would be a down-the-rat-hole policy to even consider backing Chiang’s leadership.

Nor can I believe trying now to find some untried or unknown leadership is either practical or feasible. Therefore, I give up the idea of vigorous and tenacious opposition to the Chinese Communist regime by backing Chiang, or anyone else, with military or economic aid.

(B) The next alternative might be classified as abandonment. Pull out of China altogether and close down what remains of our Embassy and Consular staffs. Then impose an economic blockade and leave those Americans still in China, whether businessmen, teachers, missionaries (medical or otherwise) to shift for themselves as best they can. This policy would be one of pulling down the iron curtain, ourselves; giving notice to the world, as well as to the many Chinese friends of the United States, that we are through. It can be argued that letting the Chinese Communists stew in their own juice might eventually result in their complete collapse; that somehow or other the great mass of the Chinese people would finally turn on their Communist leaders and, through a series of revolutions, throw them out. That may be -- but I do not think so. Pulling down the iron curtain, ourselves, would give a free field to Moscow to use, unopposed, all the influence it could bring to bear to keep China in the Russian orbit. I don’t like the idea of running away, nor can I believe temporary abandonment would create the situation hoped for. Therefore I discard that policy.

(C) Another alternative advanced is to let things drift as they are. Don’t impose an economic or diplomatic blockade. The Chinese Communists will need to trade with the United States and other Western powers -- so let our businessmen as well as our missionaries and others interested in the welfare of the Chinese people
do what they can without any assistance from Washington. It is hard to advocate a drifting, do-nothing policy of this kind -- particularly as there is every evidence that Great Britain and other members of her Commonwealth are considering the affirmative action of recognition. It would appear the longer we follow a drifting policy, the harder it will be for the few Americans left in China to keep going.

Instinctively I react against the negative approach. It usually gets one nowhere. I cannot believe a drifting, stalling policy is the right one to follow.

By elimination then, what other policy can we consider?

First, let us pause for an overall look around. In my opinion, the world today faces an underlying struggle between the type of government offered by the totalitarian Russian Politburo and the democracies of the United States and other western countries. I define democracy as self-government under law -- the right of a people to choose its own form of government under free elections, and to change that form of government if the people so desire -- whether the trend be toward State Socialism or Capitalism.

Under Moscow rule, the people are the absolute servants of the State -- a State controlled by a dictator or a group of dictators. The people of those countries are allowed no freedom of movement, can read or listen only to what their leaders prescribe and have no opportunity to judge for themselves. It has become increasingly plain, mainly through Russia's actions in the United Nations, that you cannot reach an agreement with that government and count on observance. The teachings of Lenin clearly demonstrate that any means justifies the end and the end is to impose Russia's will on all of us.

The only threat, military or otherwise, to our national security today is the Moscow Politburo. Our objective is, and must be, to contain the spread of Moscow influence whether it be in Western Europe, the Far East, or any other part of the world. We hope, if we play our cards right, to avoid a hot war; but we have pretty well accepted the fact today that, to avoid a hot war, we must fight a cold war.
I believe that cold war can best be waged by ideas--trying to convince other peoples by what we say and do that they would be better off under self-government by law, than by following the Moscow pattern. That policy cannot be effectively carried out by statements from Washington or by VOICE OF AMERICA broadcasts. We must have Americans on the spot, willing and able to counteract the Moscow ideologies.

How best can this be accomplished in China?

If we are anxious to keep in China the few Americans who now remain there, whether businessmen or welfare people, we must not withdraw our diplomatic representatives. But how can our representatives do anything to help those few Americans unless we are ready to recognize and deal with the government in control, whether we like that type of government or not? Some argue that it is useless even to try to deal with the Chinese Communists because we know they won't carry out any understandings reached. That may be--but how are we to prove it unless we try it out?

Are we to assume that what has happened in Eastern Europe is certain to be repeated in China? On the surface, I admit that the odds are all against us--the statements of Mao Tse-tung, the treatment of Consul General Ward--all point to impossibilities.

But remember that we have taken part recently in a Chinese Civil War. We have supplied military and economic aid to an incompetent Nationalist Government which has lost out on all fronts. The Communists can rightly claim that we only delayed the collapse of this incompetent government.

When you have lost out by trying one means, why not try another? To date, Moscow has played its cards well. So far, it has not taken part, at least in the front lines, in the Chinese Civil War.

But the big $^64$ question--which won't be answered this year or next year, and perhaps for many years--is whether or not, eventually, the Chinese Communist leadership is going to turn more Nationalist than Moscow-dominated?

If Russia attempts to impose more directly, its will and control, perhaps the anti-foreign feeling always prevalent in China may well be turned against Russia, rather than
against us. So much depends upon how we play our cards, as well as how well Russia plays hers.

Considering the various alternatives, I came to a definite conclusion -- the best chance of restraining the spread of Moscow influence in China is to recognize the Chinese Communist regime. It appears to me that is the best practical method left today to accomplish our objective.

I cannot go along with those who think it is wrong in principle to even try to deal with the Chinese Communists on the assumption they are 100% followers of the Moscow Politburo and will remain followers indefinitely. Time only will prove or disprove that assumption.

In reaching this conclusion I have not overlooked what adverse psychological reactions it may have in such countries as Japan, the Philippines, and other nations in the Asian sphere. Many will take it as an about-face as well as implying approval of a type of government rather than a mere recognition of a government which controls.

The Chinese Communist victory is not a coup d'etat. It is the outcome of a long Civil War, in the closing years of which the United States backed the incompetent losers.

We have observed in Asia and elsewhere the rising urge of different peoples to run their own show; and in China, the resentment of the treatment dealt out in past years by Western nations which sought and acquired, by force majeur, concessions and extra-territorial privileges. Recognition now might be considered as an admission on our part that henceforth we will stand aside and not take part in a civil war as we have recently in China.

We can and should insist on the open door policy in Asia. We should expect that China will accord no special, nor any greater privileges to any one nation than to another.

I realize that so long as the Nationalist Government controls Formosa, it will be difficult to accord recognition to the Chinese Communists on the mainland. The CHINA AID ACT of April 1948 is still on the books; and that ACT provides aid only for the Nationalist Government.

If, as has been suggested, Washington takes affirmative action to make certain that the government of Formosa
remains one friendly to the United States, then we face a very delicate situation. Any decision with respect to such affirmative action on Formosa can be dealt with only at the highest levels in Washington and with every consideration given as to the effect of such action on the overall conflict between Russia and those nations which oppose the spread of Politburo power. And further consideration must be given to the effect such affirmative action might have on countries such as India which is not anxious to take sides as between Moscow and the Western democracies.

I am strongly opposed to any affirmative action on Formosa that would permit the use of that island as a base for military operations against the Communists on the mainland. The objective should be to make Formosa the Switzerland of the Pacific—a country to be governed for the benefit of the native Formosans, and not to be maintained as the last Nationalist stronghold.

ROGER D. LAPHAM
SUBSTANCE OF A TALK ON CHINA AND THE FAR EAST

made by

Roger D. Lapham

BEFORE THE INSTITUTE OF PACIFIC RELATIONS - NORTHWEST GROUP

at Seattle, March 6, 1950

RECOGNITION OF CHINESE COMMUNISTS:

In a public talk early last September anticipating the occupation of China's mainland by the Chinese Communists, I recommended that the United States be prepared to recognize the Communist Government, whether we liked it or not. Later--December 28--in a memorandum, I outlined my reasons for reaching the conclusion that recognition was the only practical way to keep Americans in China in order to offset the spread of Moscow influence in that country.

I reached this conclusion by the process of elimination, believing first, that any further military aid either direct or indirect--to any anti-Communist group in China, particularly what remains of the Nationalist Government under Chiang-kai-shek, would be a total waste of money and effort.

Secondly, I could not believe that the complete abandonment and withdrawal of our embassy and consular staffs in China was the right course to pursue. That would be giving notice to the world that of our own volition we were quitting the many Chinese friends we still had left in China.

In the third place, I do not believe in an economic blockade. It is possible, but highly improbable that the collapse of the Communist Government may eventually take place, due to its inability to handle successfully the terrific problems of administering and governing such a huge and loosely-knit country. But I do not believe that this could be brought about or perceptibly hastened by any economic blockade.
Therefore it seemed to me that the only practical way to keep Americans in China -- our businessmen, teachers, and missionaries -- was to strengthen our diplomatic representation; and recognition seemed essential in order to achieve any success whatever along those lines. I had assumed, despite various incidents and the insulting treatment which our diplomatic representatives had received, that the Chinese Communists really wanted recognition to facilitate trade and normal contact with Western powers.

What happened in Peiping last January, now seems to indicate that the Communists want us out. A demand was served on our Consul-General that certain buildings in his compound, which we had peacefully occupied for some fifty years -- our possession confirmed a few years ago by treaty -- be turned over to Communist authorities. Our State Department protested; and served notice that, if these buildings were seized, then all our diplomatic representatives whether in Peiping or elsewhere in China, would be withdrawn. Some Americans have questioned the wisdom of State Department's action in serving the ultimatum: "If you do that, we will do this" -- because it left no way open to keep our representatives in China if the Communists seized our properties, as they eventually did. Those Americans felt it essential to keep on-the-spot contacts with the Chinese people. Therefore, no matter how disagreeable it might be for our foreign service officers assigned to that difficult task, our long-range interests required continuing efforts to maintain such spot contacts.

But what is done is done; and so today, the question of recognition is a dead bird. Recognition must be a mutual affair; and, until there is some evidence that the Communists want recognition and are willing to extend to our diplomatic representatives the usual protection and privileges accorded by international custom, we must accept the situation as it is, and wait for a change of attitude. And that change may not come for quite a while. So we are now abandoning China -- forced out, if you please -- although some Americans still wonder whether we did the wise thing in making it easy for the Communists to compel our withdrawal.

We cannot overlook the fact, however, that our State Department had initiated a policy of withdrawal some months previously. Last August, weeks before the Communists occupied Canton, our Minister and Consul-General with their
staffs moved out lock, stock and barrel—while Britain and other nations still kept their representatives in Canton, to await Communist occupation. About the same time, we closed our Consul-General's office in Chungking and cut down our consular staff in Shanghai. Today, what few Americans are left on the Chinese mainland must shift for themselves. They have no representatives of their Government to whom to appeal—even though such representa-tives, had they remained, might have been able to do little or nothing for them.

These are the facts,—however disagreeable and dis-comfitting as they may be. In August, 1945, our influence in China predominated. Today, little is left.

FORMOSA

Recently there has been much discussion in the press and by Congress as to our policy towards this Island. Early last January, President Truman announced the policy of no further military support to the Nationalist Government, now holed up in Formosa,—no further expenditure of our taxpayers' monies to furnish arms and munitions, or military advice. However a limited amount of such monies remaining from ECA funds were authorized for economic aid to the people of the Island, as long as the Nationalist Government retains control.

Prior to that announcement, there had been much talk that it was essential to our national security that the Island be not occupied by a government unfriendly to the United States. It was argued that Formosa, lying between the Philippines, and Okinawa and Japan be protected at all costs from occupation by the Chinese Communists. Ex-President Hoover went so far as to state:

"It is my strong belief that we should not recognize the Communist government of China; that we must continue to recognize and support the National Government; that we should, if necessary, give it naval protection to the possessions of Formosa, the Pescadores, and possibly Hainan Islands."

Senator Knowland and other Senators and Congressmen voiced similar opinions. Unfortunately the debate on what to do about Formosa, as well as what to do about China, and
other Far Eastern countries has become more and more of a domestic political issue and I will comment further about that aspect later -- but first something about the Island itself.

At the Cairo Conference, December 1943, where President Roosevelt met with Chiang-kai-shek and Winston Churchill, it was agreed that, when Japan was defeated, the Chinese Republic would take over Formosa and rule it until such time as a peace treaty with Japan was finally signed. But there was no doubt then that the Island, originally a possession of China, would remain hers after the peace was ratified.

When the Nationalists took over after V-J Day, Chiang appointed a Governor who proved to be a ruthless warlord. He treated the Formosans as a conquered race rather than as a people restored to their own allegiance. They were exploited right and left, and, as a result of a minor incident, some thousands of topside Formosans were cold-bloodedly liquidated three years ago. For more than eighteen months now, the Island has become a refuge for many wealthy mainland Chinese, Kuomintang Party people, who fled to it as the Communists advanced. The present Governor, X. C. Wu, formerly mayor of Shanghai and an able and competent administrator, is now doing his best to institute reforms long overdue; but Formosa is overcrowded, and its internal economy badly strained.

Today what remains of the Nationalist military forces --Army, Navy, and Air--is based on the Island; and from that base, Nationalist airplanes have bombed and are still bombing Shanghai and other mainland centers. Unquestionably the Communists resent the fact that the Nationalist airforce was equipped and trained by the United States. They feel we are still taking an active part in a civil war; and we are blamed for the damage which the Nationalist planes have inflicted on the mainland. Because of these military offensives based on Formosa, the Communists must sooner or later inevitably attempt seizure of the Island.

It has been suggested that as long as the Japanese peace treaty is not yet signed, the United Nations might conduct a plebiscite among the Island's inhabitants to determine who should govern them. Obviously, with Russia exercising its veto power, there is no hope that any such
plebiscite could be held under United Nations auspices. Another suggestion is that by unilateral action, the United States might take over Formosa, and govern it temporarily as a protectorate until such time as the Formosans are prepared and able to defend themselves.

I believe it would be a grave mistake, if as suggested by Mr. Hoover and others, we should take aggressive action to protect what remains of the Nationalist Government on Formosa, even though that Government is the only anti-Communist group remaining. If we did anything at all along those lines—and I am not advocating it—we should do it on the basis of setting up a protectorate for the Formosans—but not to create a safety zone for the Nationalist Government to use as a base for further military operations against the Communists on the mainland.

I believe any such aggressive action cannot be considered from the standpoint of Formosa alone. We must think of its effect on all the peoples of the Far East, including India. Some may argue that such action would give encouragement to the non-communist peoples of Asia—those who fear the spread of Moscow influence and would welcome affirmative American action. On the other hand, we would be charged with taking steps which might initiate a third world war. We would play into the hands of Moscow and its satellites who, irrespective of what good intentions we might claim, would shout to high heaven that such aggressive action proved our imperialistic ambitions. All in all, I am convinced that President Truman did the right thing in refusing to furnish further military support to Chiang or take any part in protecting Formosa from Communist attacks.

Those who have studied the trend in Asia over the past fifty years, recognize an ever-growing nationalistic urge—the desire of those peoples to run their own show. That desire has been recognized by the British, who yielded to the demands of India and Pakistan, and voluntarily gave up control not only in India and Pakistan but in Burma as well. That desire has been recognized also by the Dutch, who have reluctantly bowed to the will of Indonesia to run itself. France is now faced with a difficult situation in Indo-China—apparently the next Asian area threatened by aggressive Communist expansion. The finger of spreading nationalistic ambition points the trend; and perhaps—notwithstanding political repercussions in France itself,
Paris might be well advised to follow the lead of Britain and the Netherlands in yielding to what now appears almost inevitable.

It may well be that the Western Nations will have to pay for the sins committed by their forebears such as the seizure of rich treaty ports and concessions wrested from local governments powerless to resist aggression.

Go back to the bombastic statements made by Kaiser Wilhelm II when he dispatched his soldiers to punish the Chinese who took part in the Boxer Rebellion of 1900—something along the lines of "Slay without mercy—make the misguided Chinese remember what it means if they touch a German citizen!" And the Japanese did their bit in developing the co-Asia idea—"Asia for the Asians". Ghandi, for motives different from those of the Japanese warlords, wanted India for the Indians.

Here I revert to our national capital and the tendency to make a political football of Far East foreign policy. There is much talk of past mistakes—of what the State Department has done or failed to do. Commentators cry aloud over the milk that has been spilt—complaining the fact that while our eyes have been riveted on Europe the rising Red Star of Moscow has spread its baneful influence over an area where more than a billion people dwell—whose rulers are, or soon may be—potential enemies threatening America's national security. Much talk if only General Stillwell had been more of a diplomat or if only President Roosevelt had not made that secret deal at Yalta, the Nationalist Government would never have collapsed—and why did we assign to General Marshall the impossible task of trying to force a Kuomintang-Communist coalition.

We have short memories—a few years ago most Americans thought our Russian war allies were good guys—no reason to think Moscow was a potential enemy—certainly no economic reason for Moscow to seek territorial expansion (as might be argued in the case of Japan and Germany.) Surely no reason to believe why any possible differences between Washington and Moscow could not be ironed out in a face to face conference—reasonable men dealing with reasonable men.

Well—that is not the prevailing American feeling today—as evidenced by our acceptance of "Cold War conditions" in the hope of preventing a third hot war.
Why this change of feeling in such a short time? Analyze it and I think you will agree with me—that the United Nations has proved its value as an international sounding board. Moscow by its words and actions—its ridiculous statements and arbitrary vetoes has put us all on notice that the immediate future of free nations and free peoples is something for all of us not only to worry and think about, but above all to do something about; and let me emphasize that there is no justification for making a political football of a situation which calls for cool, objective treatment if we Americans are going to play our part in world leadership—a role we cannot escape. I say damn those who would torpedo our national security—Republicans and Democrats alike—for the sake of personal or party gain.

The expression "Bi-partisan policy" should be translated into action by the best minds on both sides of the political fence in a united endeavor to solve a situation which sooner or later will affect every man, woman, and child now living in this troubled world.

One thing stands out today—we are not going to check the spread of Marxian ideology as directed by the totalitarian Moscow rulers by military means. If we are to convince the peoples of Asia of the worth of democracy as we define it—we cannot do so at the point of a gun. Other methods must be sought and found. What other methods?

POINT #4

The ideas expressed by President Truman in his inaugural address of January a year ago, although set forth in glamorous and general terms, have merit if they can be put into practical effect. The thought is to furnish our technical know-how to the peoples of those countries who would like to have it, to help raise the standards of living abroad; to teach some things we have learned ourselves, in establishing in this country the highest standards of living anywhere in the world to date. There is no doubt that other peoples look upon us with envious admiration, even though their leaders may shout "IMPERIALISTS!"

If Point #4's primary objective is to raise the standards of living elsewhere, then we should concentrate on the inhabitants living on the lower levels no matter what their race, color, or religion—or even the type of government which controls them.
In a limited way we tried out Point No. 4 in China, through the instrument of JCRR -- JOINT RURAL RECONSTRUCTION COMMISSION. The China Aid Act of 1948 created this Commission made up of three Chinese and two Americans and financed by EOA. Unfortunately the Commission was not organized or ready to function until late 1948 and, because directives from Washington forbade expenditures in areas controlled by Communists, the field in which it could operate was rapidly restricted. However, in that limited period, a real start was made to do something on a small scale for the rural peoples, the Chinese who eke out a living from the products of the land, and who are not so much interested in what type of government controls them, as they are in trying to produce enough food for themselves and their families, and a bit extra to lay by.

With a small staff of engineers progress was made in re-building dykes for land reclamation, for flood control, for repair and promotion of irrigation projects. The Commission sought to improve methods of farming, study and improvement of seeds suitable for different kinds of soil, pest control, and similar matters. The Commission went into the subject of land tenure, seeking ways to prevent landlord exploitation of farmer tenants. It looked into public health and medical care.

The Commission lent assistance to the mass education movement -- the movement initiated by Jimmy Yen thirty years ago -- to promote literacy among adults as well as among children.

With a relatively small staff -- a few Americans and a few more Chinese, the Commission concentrated on teaching Chinese who might go back to their villages and counties and, in turn, pass on what they had learned to their neighbors.

One interesting experiment was tried out in North West China by an American on the JCRR Commission. He revived the ancient rug weaving industry in one of the districts -- getting the peasants to bring in the wool, making his own vegetable dyes from roots and flowers; at first finding the old men who knew the old patterns and later on enlisting an American artist to send him sketches of more modern Chinese designs to be used in rugs intended for export. Production was well under way when the approach of the Communist Army forced the Americans out on the last plane
that left. And this same imaginative American came back with the suggestion of putting basketballs in every village as an inexpensive method of attracting the young people and starting a youth center.

Looking backward, it is unfortunate that some such type of aid, requiring relatively few American dollars, was not started in China right after V-J Day. Had it been, much might have been accomplished to offset the spread of Communist influence. The Nationalist collapse was in no small measure due to the failure of its government to look after the welfare of the countryside—the great mass of people who depend on farming for a living. Chiang promised these people many reforms; but failed to carry them out. The greater part of economic aid furnished by ECA was given to a few of the great urban centers which, for many years past, have prospered at the expense of the countryside.

This JCRR type of economic aid, effectively applied to raise the standards of the lower levels, is in my opinion the best thing we can do today to check the spread of Moscow influence in Asian areas; BUT...and this is a big but...its success will depend on the Americans appointed to administer this type of aid. If we are to make such aid effective in the field, we must recruit Americans willing and able to live and work with the people of those countries to which they are sent—Americans with creative imagination, with the know-how of persuading and teaching—preferably, of course in the native language, and imbued with a crusading spirit to improve the living conditions of their fellow-men. Given a few Americans of this kind, whether they be engineers, doctors, teachers, or agricultural experts, I am confident that more can be done to sell our ideas of democracy than could be accomplished by crack divisions on the battlefront.

BUT...and this again is a big but...if we send out Americans selected primarily for political reasons, or bureaucrats unwilling to stick their necks out, the result might well prove more damaging than if Point No. 4 had never been thought of. Any mission sent into the field should be given the widest latitude, and not bound strictly to follow detailed directives issued from Washington. No set of identical rules and formulas drawn up in Washington can be uniformly applied to the different peoples we hope to influence; if the missions we send out
are to get results, they will have to be given the authority to determine on the spot what the people need most, and then through trial and error, determine the best ways of fulfilling such needs, not only to get the most for our dollars, but to achieve the main objective, building up American influence to offset Moscow's ideologies and methods.

While we will need approval and concurrence from the government leaders of the people to whom we seek to render aid under Point No. 4, such aid should be applied from the bottom up--rather than from the top down. Plenty of administrative finesse will be called for in those who are picked for this difficult task.

The Communists now in control of the Chinese mainland may oppose any such aid offered by America; and for that matter, Congress now forbids the use of our taxpayers' moneys for aid to those peoples now living in Communist-governed areas. Some Americans feel that this is shortsighted. Why not try to find out whether or not we might be able to help feed the people controlled by the Chinese Communists now threatened--if the newspaper reports are correct--with one of the worst famines in history. This suggestion was made the other day: we have a large surplus of potatoes, eggs, and other items which seem to be embarrassing to us at this time. The press reports that our Government buys potatoes @ $1.50 per 100 lbs., and sells them (for non-eating purposes) @ .01c per 100 lbs. Why not send a few shiploads of potatoes to China, advertise that if they let these ships dock and unload, the potatoes will be given away to the Chinese people who need food, whether they be Communists or not.

Maybe a crazy idea, although an imaginative one. But after all, when we have tried methods which have failed, perhaps it may be worth while to try other methods, crazy or not! Moscow has concentrated on the development of propaganda; and if, as I believe, military means cannot win a cold war in the Far East, let's develop counter-propaganda ideas of our own.

The avowed objective of the Marshall Plan is to help the peoples of the world to help themselves. America has led the world for over a century in inventive genius and enormous productivity, plus her ability to sell her products in a world-wide market. Must she now admit that she can sell material products only, and fail completely in selling
her faith in her concept of democracy, her confidence in better living for peoples other than her own? Point No. 4 may become a true turning point in history; it may be considered too altruistic - almost impossible of achievement - too long and too thorny a row to hoe; but we are a young and vigorous nation with a tremendous reservoir of talented, educated youth to draw upon. Isn't it better to draw upon that reservoir for a huge, constructive effort now, - while there is still time, instead of waiting for the cold war to turn into a hot one, - and then call upon them to go out and be killed?

There is an old saying that "you can't be killed for trying," so perhaps we should take our stand and say with Longfellow:

"Let us then be up and doing,
With a heart for any fate;
Still achieving, still pursuing,
Learn to labor and to wait."

Granted that whatever course we pursue will be a difficult one - granted that even our goal is none too clear - it seems to me that the time has come for all of us to be up and doing if only in the line of constructive thinking; realizing fully that no effort will be crowned with immediate success, but trying to "Learn to labor - and to wait."
THE FUND FOR THE REPUBLIC INC.
60 East 42nd Street
New York 17, New York

January 3, 1956

Mr. Roger D. Lapham
215 Market Street
San Francisco 5, California

Dear Roger:

Your acceptance of the invitation extended you to join the Board of Directors of the Fund for the Republic means much to me. We have been together in some tough fights and I know that you are wise and stout-hearted. The fund has need of your wisdom and courage.

You asked me to reduce to writing the conversations which we have had relative to the policies, program and future of the Fund which led to your acceptance of our invitation.

The first point I made was that the Fund has an unusual opportunity to make a significant contribution to the free world in its struggle with communism. Out of our Marshall Plan experience you and I both learned that the Kremlin was and is in deadly earnest about communizing the world. We became aware that the struggle between the Kremlin and the free world is "the battle of the century for the century."

If the United States as the leader of the free world is to meet its responsibilities in this epic struggle, there is need of 1) the acquisition of much more knowledge of the communist conspiracy in the U.S.A. than is presently available, 2) a much broader understanding of those elements in our free society which have given that society its great strength, and 3) respect throughout the world for the United States as a free and moral society. The program of the Fund is aimed at making contributions in all three of these areas.

The Fund has already completed several projects which have added to our knowledge of the communist movement and
has under way a project, under the direction of Dr. Clinton Rossiter of Cornell, for a comprehensive history of the communist movement. When this study is completed, we should know not only where the communists failed but where they succeeded, and should have a much better understanding of the methods which led to their success or failure.

When we speak about keeping America strong we mean much more than simple military strength. Many factors have contributed toward making our free society the strongest in the world. Among them, freedom itself must be given first place. Fortunately for us, our forefathers defined freedom in our Bill of Rights. Under the Bill of Rights we Americans were guaranteed that our government would not interfere with our right to speak freely on any subject we chose; to assemble freely with others for any peaceful purpose; to worship our God in our own way; to be equal with every other American before the law; to be secure in our persons and our property; to be free from unreasonable arrests or detention without real cause; and to a fair and public trial if accused of any crime.

Almost everyone gives lip service to the Bill of Rights, but it was and is a highly controversial document. No one questions freedom of speech in the abstract, but when tested there are those who think that freedom of speech should be limited to assentors and not dissenters. And the same difficulty is discovered when the attempt is made to apply the other liberties set forth in the Bill of Rights. Every generation of Americans has faced the task of keeping the Bill of Rights a living document. Twice in my lifetime it has been under great threat--first, by the Ku Klux Klan, and, in the recent past, by McCarthyism. I believe the Fund must take as its special mission the work of promoting an understanding of the vital role that the Bill of Rights has played and must play in keeping our society strong and dynamic.

The struggle between the free nations and communism is, of course, global in character. The United States must have the respect of the other free nations if we are to win out in that struggle. Whether we gain that respect depends largely upon what we do about "equality of opportunity." Everyone supports this concept in theory but when action is taken to make a reality of it, racism and prejudice rear their ugly heads. The Fund must help make it clear that bigotry is no longer tolerable. We must work as rapidly as possible toward a society in which
every citizen, regardless of race, color or creed, will have full opportunity to realize on his capacities for growth intellectually and culturally as well as materially.

The researches of the Fund will inevitably challenge callous, careless, uninformed and prejudiced persons. When the studies now in process have been completed, they will be resented by those persons who think that communism is not a menace, as well as by those who are willing to use un-American methods to combat communism. The studies will be attacked by the unbelievers in the Bill of Rights and the segregationists. But there is no reason why these spokesmen should carry the field. The staff and directors are instituting a campaign of public information, aimed at enlightening that part of the public which is now uninformed or misinformed about the Fund.

This program will be positive in emphasis. It will focus on the achievements of those organizations to whom the Fund has given grants. These include bar associations, great universities, many religious organizations, as well as other institutions which are widely respected in this country. Our projects are under the management of men and women of great renown in their fields. Although most of the projects and grants of the Fund have not yet been completed, there is impressive evidence that through them the Fund will make a significant contribution to keeping alive the ideals of freedom and justice which have made ours a great society.

Your willingness to accept service on the Fund's Board will advance the public position and understanding of the Fund. You show your courage and dedication to the principles of the Republic by joining us. We are proud to have you.

Sincerely yours,

/s/ Paul G. Hoffman
Chairman, Board of Directors

P.S. Included you will find three attachments describing the grants and projects of the Fund in the three principal areas of our interest.
ATTACHMENT A

Grants and Projects intended to advance our understanding of the Communist Movement in the United States:

A study of the Communist Record. This includes compiling on microfilm the entire records of leading court cases on communist activities in this country; a compilation of the principal judicial and administrative hearings in which the communist party has been involved; a bibliography of the major articles from books, periodicals, pamphlets and other sources concerning the communist movement in the United States; and a survey of American attitudes toward communism and civil liberties. These projects provided for the first time research tools of a quality suitable to serious scholarly inquiry into the communist movement.

Total appropriation $250,000

An account of the Communist influence in major segments of U.S. society. The assumption about what the communists in the United States have been able to accomplish and what they are doing at the present time vary widely. An appropriation has been made to enable Professor Clinton Rossiter of Cornell University to carry out a definitive study of what the communist party has amounted to, and what it amounts to now. Mr. Rossiter and his associates will seek to show what the successes and failures of the communists have been in the following important segments of American life: the labor movement, organized religion, government, education, the arts, literature, the mass media, the social structure, science, and opinion-making groups. His study will include a history of the communist party from 1919-1945; and an account of communism and anti-communism from 1945-1956.

Total appropriation $300,000

Also included under this head is:

A grant to the Methodist Church, Board of Social and Economic Relations, for a study on the challenge of communism to Christianity.
ATTACHMENT B

Grants and Projects intended to advance understanding of freedom under the Constitution and the Bill of Rights, and to provide equality before the law.


Government personnel, persons serving in the armed forces, and an increasing number of citizens who work for organizations under contract to the federal government are subject to security clearance. It has been alleged that national security has not at all times been promoted by measures adopted under the clearance systems employed by the government, and that individual rights have been violated. In response to frequent calls from many quarters for a dispassionate appraisal of the federal loyalty-security program, the Fund has financed an investigation by a committee appointed by the Association of the Bar of the City of New York. This committee is expected to make its report during 1956. As an aid to the committee and a service to the public, the Fund has financed the collection and publication of the records of a number of cases under the loyalty-security program. The Fund has also financed the compilation of the regulations governing the operation of the loyalty-security program, and has entered into an agreement with the Bureau of National Affairs in Washington to provide a legal reference service for lawyers and others concerned with security cases.

Total appropriation  $165,000

A study of blacklisting in the entertainment industry. In some industries which have no government contracts, to which no government clearance machinery is available, it has become the policy not to retain persons who are regarded as disloyal or as security risks. The Fund has financed a study of blacklisting in the industry in which the practice has had the longest vogue, the entertainment industry.

Total appropriation  $100,000

Grant in support of the Freedom Agenda program. The Carrie Chapman Catt Memorial Fund has enlisted the interest of the members of the League of Women Voters and many other organizations in a project known as the Freedom Agenda. The object of this program is to involve all the groups in
a community in a continuing discussion of the basic rights of Americans. Many hundred communities are now taking part. The Fund has made a grant in support of this activity.

Total appropriation $111,000

A study of the extent and nature of anxiety among college teachers. It has been widely claimed that teachers in schools, colleges, and universities have been intimidated by pressure groups and by the atmosphere resulting from the cold war. The Fund has engaged Professor Paul Lazarsfeld of Columbia University to find out whether this is so. It is expected that his report will be available during 1956.

Total appropriation $150,000

Also included under this head are many other grants and projects, some of which are:

A grant to the American Heritage Council for a two-year program of popular education through discussion groups on the basic documents of the American heritage.

A grant to the Association for Education in Journalism to explore the feasibility of a study of press performance in the 1956 elections.

Several grants to bar groups for assistance in defense of civil liberties cases, and to assure adequate representation of indigent defendants and due process of law.

A grant to the Common Council for American Unity for expanding and reporting on their work in protecting the legal rights of aliens.

A grant to Columbia University for a pilot study of tenure law and practice of American colleges and universities.

A grant to the Council for Civic Unity of San Francisco for television programs on civil rights and civil liberties.

A grant to the Council for Social Action of the Congregational Christian Churches to assist in promoting discussion of civil liberties issues.

A grant to the National Book Committee for a preliminary exploration of the theory of the right to publish and to read.
A project for work in civil liberties and equality of opportunity with Trade Unions.

An appropriation to establish the Robert E. Sherwood Awards for outstanding television programs in the Fund's field of interest.

A grant to the Universalist Church of America for an educational program in cooperation with the Freedom Agenda program.
ATTACHMENT C

Grants and projects intended to advance equality of opportunity.

A grant to the American Friends Service Committee has enabled the Committee to expand its work on the economic situation of Indians in the southwest, of Negroes in Texas, Mississippi and North Carolina, and on the difficulties in the schools of Washington that have followed the decision of the Supreme Court.

Total appropriation $141,500

A grant to the Southern Regional Council has enabled the Council to enhance its work in twelve southern states. The Council looks toward ultimate integration of Negroes into the economic and social structure of the south, and seeks through popular education, research, and conciliation in community conflicts to make the transition from segregation to full equality of opportunity as constructive as possible.

Total appropriation $390,000

A grant to the Vanderbilt University Law School will enable the school to provide a continuing legal reporting service to the school boards, school administrators and other agencies in the south which must deal with the changing legal situation as the Supreme Court decision comes into effect.

Total appropriation $200,000

A comprehensive survey of housing for minority groups has never been made. The Fund has financed such a survey, which is under the direction of the Commission on Race and Housing. The Commission is headed by Earl Schwalst, President of the Bowery Savings Bank, and includes a number of national leaders. The Commission expects to report the results of its researches in about 15 months.

Total appropriation $235,000
Among other projects and grants included under this head are:

A grant to the Catholic Interracial Council of Chicago to assist in its efforts to mitigate the acute racial tension that has developed in Trumbull Park, Chicago.

A grant to the Legal Defense and Education Fund of the National Association for the Advancement of Colored People, in support of its efforts to define, secure, and protect the rights of the Negro minority.

A grant to the National Council of Churches of Christ in the USA for the work of its Department of Racial and Cultural Relations in the border states.

A grant to the Public Education Association of New York City to assist in a survey of alleged segregation in the New York City schools.
R. D. Lapham  
Room 826  
215 Market Street  
San Francisco 5, Cal.  
Telephone Yukon 2-6082

January 13, 1956

Mr. Paul G. Hoffman  
Chairman, Board of Directors  
The Fund for the Republic, Inc.  
60 East 42nd Street  
New York 17, New York

Dear Paul:

Thanks for your January 3rd letter, outlining the general objectives of the Fund for the Republic.

When you talked to me last November about becoming a Director of the Fund, I told you I was "muy sympatico" to what the Fund was trying to do. Over twenty years ago when the shipping industry had its first labor troubles on the Pacific Coast waterfront, my eyes were opened to the dangers of Communism and its threat to our form of Government. My two years' service (1941-1943) first on the National Defense Mediation Board, and later on the National War Labor Board, gave me a further insight into how Communism had infiltrated some sections of the American labor movement.

While serving as E.C.A. Chief of Mission in China (1948-1949) I was a front-line witness to how the Chinese Communist Party took over China; and my two years' service in Greece (1950-1952) as Chief of the E.C.A. - M.S.A. Missions opened my eyes still further to how the Communist Party of Russia was seeking to impose its will throughout the world.

My service abroad also brought home the dangers of "McCarthyism" and the effect it had, not only in our own
country, but in the countries we were supporting overseas. Wrong methods of curing disease can sometimes do almost as much damage as the disease itself, particularly if individuals are sacrificed on the altar of politics. Surely the use of undemocratic methods is no way to save democracy.

I was glad to attend my first Directors' Meeting last week, and I am happy to serve with you and the other Directors of the Fund in our efforts to emphasize the importance of the Bill of Rights and all that it means to the future of real democracy.

I do not minimize the difficulties facing the Fund in seeking to accomplish its objectives. That is to be expected, but it is worth fighting for.

Sincerely,

/s/ Roger D. Lapham
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