

## **Grover W. Ensley**

Executive Director, Joint Economic Committee, 1949-1957

Technical Adviser to Senator Ralph E. Flanders, 1947-1949

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### **Preface**

by Richard A. Baker

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In October 1955 *Nation's Business* reported, "Dr. Grover W. Ensley is staff director of what has been called the country's 'most important economic policy group. This is Congress' over-all Joint Economic Committee. The committee, which was formed in 1946, has been a major force in shaping American economic policy not only in Congress but in the [Eisenhower] Administration and business world as well. Its studies and publications are must reading among economists." The accomplishments of the Joint Economic Committee, in the decade following its creation, confirmed the goals of congressional reformers who had long sought to strengthen the quality and independence of expertise available to members of Congress. The need for coordinated economic planning to meet the challenges facing postwar America placed great opportunities before the joint committee. To address these challenges, the committee drew its mandate and staff resources from two landmark 1946 statutes, the Employment Act and the Legislative Reorganization Act.

In October 1946 newly appointed Senator Ralph Flanders (R-VT) offered Grover Ensley a staff position as economics specialist. Ensley was hesitant to work for a minority party senator, even one as well regarded as Flanders, recalling, "the Democrats had been in control of Congress since the late 1920s and this was the fall of 1946. I wanted to work with someone with power!" After consulting a pollster who correctly predicted that Republicans would capture Congress in the November mid-term elections, Ensley signed on with Flanders. He thus arrived on Capitol Hill at a time when Congress was seeking to expand its previously minimal professional staff resources. He brought impressive credentials to this environment literally proving to be "the right man in the right place at the right time."

Born on April 13, 1915 on a wheat ranch in eastern Washington, Grover Ensley worked his way through the University of Washington. There he earned a bachelor's degree in 1937 and a master's degree in business administration the following year. In 1940 Ensley earned a second master's, in government management, from the University of Denver. Upon graduation, Ensley moved to New York City and a position as research economist with the Tax Foundation, Inc. Completing his residency requirement for a Ph.D. in economics from New York University, he resettled in the nation's capital, taking a position as fiscal analyst with the United States Budget Bureau. In 1944 the Pabst Brewing Company sponsored an essay contest directed at finding solutions to the anticipated postwar employment crisis. The judges, sifting through thirty-six thousand entries, awarded prizes to seventeen essayists, including economists Herbert Stein, Leon Keyserling, and Grover Ensley.

In 1949 Dr. Ensley joined the staff of the Joint Economic Committee and quickly advanced to the position of Executive Director.

## Grover W. Ensley

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### Interview #1

#### Origins and Operations of the Joint Economic Committee

(Tuesday, October 29, 1985)

Interviewed by Richard A. Baker

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**BAKER:** Would you tell me a little bit about your early years—your family, your childhood, and your education?

**ENSLEY:** My grandfather, Henry Ensley, and his parents, Joseph and Eliza Canutt Ensley, went west to Oregon in an ox-drawn covered wagon in 1852 out of Indiana by way of Missouri. When my grandfather was a young man, in 1872, he went to the Palouse country in eastern Washington State. He took out a homestead and went to the Clearwater River up above Lewiston, Idaho and cut logs all one summer and floated them down the Clearwater and then the Snake River. He and his wife, Mary Rice Ensley, built a house on his homestead near Almota, Washington. When Henry died at the early age of fifty-eight, he and grandmother gave each of their six children including my father, Dwight, and mother, Mary Rose, 160 acres of land.

That's where I was born in 1915. We got by in the 1920s, but the Depression caught up with us. In the fall of 1933, after I had completed high school, my father said I could take over the near-bankrupt farm. But with his and my Swiss-born mother's encouragement I decided instead to go to the University of Washington. I hitch-hiked a ride to Seattle. It took two days to

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travel the 300 miles on the back of an open truck. It was snowing in the Cascades. I arrived in Seattle with ninety dollars in my pocket in the fall of 1933 right in the worst of the Depression.

**BAKER:** That must have been a difficult decision for you, where you had an opportunity to take over the foreclosed farm.

**ENSLEY:** Yes. My first cousin, Melvin Ensley, who lived nearby decided to farm and he did very well. About two years ago, President Reagan appointed him to the Federal Farm Credit Board. He's one of the thirteen directors of this now nearly bankrupt farm credit organization. I'm much happier having gone to the university instead of farming.

**BAKER:** What stimulated you, in your high school experience, to want to go on for further education?

**ENSLEY:** I think it was my father. He tried to go to college twice. Both times his health broke down. He always used to tell me as a child: "Grover, I would rather have a college education than the best farm in Whitman County!" That was drilled into me.

**BAKER:** Were you the eldest child in the family?

**ENSLEY:** No. I was the third. There were four children in our family. We went to a little one-room school. I rode a horse four miles. There were about eight or ten students. The teacher was

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generally a young woman that had finished high school and gone to normal school two years. She'd have six or seven grades to teach; it was a long day for her. Students had to pass state examinations in the seventh or eighth grades in order to be eligible for high school. I went to high school in Colfax some twelve miles away. It seemed like a big town. I batched in a rented room. There were three or four girls that had higher grades than I did when we graduated, but I had the highest grades of any boy in the class. I was senior class president.

The superintendent of schools said, "Grover, you've got to make one of the talks at high school commencement. I want you to talk on 'The High School and the Community.'" I worked up a six-minute speech, with the help of my English teacher. It was letter perfect. I memorized it and delivered it. In the fall when I arrived in Seattle, the first thing given me at the University of Washington was an entrance examination. I'm almost certain that I flunked the IQ test and the English test. But, the last item of the examination called on us to write an essay. I could choose from six subjects. One of the subjects listed was "The High School and the Community"! Well, I still remembered the commencement speech and I wrote it letter perfect. The results baffled the psychology department which was handling the examinations. The examiners couldn't understand how such a *stupid* guy could write such a brilliant essay!

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**BAKER:** So, when you arrived in Seattle, you didn't know for sure whether you would be accepted into the university?

**ENSLEY:** No, but because of the good essay, I didn't even have to take "dumbbell English."

**BAKER:** That was quite a gamble.

**ENSLEY:** It was a gamble. Of course, I had to get jobs. The first two years I was fortunate and lived with my sister and her family, Naomi Krehbiel. I rode a bicycle the three miles to the university. Unfortunately, they moved from Seattle at the end of my sophomore

year. At that time things became really tough. I had at least four part-time jobs. During my third year I worked at Schweitzers Beanery two hours a day for a twenty-five cent lunch, which I couldn't eat until 12:30 after the rush, and a thirty-cent dinner that I had to eat before the six o'clock rush when I put in my two hours waiting on tables. I couldn't afford breakfast, so I'd go from 6:00 o'clock at night until the next day at 12:30 without any food. Fortunately, the federal government came along and bought the Schweitzers Beanery property and put a post office there. I got a better job working for three modest meals in what was called the "Commons," the cafeteria at the university where students were fed. I took care of the rats and the rabbits used for experimental purposes in the physiology department. It was a National Youth

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Administration job, fifteen dollars a month. That was big money. Another job I had was in the calculator machine room in the College of Economics and Business. I showed students how to run the machines and made sure that no one stole one. It wasn't a hard job because I could work on my studies part of the time. I was a watchman on Sundays and holidays at a ladies apparel store in downtown Seattle. The store had lower insurance rates if they had somebody in this five-story building. But I had to do janitor work all day for three dollars and a half. These things all added up and I got by financially. I had to budget my time as skillfully as my money, since I had to make respectable grades.

In my third year, I went into a new five-year government service program. I was one of the first students in it. My colleague was Robert Mayo who ended up as President Richard Nixon's first budget director and then president of the Federal Reserve Bank of Chicago. The program demanded that you had nothing less than A-B grades, but the professor I worked under insisted that he didn't want any but "A" students. I was under a great deal of pressure. In my senior and graduate years I graded papers, and taught economic sections, which covered my tuition. I completed my five-year program and obtained a master's degree under Professor Hall. He did a lot for me. In 1962, I helped create a "James K. Hall Memorial Fund" at the University of

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Washington, which is being financed with the help of his widow and former students. It provides financial help to promising graduate economic students.

**BAKER:** This government service program was established in the middle of the Depression at a time when the federal government was being increasingly more active. Was there a relationship there?

**ENSLEY:** I think that inspired the faculty committee or whoever creates such programs at a university. It sought to encourage "bright" young people to look forward to public service. We took courses in history, political science, law, economics, public finance, and public utilities,

as well as state and local government. Three months of the fifth year was as an intern in the state government in Olympia, Washington. It was a great experience.

**BAKER:** In your experience in Olympia, were you involved with both the governor's office and the state legislature?

**ENSLEY:** Basically, I was working with what is now called the Public Service Commission. The commission was responsible for regulating public utilities in the state. I completed the program, including an MBA, in the summer of 1938. About that time the Alfred P. Sloan Foundation created a government service program at the University of Denver. It was then a fantastic fellowship. The single fellows received \$100 and married students \$150 a month. This

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was an eighteen-month program. There were three or four thousand applications for these ten fellowships and I was fortunate to get one. It was at the University of Denver that I met my wife, Creta Mabie. She was a senior. We met in the stacks of the library.

Part of our eighteen months was spent in field work, studying government in some area of the Rocky Mountains. I studied government in Albany County, Wyoming, which is the county embracing the University of Wyoming at Laramie. I was there nearly six months studying *all* levels of government as it affects that geographic area: the federal government, the state government, the county government, the school district government, and the municipalities. There were only two municipalities in the county at that time. We went out in teams of two. My teammate was Walter Durham. He had worked here in Washington. He was about five years older than me. We did our research and took all of our materials after Thanksgiving 1939 to Mexico City where we roomed and boarded for about a month and put our report together. We took it back at Christmas time and were the first team to complete our dissertation. It is a large volume.

**BAKER:** Did the county receive a copy of your report?

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**ENSLEY:** Oh, yes. We completed the program in March 1940. I would hope somebody fifty years from that time—late in this decade—could make a follow-up study of government in that Wyoming county. I think it would be an interesting contrast.

**BAKER:** I agree. When you finished at the University of Denver, where did your career take you?

**ENSLEY:** I was invited to join Tax Foundation, Inc. in New York City. In late March of 1940 I got on a train with some borrowed money and arrived in New York City on a Sunday

morning and went up to what was to be my office in Rockefeller Plaza. For a kid who had never been east of Denver it was exciting. I lived in International House near Columbia University until getting married in August. And so I worked as a researcher for Tax Foundation during the day and on my PhD at night at New York University.

**BAKER:** How did you decide that you wanted to go to New York University?

**ENSLEY:** Frankly, I would have preferred Columbia University. But, Columbia didn't have an evening program at that time. It was convenient to attend NYU. I was getting \$175 a month at Tax Foundation, and I received a fellowship in the Graduate School of Business. I completed my residence for the PhD in May of 1941. In June of 1941, I accepted an invitation to come to Washington for an

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interview at the Treasury Department. I thought it was a pretty good setup, but I liked the Budget Bureau better. I was interviewed there by Budget Director Harold Smith and several others, including J. Weldon Jones, assistant director, and Gerhard Colm, chief fiscal analyst. They offered me a job. I took a position in the Fiscal Division, as junior fiscal analyst.

**BAKER:** Can we back up for just a minute? It was clear to you then in 1940 that you wanted to get a PhD? You felt that was necessary for where you wanted to go in life?

**ENSLEY:** Yes. I was young and I had nothing to do at night. I thought I should make use of that time. My professors at the University of Washington with whom I kept in touch—while they might swallow a bit at New York University as against Harvard or Stanford—thought that "Once you get the PhD it won't make that much difference what the name of the school was." Actually, I had a good program and I am very proud of NYU.

**BAKER:** Who did you study with at NYU?

**ENSLEY:** Paul Studenski was my major professor. Public finance was his field. At the time he was also adviser to Governor Thomas Dewey. In New York at that time, and maybe still, the governor had some academic scholar as a part-time adviser. There were other teachers there too. Walter Spahr and Lewis Haney. It was a pretty

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conservative school, except for Studenski. I wouldn't say Studenski was a Keynesian, but he was more liberal than most of the other economic and business professors at the university.

**BAKER:** He was pretty widely regarded at that point, wasn't he?

**ENSLEY:** Yes indeed. He was a Polish immigrant in the early years after World War I. As a matter of fact, he was a pilot and one of the first persons to solo across the English Channel. On one occasion he had all the graduate students out to his place on Long Island for a Saturday afternoon and evening. This was in the fall of 1940. We discussed our imminent involvement in the war in Europe. There were a couple of students there who thought we shouldn't get involved. These people were clearly—it developed later—Communists. It was a very vigorous debate. These people who were so opposed to our involvement, the day after Hitler invaded Russia the next year, changed their position overnight. One came down here and worked in the predecessor agency of the CIA, the Office of Strategic Services. He was brilliant, but after the war, it became rather embarrassing for them. Historically speaking, the period leading up to the Japanese attack on Pearl Harbor was a very interesting period. Of course, here in the Senate, you had Arthur Vandenberg and Burton K. Wheeler who were isolationists before Pearl Harbor. And you had your interventionists. It was a difficult time. The recent book by Joseph Lash on Roosevelt and Churchill is very interesting. It is

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amazing that we did as well as we did in unifying this country as Winston Churchill did in Great Britain. In retrospect, in World War II, we were about as united as a people as in any war we had ever been in before or since.

**BAKER:** That raises some questions that we can deal with after the war, because what happens when that unity begins to unravel?

**ENSLEY:** I will fill you in on some of my personal experiences with Vandenberg, which were interesting to me.

**BAKER:** So, you got your residency requirement out of the way at NYU . . .

**ENSLEY:** And came down to the Budget Bureau in May 1941.

**BAKER:** Why the Budget Bureau?

**ENSLEY:** The Budget Bureau had just been reorganized a couple of years earlier and moved from the Treasury Department over to the Office of the President, and given greater powers and responsibilities. It had five divisions: the Estimates Division; the Administrative Management Division; the Statistics Division; the Legislative Reference Division; and the Fiscal Division. This was before the days of the Council of Economic Advisers. The Budget Bureau and the Fiscal Division was the coordinating force in bringing together a progressive budget policy that was internally consistent.

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I became interested immediately in trying to tie together the economists in the Departments of Treasury, Commerce, Labor and Agriculture, in the Federal Reserve and the emerging defense agencies to make sure that when the president's budget and economic program came to the Hill, to the Congress, it was sound and internally consistent. All these agencies, you know, have to make assumptions as to GNP, national income, and corporate profits and the like in order to put together their budget justifications and legislative requests. We thought it incumbent upon the president to make sure that the programs were internally consistent. The Budget Bureau provided the vehicle to develop such programs.

For example, the defense agencies budget estimates were in terms of obligational *authority*. But we were concerned, as we got into the war, with the "inflationary gap" as we called it—as a result of rapidly growing war expenditures. It was rather difficult to persuade the defense people—the War and Navy departments—to translate their appropriation requests into dollar figures that would be spent during a particular period. We put these requests together with other government outlays, private investments, and consumer expenditures to see how much inflationary pressure would result.

In March of 1942, soon after we were into the war, the secretary of the treasury came up to the Congress and testified that we needed comprehensive direct controls. He maintained that higher taxes and

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fiscal restraint wouldn't really do the job of controlling inflation. The next day, Leon Henderson, who headed the Office of Price Administration came up and testified that we needed more fiscal restraint, and that direct controls wouldn't do the job! Now, here were two major administrative agencies apparently contradicting each other before the Congress. Well, I went home that weekend and drafted a memorandum to the president. The memorandum stated that we needed to develop a comprehensive anti-inflation and mobilization program. We mentioned the various agencies that should participate in formulating such a program. On Monday the Budget Bureau staff perfected the wording and the budget director sent it over to President Roosevelt that night. The next morning about 10:30, the budget director called us down, all excited. He'd gotten the memorandum back and at the top of the page it said, "HDS," meaning Budget Director Harold D. Smith, "O.K. Work Fast. F.D.R."

**BAKER:** If possible, I'd like to have a copy of that memo for this transcript.

**ENSLEY:** Certainly. On the basis of this mandate, the Budget Bureau got things going. We brought in experts from various universities. We brought in business people. We helped the president with a special message to the Congress requesting the necessary mobilization legislation. In October 1942 the president persuaded Justice Jim Byrnes to leave the Supreme Court to head the



new Office of War Mobilization. I feel proud of this memorandum and I had the foresight to have it photostated.

I recently had lunch at the University of Washington with historian Frank Freidel, biographer of President Franklin Roosevelt. He was very interested in this memorandum since he was in the process of studying Budget Director Smith's unpublished diary. He showed me several pages in which Smith records his experience in getting the president's instructions implemented. The Smith diary is kept at the Roosevelt Library at Hyde Park, New York.

As I mentioned earlier, the Fiscal Division of the Budget Bureau had an opportunity to try to make sure that anything in the economic area the president sent up to Congress for action was sound and internally consistent. That was not easy to do and had never been done systematically before.

Before the Budget and Accounting Act of 1921, when the Budget Bureau was created in the Treasury Department, each agency would bring up their appropriation and legislative requests separately and independently to the Congress. During the 1920s and '30s the Budget Bureau compiled appropriation requests in an annual budget document. But it did not coordinate the overall government fiscal program. But the Executive Reorganization Act of 1939 gave some muscle to the Budget Bureau. The Bureau had for the first time a vision of what a

budget should look like—much more than just a bunch of tables. It had to be a comprehensive, internally consistent program. And believe me, it was not easy to get the Treasury Department to tell us their assumptions for personal income and corporate profits, which were used to estimate tax revenues. And if you looked deeper you might find that the Department of Agriculture was using different assumptions on their estimates of how much agricultural subsidy you would have to provide in the budget.

**BAKER:** Was there problems of inconsistent assumptions within those departments, as well as between them?

**ENSLEY:** I suppose there was, although they didn't have the facilities to have as many competitors there. I don't think there was much inconsistency within a department. It was when these department economists got together that we'd have to thrash out the best consistent assumptions.

During this period, I wrote my doctoral dissertation on the subject I called a "nation's economic budget." This embraced the federal government expenditure and revenue programs and those of state and local governments, private investment and, finally, the consumer segment.

I used the developing national income data. Rather early, I published an article on this approach: "A Budget for the Nation" (*Social Research*, September 1943). I also participated

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in a pioneering study for the National Planning Association's *National Budgets for Full Employment* planning pamphlet numbers 43/44, April 1945. I designed the presentation of the budget utilized in the analysis. A summary of my thesis completed in 1947 is included as an appendix (see attached).

Later, when I was executive director of the Joint Economic Committee, we used the nation's economic budget mechanism to quantify our economic projections and assumptions and to set forth a rationale for the committee's recommendations to the Congress. These budgets were published each year as an attachment to the committee's report to the Congress.

**BAKER:** It says a lot about the climate in which you were working that you as a young man starting out had the kind of support and the flexibility to come up with a memo that went to the president, and then to see it implemented.

**ENSLEY:** You know how it is. When you are young, you'll try anything.

**BAKER:** Sure, but the fact is that you were able to get through, to communicate. And there was something about the environment that stimulated you to go ahead and do that.

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**ENSLEY:** It was a stimulating environment. We had a good staff in that fiscal division. Very good leadership too.

**BAKER:** You came from New York to Washington in 1941. You were here until 1944, when you joined the Navy?

**ENSLEY:** Yes, I took a commission and went to the Harvard Naval Supply Corps school for four months. Then I was made the ordnance control group officer in the supply depot on Guam. I was still working on my doctoral dissertation at nights, although we were on the job from six to six, seven days a week until the Japanese surrender.

**BAKER:** Did you have difficulty getting source material?

**ENSLEY:** Fortunately, I had my materials pretty well in hand before I went overseas.

**BAKER:** Washington in those years—1941 through 1944—must have been a different kind of town from what you'd been exposed to previously?

**ENSLEY:** Yes. And of course, if you talked to old timers on the Hill, they would go to great lengths to tell you how different it was then from what it was when they first came here in the early 1930s. And when you go back further there was a great difference between what was here in the thirties from what it was in the twenties. It

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must be interesting, from your standpoint, looking back over this century here on the Hill.

**BAKER:** Well, it raises the question—you mentioned talking to old-timers on the Hill. How did you get to learn about the Congress? It is not quite the same as the state legislature in Wyoming or in Washington State.

**ENSLEY:** It was almost by accident that I got involved with the Congress upon returning from the service in the spring of 1946. When I went into the service in 1944—this isn't bragging—but the bureau hired three people to take on the rapidly expanding jobs that I had been doing before going into the Navy. When I came back to the bureau in the spring of 1946, there was no field immediately for me to fall into. It was a different environment there in the Budget Bureau. Fortunately, at that time the Legislative Reorganization Act was proceeding through Congress. Most of the Reorganization Act's provisions did not affect the executive branch of government. It involved reducing the number of committees from fifty or so in the Senate down to thirteen, providing professional staff, and other matters that were purely congressional. But one part of the bill did affect the executive branch. A legislative budget was provided for in the bill. So the Budget Bureau asked me to be liaison with the Hill on the reorganization bill, particularly the budget provision.

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**BAKER:** Now, this was early in 1946?

**ENSLEY:** Yes. In the spring and summer of '46. It is an interesting story, I think, because the bill's sponsors, Senator La Follette of Wisconsin and Representative Voorhis of California, popular legislators, had been in the Congress quite a few years. Congressional consideration of the legislation dragged out through the summer and fall of 1946. These two sponsors were up for reelection—La Follette and Voorhis. Now, I'm not saying they wouldn't have been defeated anyway. It was a Republican landslide, but I've often thought of how history might have been changed. These two dedicated legislators were here struggling to improve the structure of the Congress when they should have been back home campaigning for reelection. La Follette lost, as you know, to one Joseph McCarthy in Wisconsin and Jerry Voorhis lost to one Richard Nixon in California.

**BAKER:** It must have been a tough act for you in the early part of 1946 to get thrown

into a discussion about legislative reorganization that had been going on for quite some time.

**ENSLEY:** Well, I was really concentrating on the budget aspects of it and I was anxious to see Congress do something in this area. The tax committees didn't have any relationship to the appropriations committees. And there was not too much liaison between the authorizing committees and the appropriations committees. This

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legislative budget attempted to tie these three elements together. The Act created a joint budget committee. The purpose was to come forth with one budget bill. We are getting ahead of the story a bit, but they did that one year—the first year—in 1947. And we had a really combined legislative budget bill that went through Congress.

**BAKER:** Where did the idea come from?

**ENSLEY:** I think it grew out of frustration in the Congress. I give considerable credit to George Galloway. He had been in universities, but at the time I was working with him on this, he was assigned to work with La Follette and Voorhis from what was then called the Legislative Reference Service. A wonderful man—George Galloway.

**BAKER:** Tell me a little bit about him, his personality and character.

**ENSLEY:** Well, he sponsored me for membership in the Cosmos Club which (laughing) speaks well for him. He was an academician, I guess you'd say, and a scholar. He wasn't the type of staff man that you would normally expect here. I had high regard for his nonpartisan and objective ability to reason and sell his ideas to members of the Congress. Now, I can't say that the idea of a legislative budget originated with him. I think he was more of a political scientist intent on strengthening the Congress.

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**BAKER:** This feeling for a legislative budget was coming from Congress rather than the Budget Bureau?

**ENSLEY:** Yes. Not from the Budget Bureau, although we had a real interest in a more constructive vehicle for receiving the budget up here.

In the fall of 1946, you will recall that President Truman appointed Warren Austin, a Republican from Vermont, to be our first ambassador to the United Nations. This left a vacancy in the Senate from Vermont. The Republican governor appointed Ralph Flanders to fill that vacancy in the fall of 1946. Congress was not in session, so he did not appear until January 1947 for the new Congress. Now, he was active in the private Committee for Economic Development

and was interested, as all of us were during the war, about the postwar employment situation. He was told by Howard Myers, executive director of CED, that I might be a good man to get in his office. So he contacted me and we had a good visit. I told him that I had never been in the state of Vermont. He said, "Oh, that's all right. We won't bother you with Vermont matters. I'll handle the mail from Vermont." And he did. All the time I was with him, I think he probably received six or eight letters a week from constituents. He knew the people personally and he handled the problems. If it was related to a pension problem, he'd call down to the Veterans Administration and get it straightened out. There was no load

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there, so he and I could concentrate on economic and other issues of national importance. That's what attracted me to him. I knew that he was interested in getting on the Joint Economic Committee, on the Banking Committee and on the Civil Service Committee. But, I couldn't make up my mind immediately, when he offered me the job. There was a question—I'm a nonpartisan person. I have always been in all the years I've been with the government. No one could ever tab me as a Republican or a Democrat. So, I was a little hesitant to come here to work for a minority party senator. The Democrats had been in control of Congress since the late 1920s and this was the fall of 1946. I wanted to work for someone with power!

You have probably never heard of him, but on the Budget Bureau staff was a senior economist who had been an original New Dealer over in the Department of Agriculture by the name of Louis Bean. He had as a hobby predicting the outcome of elections. He had a lot of charts. I don't know what all the input was, but he was one who predicted that Truman would win in 1948. He got a lot of publicity from that. Of course, this was two years later. I went to see Louie in the fall of 1946. I said, "Look, I've been invited to go up and work on the Hill. This very challenging man wants to hire me. He's a Republican and I'm not sure what impact I could have working for a minority freshman senator." Louie got out his charts and he said,

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"Well, Grover, let me just tell you one thing. I am predicting right now that the Congress, both the Senate and the House, are going to go Republican in November." Now, this was early in October. So, on the basis of that prediction (laughing), I signed up with Flanders. I see Louie every once in a while. He also is a member of the Cosmos Club. He must be way up in years. But he's a wonderful person. I've told him this story and he seems to be proud of that prediction.

**BAKER:** That's wonderful. Now, here's Ralph Flanders whose career before he came to the Senate was pretty much in the machine tool business.

**ENSLEY:** He was a self-made man. Never went to college. He had been, as you say, in the machine tool business. He married the daughter of the owner of the Jones and Laughlin Machine Tool Company in Springfield, Vermont. That helped him. He was always interested,

though, in broader subjects than machine tools. He headed the policy committee of the Committee for Economic Development. He ran for the Senate in the early 1940s and was defeated by George Aiken. It's understandable. No one could beat Aiken. And then, nearing retirement—he was in his early sixties—he became president of the Federal Reserve Bank of Boston for a couple of years, 1944-46, until he was appointed to the Senate. And then he was elected for a full six-year term in November 1946.

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When we arrived on the Hill in January of 1947, a very interesting series of events took place. You will recall that we had no vice president to preside over organization of the Senate. Les Biffle, the secretary of the Senate—a holdover from the Democratic controlled Senate—presided. Well, everyone assumed that it would be a very quick swearing in, and then the Senate would elect a president pro tem, who everyone knew would be Arthur Vandenberg. Vandenberg would then take over and Les would become secretary to the minority. Well, lo and behold, there was a question over seating Senator Theodore Bilbo of Mississippi. An attempt was made to hold up the swearing in of Bilbo on civil rights issues. It turned into a filibuster. I went over and sat, as Flanders' assistant, on the Republican side on those couches at the back. It was very interesting to see the debate.

And too, the Senate had a junior senator to be sworn in from Wisconsin, Joseph McCarthy. Swearing in is done alphabetically by state. McCarthy wanted to be sworn in immediately because he knew there was going to be a delay with Bilbo, so he got his senior senator—Alexander Wiley—on some gimmick to try to persuade the Senate to let McCarthy be sworn in early. And right there was an exposure of the character of McCarthy. After some debate, Senator Robert Taft, working in the background, persuaded Wiley to withdraw

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this attempt. I think Biffle presided over the Senate a couple of days, which was probably unprecedented.

**BAKER:** It hasn't happened since.

**ENSLEY:** On the House side, before the Republicans could get their doorkeepers lined up and indoctrinated, Winston Churchill came and made a speech to a joint meeting of the Congress. All the senators marched over to the House and I walked over with Senator Flanders. I walked in with Flanders and sat down in the third row. There were no doorkeepers there to stop me. There I sat, just twenty feet or so from where Churchill made one of his historic speeches. It is where he said, referring to his mother's American parentage, "If my mother and father had been reversed I might have gotten here on my own." It was a tremendous speech and a grand experience for me.

**BAKER:** What a wonderful introduction to your career on Capitol Hill! (laughter) So you really worked very closely with Ralph Flanders right from the very beginning?

**ENSLEY:** Yes. Very early, the members of the Joint Economic Committee had an organizational meeting. Flanders asked me to go with him to the meeting. Senator Taft was immediately elected chairman. We met in what was known as G-14, this beautiful office right off the Senate gallery in the southwest corner of the Senate wing, now numbered S-323/324. I think it was one of the few at that

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time that had a private john and fireplace. You could look out the windows down across the mall to the Washington Monument, Lincoln Memorial and Arlington Cemetery. It was an absolutely fabulous thing and Flanders commented to Taft how beautiful it was and wondered whose it was. Well, Taft said, "It used to be the office of a committee eliminated by the recent reorganization act. I don't think it has been reassigned. I called Senator Wayland Brooks, the chairman of the Rules Committee, and he said we could have our organization meeting here today." And Taft said, "Ralph will you come with me to Brooks' office and see if he won't assign us this suite permanently?" They went to see Brooks and were successful.

**BAKER:** Right on the spot?

**ENSLEY:** Of course! The Rules Committee assigned the suite to the Joint Economic Committee. Taft and Brooks were very close.

Well, every couple years, the committee would get a letter from the Rules Committee indicating that it was too valuable a space for the Joint Economic Committee and should be used by somebody more active on the Senate floor. Generally it was the majority leader that wanted it. Each time the chairman of the Joint Committee—Taft and then Joseph O'Mahoney, and Jesse Wolcott—the succeeding chairmen, would intervene. And we'd never hear any more from the Rules Committee for another two years.

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**BAKER:** You said that they wanted to get rid of the joint committee because they wanted a group in there that was more active on the Senate scene.

**ENSLEY:** Yes.

**BAKER:** Is this really saying that they didn't like the idea of using prime Senate space for a committee that was half House members?

**ENSLEY:** Partly that, but I think more importantly, we were a study committee. We did

not have legislative responsibility. All the joint committee could do was to advise the other committees and the Congress on economic policy. We did not have bills on the Senate floor directly. We might be interested in a tax bill or an appropriations bill, but the managers of those bills were legislative committees. It made some sense to conclude that this prime space should not be used by the Joint Economic Committee.

We kept that space until January of 1955—until Lyndon Johnson was elected majority leader. I will never forget. It was an evening along in late January. I had the fire going in the fireplace. I was getting ready to go home about quarter 'til six, I guess, and the door opened. Lyndon Johnson came in. I had never worked directly with him, because he was on committees that weren't related to the work of the Joint Economic Committee. But, we knew each other. He looked

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around the office—he noted the beautiful chandelier, the john and the view from the windows. He sat down and we visited for a while. He was always looking around the office.

On the wall was one of the most valuable pieces of art in the Capitol. It was an original painting of Pocahontas, done in England. I don't know where it is now. I'll never forget when Queen Elizabeth and Prince Philip visited the Capitol in the early fifties. They were going to come to our office to look at this painting, but they had to cut thirty seconds off of the tour; so they had to cancel coming into our office.

**BAKER:** Prince Philip was a direct descendant of Pocahontas, apparently. I have heard that on that particular tour, they stopped as they were walking through the Capitol Rotunda and looked at the mural entitled "The Baptism of Pocahontas" as sort of an alternate plan.

**ENSLEY:** Is that right. I didn't know that. That's probably the reason they had our office on the original schedule.

**BAKER:** The painting you had was considered so valuable that it ended up on display in the Disbursing Office, where it would be assured safekeeping.

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**ENSLEY:** Well, as Johnson was leaving my office, he said, "Well Grover, Paul Douglas is going to make a great chairman of your committee." I wanted to straighten him out, but he got out before I could stop him. John Sparkman was the ranking Democrat on that committee and I knew wanted to be chairman of our committee. The next day, we got a letter from the Rules Committee saying, "The majority leader needs your space, and so next Friday you are going to have to move to . . . ." I didn't think too much about it. I went to Sparkman and showed him the letter and indicated that I'd appreciate it if held speak to the chairman of the Rules Committee.



Sparkman shook his head and said he couldn't do anything about it, because just a couple of days earlier, Johnson had given him one of the few little cubicles—there were about five or six of them—for the most *senior* majority members of the Senate.

**BAKER:** Hideaway office?

**ENSLEY:** Hideaway office. It was a prize. Maybe not any larger than your office here, fifteen by ten feet. Sparkman said, "The new majority leader made it clear that I didn't have the seniority for it, but he thought I should have it and he was going to give it to me, but he didn't want any trouble when he took the Joint Economic Committee space." I thought that was interesting.

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I went to my next ranking Democrat, who was Paul Douglas, and I said, "Look, you can understand why Sparkman didn't want to do anything about it, but won't you prevail upon the Rules Committee chairman not to go ahead with this?" Douglas shook his head and said, "No. You know, I'm going to be the next chairman of the joint committee, under the new 'Johnson Rule.'" I said, "What in the hell is the Johnson Rule?" Douglas said, "It's a rule that no senator can be chairman of more than one committee." And he said, "You know, Sparkman is in line to be chairman of the Small Business Committee of the Senate. And while he would probably prefer the Joint Economic Committee, with a chairmanship rotating between the House and the Senate—in two years he could end up with no committee at all. So he has had to choose the Small Business Committee, which means that I am in line to be chairman of the Joint Economic Committee. Johnson made it clear that he wanted to move the committee and didn't want any difficulties." Douglas said he didn't see how he could intervene.

Then I went to the next ranking Democrat, J. William Fulbright of Arkansas. At that time he was a good southern friend of Lyndon Johnson. This was long before the Vietnam War. Fulbright was courteous and understanding. But he talked in terms of down the road he would be chairman of the Foreign Relations Committee by reason of the fact that the ranking Democrat, [Theodore Francis] Green of Rhode

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Island, was very senior and probably would be made chairman-emeritus thanks to Johnson. So that meant that I couldn't press Fulbright on it any further. We had four Democrats and three Republicans on the Senate side of the committee. Senator [Joseph] O'Mahoney had been chairman of the committee for four years before he was defeated in 1952. He had just been reelected senator in 1954 and reappointed to the Joint Economic Committee to fill a vacancy. So, I went over to see O'Mahoney. I congratulated him on being reappointed to my committee. He said, "Yes, you know the new majority leader, Lyndon Johnson, made clear that there were five other Democrats more senior to me, that had applied for this Democratic vacancy. But Johnson

said that he was going to reappoint *me* to the committee," but that he didn't want any trouble from him or Ensley on the committee space.

Lyndon Johnson had covered *every* possible angle on securing the space! So we moved! Actually, we moved to better quarters, because we could have all of our staff together. As it had been, we had some staff there and others in other buildings.

**BAKER:** Were you all on the Senate side, or were there some over on the House side?

**ENSLEY:** At that time, I don't think there were any on the House side. We did use the House side of the Capitol, temporarily, one time for a special study, but historically, the joint committee has pretty much always been on the Senate side.

**BAKER:** With regard to the appointment of staff members, was that strictly the province of the chairman and the majority party members, or was it split up a little bit?

**ENSLEY:** In the Eightieth Congress, Chairman Taft appointed Dr. Charles O. Hardy of the Brookings Institution to be the staff director. Dr. Hardy appointed a very small staff. That was in the spring of 1947. Dr. Hardy carried on. The joint committee made some studies of the economy, particularly the price level—the steel price increases—but they weren't too active in the Eightieth Congress, because they were just getting started. Along in the late fall of 1948, about election time when the Democrats regained control of the Senate and the House, Dr. Hardy died. When O'Mahoney was elected chairman in January 1949, there was no change in any of the staff. It was kind of nonpartisan staff at that point. O'Mahoney then—I don't know whether it was put to a vote or not—I was still with Flanders, but O'Mahoney named Dr. Theodore Kreps, on leave from Stanford University, as the director of staff. Dr. Kreps appointed me assistant director and I moved from Senator Flanders' office in the early summer of 1949. I don't recall that there was ever any vote by

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the full committee on either Kreps or my appointment. Because of the way in which Kreps was moving back and forth from Stanford, I was acting director most of the time before I was officially named executive director a year and a half later.

**BAKER:** In what year did that occur?

**ENSLEY:** In 1951. We'd have an organizational meeting every two years. I would never be in when the committee elected the chairman. All I would know is that after the meeting broke up, the new chairman would say to the staff that he was the chairman and he hoped we would continue as we had, which was as a nonpartisan staff. We organized the professional staff along functional lines. We had a general economic analyst, James Knowles. He would provide needed economic projections. He had contacts all around town on the economic outlook. We had a chap,

Norman Ture, that worked on fiscal policy, and William Moore working on monetary policy, and somebody on statistics. The person on statistics was John Lehman. He also served as committee clerk. At times we'd bring in temporary experts, generally from a university, such as Lester Chandler from Princeton, or in one case Henry Murphy from the International Monetary Fund, to staff special studies. Often the Library of Congress would loan us staff. One thing I tried to do was to build up contacts and liaisons with the universities throughout the country. Whenever Congress was in recess, I would be out visiting, and lecturing at universities in

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order to encourage a flow of information coming to the committee. For example, annually I lectured at the Hansen/William Graduate Seminar at Harvard. We developed, I think, a unique approach to committee work. When we took up a subject we would give quite a bit of time to finding people that could best bring information to us. We would ask them to write papers and we'd publish a compendium. After time to study and analyze the materials, we'd bring in four or five knowledgeable people to sit at a large table with the committee and discuss the subject. We would concentrate on the subject matter in the compendium.

**BAKER:** Did you have good participation by committee members?

**ENSLEY:** Yes we did. It depended on the subject of course. But we generally would have very good participation. Sometimes we would invite chairmen of legislative committees. The Employment Act of 1946 was created out of the frustration of the Depression thirties. It wasn't until the war came along that we had full employment and full utilization of our resources. There was a lot of concern during the war about postwar employment.

There was a national interest in the postwar economy. For example, the Pabst Brewing Company, in celebrating its hundredth anniversary in 1944, had a contest where it gave seventeen prizes for the best essays on dealing with postwar employment and unemployment

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problems. The company received thirty-six thousand essays! I was one of the fortunate winners. I mention that to illustrate the concern. The Committee for Economic Development that Flanders was so interested in was created about that time, focusing on the postwar employment problem. Members of the Congress, including chairmen of legislative committees, sought appointment to the committee and exhibited great interest in its activities when appointed.

**BAKER:** Let me ask you about the Pabst Prize? What was the subject of your essay?

**ENSLEY:** I called it the "Ten-Billion-Dollar-Question." (See appendix) I was writing my doctoral dissertation on the subject. I projected the spending and saving trends of consumers, businesses, and governments of the 1930s into the postwar period. And it added up to a ten

billion dollar gap between our ability to produce goods and services and the likely demand for that production. It was a quantitative analysis. I attempted to analyze this gap and what could be done to close it.

**BAKER:** Who took the top prize?

**ENSLEY:** Herb Stein, later chairman of President Nixon's Council of Economic Advisers. And the second prize went to Leon Keyserling, who was the second chairman of the Council of Economic Advisers under Truman. The other fifteen were one thousand dollar prizes.

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**BAKER:** It would be interesting to look at how all seventeen winners spent their subsequent professional careers.

**ENSLEY:** Yes it would. About thirteen of them were from government agencies right here in Washington. We started to get telephone calls a few weeks after we submitted our essays requesting biographical information. We assumed maybe we might be winners. I knew most of the winners because of my position in the Budget Bureau. But the question became, who's going to get the big money. Herb Stein was over in the War Production Board, Leon Henderson was at the Housing agency.

Concern over the postwar economy motivated sponsors of the "Full Employment Bill" as it was originally called in 1945. It was first introduced by [James] Murray of Montana. A lot of people were publishing—I had published an article that called for something like the Employment Act. So, I was very pleased when I came back from Guam in the spring of 1946 to find that the president had signed the Employment Act of 1946. In the final stages, Republicans had an important role in developing the compromise that enabled it to pass the Congress. It called for utilizing our government programs to maximize employment, production and purchasing power. Senator Taft helped write the declaration of policy. So, when it became law and the joint committee was created, there were fourteen vacancies, seven in the House and seven in the Senate, the real leaders vied for those

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vacancies on the congressional Joint Economic Committee. Taft and O'Mahoney, on the Senate side and [Wright] Patman and [Jesse] Wolcott from the House—these were senior people and chairmen of other committees in a number of cases. It is understandable, I think, why the committee in those early years made a mark for itself.

We made the first study comparing Russian growth with growth in the United States. We published that in 1955. It got a lot of publicity. It was the first such study. Among other things, it publicized the *failure* of Russian agriculture for the first time in America.

**BAKER:** Where did you get your information?

**ENSLEY:** We got it from various sources. Much of it came from the Central Intelligence Agency. They didn't want to divulge it themselves you see, but we had assistants in the Legislative Reference Service of the Library of Congress who were experts too. It was just a question of getting them together and getting the information that hadn't been publicized yet.

**BAKER:** Did the Legislative Reference Service operate as a link between your committee and the CIA?

**ENSLEY:** Yes. I brought back a professor from the University of Washington with whom I had gone to school and who was on the faculty

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there. He actually spearheaded it here on the Joint Economic Committee with the promise that he would be hired by Legislative Reference, which he later was. He just died three years ago. This was Dr. Charles Sheldon. He became an expert on Russian space programs, among other things.

Well, we published the Soviet growth study and got considerable publicity. About the next day, I was in our documents room and a young man came in and wanted a couple of copies of the report. As usual, we asked where he was from. Well, come to find out, he was from the Russian Embassy! It was kind of a coincidence, because in about two weeks, just in time for a copy to have been sent to Moscow, Malenkov, who succeeded Stalin, resigned. In his letter of resignation read to the Politburo by Khrushchev, he virtually plagiarized our findings and my transmittal letter outlining the failure of Soviet agriculture. *The Washington Post* had headlines which said that Malenkov "cribbed" his statement of resignation from the Joint Economic Committee. (laughter)

One of the opportunities I had with the Joint Economic Committee was that I could attend international meetings. For example, I was a U.S. delegate to the International Statistical Organization meeting in Rome in 1953. In 1955, I represented the United States at the meeting of the Organization in Brazil.

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In 1956 the United Nations had a meeting on economic development in Bangkok, Thailand. I headed the United States delegation. This was a meeting of some twenty-two Asian and related countries, including the Soviet Union. On my way to Bangkok, I went through Moscow. Whenever I visited a country—I'd travel with a special passport and the State Department would arrange for me to visit not only our embassy staff but government officials, business, labor, agricultural leaders and academic people in the country visited.

When I went to Russia, I requested an interview with officials and economists at the Academy of Sciences. When I arrived in Moscow, on a Friday evening, I was met by our economist with the American embassy. He was all excited, as the Academy had agreed to see me. Our embassy economist had been in Moscow two years and had never gotten in government offices. You know how difficult that is. Maybe at a reception he'd meet a Soviet economist or a government official, but that was about it. Here, we had an invitation to go out to the Academy of Science the next morning for a full-fledged exchange. So with my Intourist guide, who was studying economics at Moscow University, as a translator and our economist at our embassy in Moscow, we were ushered into the meeting room by two vice chairmen of the Academy, and three, what they call, "academicians" and several lowly PhDs—eight or nine across the table. The two senior people

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were clearly contemporaries of Lenin. I have all their names. I published an article on the meeting which appeared in *Nation's Business*, January 1957.

Before I could even open my mouth, the vice chairmen made it clear that I couldn't tell them anything about capitalism; that they had *lived* under capitalism, you see. It was inevitable that our capitalism would go the way of all capitalism and be overthrown by the proletariat. They really believed that. But, as you went down the line, you could see on the faces of the more junior people an element of skepticism about the *inevitability* of capitalism being overthrown. They outlined the infallibility of their central planning. Their people who went to Bangkok for the two-week session on economic development adhered to the same line. They tried to explain in Bangkok that they knew just how to plan everything centrally. In 1965, they were going to surpass the United States, so they claimed, in total output. They urged developing countries to send their economists to Moscow to learn the latest techniques of central planning. At that time, though, they were beginning to realize that they had to do some decentralization. They even talked a bit about it. I came back firmly convinced that if this were just a struggle of competing economies, we had *absolutely* nothing to worry about. It is only the imperialistic elements of their system that give us concern. I felt, too, that with new generations coming along,

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there was some hope. It may take time, but eventually, maybe there will be an opportunity for a fresh start. I like to think that with the new leadership they have in Moscow now it might be a good time to just sit back and see. I am not very optimistic, but I think it is worth a try.

But, I did have this opportunity for travel and study abroad using this office here at the Senate. Of course, it was about the time that [Roy] Cohn and [G. David] Schine had been in Europe. They were Senator McCarthy's staff investigators. Their record wasn't all that commendable for the Congress, you know. I'd like to think that the reports I brought back from

my trips to South America, Europe, and the Far East, which were made a part of the joint committee records, contributed to an understanding by my committee and the Congress generally of just what was going on in the rest of the world—economically at least.

The chief thing that I was proud of was that we would seek areas of agreement within the committee. With the outbreak of the Korean War in the summer of 1950, when a tax reduction bill was being considered in the House Ways and Means Committee, Truman said, "We'll consider increasing taxes next January." He put it off, you see, but I got O'Mahoney and Taft together and they agreed to a resolution that we'd written calling for an immediate increase in taxes and paying for the Korean War as we went along. We got unanimity in the

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full committee on this resolution. Quickly, Truman jumped on the bandwagon and supported us. We got tax bills through in a matter of a few months and did, in fact, pay for the Korean War as we went along. We'd have had relatively stable prices in the Korean War had it not been for the fact that it was so soon after World War II with severe shortages and rationing that people got a little panicky.

Senator O'Mahoney, in addition to being chairman of the Joint Economic Committee, was also chairman of the Military Appropriations subcommittee. This proved an invaluable relationship in projecting the cost and economic impact of the military effort during the Korean War. Nearly every week I met with the assistant secretary of defense to review defense department developments. O'Mahoney would have me meet with the full Appropriations Committee periodically to brief the committee on economic developments and the nature and impact of the federal budget on the economy.

We would have had relative price stability had we had a flexible monetary policy—which we did not have in 1950 and early 1951. As you know, during World War II and all through the 1940s we had short-term interest rates pegged by the Federal Reserve at three-quarters of a point and long-term rates at 2 ½ percent. We didn't use monetary policy to supplement and assist fiscal policy to provide the restraints needed to curb inflation. Our committee created a monetary policy subcommittee headed by Paul Douglas in 1949. We

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issued our report in 1950 calling for a flexible monetary policy to supplement a fiscal policy. This committee actively, I believe, more than anything else, brought about the Treasury-Federal Reserve Accord in early 1951. Douglas, on the basis of this committee report, introduced legislation which would unpeg these markets and place the responsibility on the Federal Reserve to exercise a flexible policy. I got a call one evening from Dave Bell, assistant to President Truman. He asked me: "Grover, do you think that the Douglas bill will move?" I said, "I think it will." Three days later the administration announced the Treasury-Federal Reserve Accord.

Which did substantially what Douglas' bill called for, making legislation unnecessary.

**BAKER:** A real change from administration policy.

**ENSLEY:** Truman was a low rate interest man, an old populist. And Treasury Secretary John Snyder was very loyal to him on that. They didn't like the idea of flexible interest rates. Snyder and the Federal Deposit Insurance chairman, before our committee, forecast all sorts of dire consequences of unpegging the government bond market in testimony in 1949. Then a couple of years later, when they came back to testify after flexibility had been introduced, I questioned them about how come it didn't work out as they had predicted. They had no explanation.

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**BAKER:** I'd like to know a little about your relations with Paul Douglas. Here he was a professional economist, elected to the Senate in 1948. The Senate had not had as members a lot of economists.

**ENSLEY:** That's true.

**BAKER:** He was a fairly strong-willed individual.

**ENSLEY:** Yes he was. He was appointed to the Joint Economic Committee in January 1949 when he entered the Senate. I always personally liked him very much. He could be temperamental. He and O'Mahoney would get into disputes once in a while. Douglas was more liberal than most Democrats, although more conservative than he had been earlier in the 1930s at the University of Chicago. He was a dedicated person. Here was a man in his late forties that volunteered with the Marines. He was wounded in the Pacific.

**BAKER:** Let's take a look at 1947 when the joint committee got underway, with Robert Taft as its chairman. They had all those empty slots to fill. This must have suggested a whole new world. I am wondering about the relationships between Taft and other members of the committee. It included some pretty important and powerful senators. Maybe starting with Ralph Flanders. Taft's and Flanders' backgrounds were quite dissimilar.

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**ENSLEY:** They agreed together on some issues. On housing, for example, you had Taft for public housing and urban renewal, as liberal as any Democrat on that subject. And Flanders also. So the two of them would line up with the Democrats. In June of 1948, just before Congress adjourned to go to the Republican convention, a bill was in conference with the House. It was bogged down over a Senate-passed provision with some public housing. The House-passed bill did not provide for public housing. [Representative Charles] Halleck, who was the



majority leader of the House, and Taft had a session in the Senate Republican cloakroom. I was with them and I thought Halleck was going to explode. He was disturbed about the public housing provision in the Senate bill. Finally Taft, who was a hopeful Republican candidate at the upcoming convention the next week, just threw up his hands and walked out, and the bill didn't go through until a year later when the Congress was Democratically controlled.

The last meeting I had with Senator Taft was in the spring of 1953. Jesse Wolcott, a Republican from the House, was chairman of the committee, and I was trying to get things moving and Wolcott was not too active in committee work. So, I went over to see Senator Taft to see if I could stimulate him. All the newspapers had articles about how he had incurable cancer. So, I was a little hesitant. I called over and his secretary said, "Come on over." So,

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I went in. With his days numbered, do you know what he was doing? He had a Sears and Roebuck catalog open and was writing out an order for a new refrigerator for his Georgetown apartment. This couldn't have been but a few weeks before his death. I have always thought about that as rather unusual and commendable that he would be thinking about such things.

Another touching thing I remember that happened about this time—spring of 1953. Former President Truman came back to Washington from Missouri for a visit. It was announced that he was going to visit the Senate. The chamber was full and Senator Taft was present, with his crutches, which he needed to use during his terminal illness. President Truman entered the chamber on the Republican side from the vice president's office and walked directly to where Taft was standing. They embraced each other. There was tremendous response from the floor and gallery. Then Truman went to his old Senate seat and was asked to say a few words to a briefly adjourned Senate.

I would like to jump back to Flanders for a minute. Here was Flanders, a freshman Republican senator, and Truman, a Democratic president. Nevertheless, whenever Flanders wanted to see Truman, every few months he'd call over and within a week, he'd get an appointment to spend fifteen or twenty minutes with Truman. I'd generally drive him over. It is a little different today, isn't it?

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**BAKER:** Indeed it is.

**ENSLEY:** Quite a bit different. I was reasonably close to [Senator John] Sparkman, who thought that I should be made an ambassador in the Carter administration. Sparkman could not get a response to his communications on my behalf from the White House. Carter would not even answer his letters. Not just about me, but other matters as well. Even [Hamilton] Jordan, Carter's assistant, wouldn't respond. So, I was never made ambassador, not that I was pushing it.

I realize that the burdens, the volume of work, over at the White House is quite different, but here was the chairman of the Senate Foreign Relations Committee, charged with giving "advice and consent," with a president of his own party, unable to get through. I think this was criticism that was fairly leveled at the Carter administration. He didn't know how to work with the Congress. I think it was costly to the Democrats. I hate to say it, because there were many things about Carter that I liked and admired.

**BAKER:** It proved to be a fatal weakness.

**ENSLEY:** It did. President Carter wrote me a wonderful letter when I retired as president of the National Association of Mutual Savings Banks in 1977.

I had an interesting experience with [Senator Arthur] Vandenberg if you'd like me to mention it.

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**BAKER:** By all means.

**ENSLEY:** This was early on when Flanders was appointed to the Banking Committee in the spring of 1947. I had come from the Budget Bureau. The Federal Deposit Insurance Corporation, an independent agency, does not come to the Budget Bureau to clear its budget. That independence irritated the people at the Budget Bureau. The FDIC doesn't even have to get an appropriation from the Congress. They operate independently of the Congress, the appropriations committees and the Budget Bureau. Furthermore, they need not clear their legislative recommendations with the Budget Bureau, which all other agencies have to do. When I came to the Hill in 1947 there was a bill involving FDIC being considered by the Banking Committee. I convinced Flanders that FDIC should be put under Budget control just like any other agency. We sold the idea to the committee and it was added to this pending bill. We were operating in executive session at that time, but it leaked out that in the next few days a bill would be coming up on the floor that would put the FDIC under Budget control.

Well, you can imagine how quickly FDIC got the word to their friends on the Hill. I didn't know about Vandenberg's relationship to FDIC, but I got a call one morning a few days later from Senator [Charles] Tobey, chairman of the Senate Banking Committee, saying "Get Flanders down to the Banking Committee because we have got to

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reconsider this FDIC budget amendment. Senator Vandenberg doesn't like it." I said, "Flanders is in Vermont. Can't this be postponed?" "Oh, no. Vandenberg is coming. He's going to be down here in fifteen minutes. You come down!" So, I went down and sat on one side of the committee table and Vandenberg sat on the other. Here was the president pro tem of the United States

Senate. He was a tower, you know. Well, Tobey recognized him and said, "I understand you have some question about this bill." Vandenberg set forth the most eloquent history of the FDIC, one any historian would have been proud of. He said he had conceived the idea of deposit insurance back in the late twenties and early thirties. No question but what Vandenberg—a Republican—was the father of the FDIC. This was a development that the New Deal took great pride in. Well, when Vandenberg got done talking, Tobey asked me if I had any comments! (laughter) I attempted to state the case as best I could, very briefly. Well they voted. And they were unanimous in deleting that language which would have put FDIC under budget control!

**BAKER:** You can't win them all (laughing). Well, this might be a good place to take a break for a few days.

**ENSLEY:** Okay.

[End of Interview #1]

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## Grover W. Ensley

Executive Director, Joint Economic Committee, 1949-1957  
Technical Adviser to Senator Ralph E. Flanders, 1947-1949

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### Interview #2

#### Dealing with the Postwar Economy

(Friday, November 1, 1985)

Interviewed by Richard A. Baker

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**BAKER:** Are there some points that we touched on in the last session that you would like to return to?

**ENSLEY:** I would be glad to talk about my first adventure up here as a staff man to Senator Ralph Flanders of Vermont. He was a freshman senator in January 1947. He was appointed to the Civil Service Committee, the Banking and Currency Committee, and the Joint Economic Committee.

There is a rather interesting story in connection with his service on the Civil Service Committee. You will recall, I had spent a number of years in the Budget Bureau and was concerned about the \$10,000 pay ceiling for most agency heads. I found that Senator Flanders, a successful businessman, was also concerned about attracting and keeping competent people in the executive agencies.

**BAKER:** This occurred right after the war. The war had brought a lot of competent people to Washington.

**ENSLEY:** Right. But they were leaving, you see. And furthermore, Flanders, a Republican, was looking forward two years hence to a Republican victory and he wanted whoever the Republican president

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was to be able to attract competent people. So, I worked with Donald Dawson down in the White House and people at the Budget Bureau. Dawson was President Truman's assistant for personnel matters. He and the Budget Bureau, where I had close friends and former associates, worked up a bill which would increase the pay of about 165 agency heads and other top people in the executive branch—Flanders introduced it. Committee Chairman [William] Langer made Flanders chairman of a subcommittee on pay legislation. The subcommittee was composed of the senator from Connecticut who later became a judge [Raymond E. Baldwin], a very fine man, and Senator [Herbert] O'Connor, who was a former governor of Maryland. The three of them all felt alike about breaking this \$10,000 ceiling which had been in existence for years. We had hearings. Former President Herbert Hoover was a witness. He was solidly back of Flanders' bill.

**BAKER:** At that time he was the chairman of the President's Commission on Executive Organization.

**ENSLEY:** Right, and very active in this area of trying to increase the quality of people in the federal government. As I helped the former president out of the committee room, he indicated to me the importance of also doing something for the president. There was nothing in the original Flanders bill that would do anything for the president of the United States. Hoover indicated

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that it was very expensive to live in the White House. In addition to a salary increase, he thought there should be some kind of an additional tax-free payment that the president could use to handle the various obligations that fall upon the president. He indicated that he was not handicapped because he had independent means. But he thought particularly of Truman. He mentioned Truman specifically. That made quite an impression on me.

Well, the legislation didn't move. But we were getting near the election and [Thomas] Dewey was the Republican candidate for president in the fall of 1948. Flanders had talked a couple of times to Dewey about the need for top pay legislation and Dewey conveyed to him the importance of getting this legislation through before he was inaugurated in January 1949. Flanders and I had an appointment to see Dewey to go over the bill on the Friday following the election. We were all set to push the legislation. You'll recall that Truman, at the Democratic convention, called a special session of Congress to meet right after the 1948 election. So, we geared up to try to get this legislation through during that special session following the election in order to enable the new Republican administration to attract a group of capable people. Well, as you can imagine, that meeting on Friday following the Tuesday never took place. (laughter)

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The Democrats and the press assumed that Flanders would forget about this legislation. But, he didn't. He called the subcommittee into executive session at the beginning of the special session and started going over these two-hundred-odd positions. The number had grown a bit. I reminded them, as they were just getting started, of what Hoover had said about the need for doing something for the president. I indicated that if we wanted to do something for President Truman, we'd have to get it enacted before January 20, because under the Constitution you can neither increase or decrease the pay of the president during his four-year term. Well, Flanders, said, "Grover, just go into the other room and write an amendment to this bill doing something for the president." That was the only instruction that the subcommittee gave me. I went out and wrote a simple sentence saying that the salary of the president shall be increased to \$100,000 per year. It was then \$75,000. I wrote another sentence providing for \$50,000 additional pay, which would not be taxable. I pulled those figures out of the air and took the amendment back to the subcommittee. The subcommittee adopted it without a change in the figures. They also put

something in for the vice president and the speaker of the House, as I recall. That amendment was then added to the pay bill. Well, the bill didn't go anywhere in the special session. After all, it was a lame duck Republican Congress with a new Democratic Congress coming in in early January.

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There was no vice president. Alben Barkley, who was the minority leader in the Eightieth Congress was going to be the new vice president after January 20, 1949. The pay legislation bill passed in the House and it came to the newly organized Democratic Senate. It got bogged down in extended debate. As I recall, they discussed, for example, whether J. Edgar Hoover should get \$15,000 or \$20,000 as director of the F.B.I. and other individual situations. The debate was dragging on and on. I could see it not getting signed with a pay increase for the president before he was inaugurated. So, Flanders and I went over to see Barkley, who was on the floor. We explained this problem to him. Thereupon the Democrats, who were in control, amended the bill deleting *everything* except this paragraph that I had written for the president plus provision for the vice president and the speaker, and *passed* it! It went through conference quickly and over to the White House. The president signed it just a day or two before the twentieth of January when he was inaugurated for his first full term. The next Christmas, the president sent me the pen that he had used in signing that bill!

**BAKER:** That couldn't have happened before 1937 when the term of the Congress and the president ended the same day, on March 4th.

**ENSLEY:** That's true. That made Truman the highest paid president in history up until Richard Nixon.

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**BAKER:** What happened to Eisenhower, Kennedy and Johnson?

**ENSLEY:** Here's what happened. Senator Wayne Morse from Oregon occasionally became upset with President Truman. Sometime during the Truman administration, a routine pay bill went through Congress right at a time Morse was having a big fuss with Truman. So Morse proposed an amendment to the pending pay bill which would make this \$50,000 taxable! In the legislative history of that bill, fortunately, it was made clear that it could not, under the Constitution, apply to Truman. But Morse felt that he was at least telling Truman something by getting the amendment attached. After Truman went out of office, that \$50,000 became taxable for Eisenhower, Kennedy and Johnson. I think it is still taxable. But, other legislation came along increasing President Nixon's salary from \$100,000 to \$200,000. So, I like to think I am responsible for Truman being the highest paid president in history up until Nixon.

Flanders was also put on the Banking and Currency Committee and we found that very

stimulating. He had been president of the Federal Reserve Bank of Boston for about three years before coming to the Senate.

**BAKER:** I'd like to ask you about that appointment to the Federal Reserve Bank. Is that largely a political appointment?

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**ENSLEY:** No. The presidents of Federal Reserve Banks are not political appointees and I know because I was invited to become president of the Federal Reserve Bank of Richmond a few years ago. Each Federal Reserve Bank has a board of directors composed of bankers and representatives of the various economic interests in that Reserve district. The directors get together to determine who they would like to have as president. That appointment needs to be approved by the Board of Governors of the Federal Reserve System in Washington.

Well, that's the way it emerged for Flanders. Obviously, he was well known in New England. When he retired as president of Jones and Laughlin Machine Tool Company in Springfield, Vermont—and he was very active in the Committee for Economic Development after the war—he was a likely candidate for something like the presidency of a Federal Reserve Bank.

**BAKER:** It sounds as if the Committee for Economic Development was a powerful organization, at least in serving as a grapevine for . . .

**ENSLEY:** It was a new group of progressive business people concerned about what the postwar economy would hold for us in light of a whole decade of depression. It wasn't until World War II that we reached full employment and full use of our resources. These people were concerned about the possibility of reverting back to the

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kind of chronic unemployment and under utilization of capacity that we had during the 1930s. This group came in with a burst of enthusiasm and research. They had an economic policy committee that Flanders chaired. Every report they issued received good media attention. They projected an optimistic postwar economy.

Well, getting back to the Banking and Currency Committee, it was an active committee in the Republican 80th Congress. Senator Tobey of New Hampshire was the chairman. Flanders was on the committee and since he had been appointed in November, had seniority over the big crop of Republicans that had been elected in November. This meant that he was immediately made chairman of several subcommittees of the Banking Committee.

I'll use this role of Senator Flanders to explain my recollection of a very notorious

senator, Joseph McCarthy. He was sworn in on the same day with Flanders, in January 1947. I have already indicated some notoriety he received on his initiation to the Senate. Early in that session, President Truman sent up a special message asking for, as I recall, a six-month extension of sugar rationing. There was still a great shortage of sugar. Chairman Tobey appointed Flanders and Senator [John] Bricker and Senator McCarthy to be the Republicans on a five-man subcommittee to hold hearings on extension of sugar rationing. Before marking up the bill, subcommittee chairman Flanders had a Republican caucus with Bricker and McCarthy.

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First Flanders asked me to explain Truman's rationale for extending the sugar rationing program for another few months. I attempted to do that. I had just come over to my Senate job from the Budget Bureau and I knew the background. My friends there gave me all the latest statistics on quantities of sugar available and what might happen to the price of sugar and its availability if it was decontrolled.

After presenting, I thought, a pretty good case, McCarthy made it very clear that he had been elected on a platform of decontrol. And he didn't want any of this nonsense of extending control one day. Bricker pretty much agreed with him. I argued the case for the administration position. McCarthy—I'll never forget—at one point pounded the table and said to Senator Flanders: "Look. Is Ensley a Republican or is he a *DEMOCRAT!*" And Flanders pounded the table back and said, "I never asked Ensley when I hired him what he was and I won't ask him now!" So the Republican caucus folded up, voting 2-1 against extending sugar rationing. We took the bill back and Flanders reported to the full committee. Now Tobey, Flanders, and all of the Democrats represented a majority. So, this coalition voted to override the subcommittee and extended rationing. All the other Republicans on the committee voted against it. The bill went through the Senate and sugar rationing was extended another few months as the president had asked.

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That was the start of a running problem that Flanders had with McCarthy. Next, the State of Wisconsin was celebrating its centennial. The state wanted a centennial coin run off by the U.S. Treasury. Just the preceding year the Treasury had sent a report to the Congress advising against making these commemorative coins. We had some hearings on the request. Flanders was chairman of the Coinage subcommittee. Senator Wiley from Wisconsin had introduced the bill. Flanders was convinced by the Treasury and argued against authorizing such a coin. But McCarthy was very much for it and they got into quite a struggle over the proposal.

Then, that summer, before Congress adjourned, the Congress authorized a Joint Committee on Housing.

**BAKER:** Can I ask you, on that point, do you remember how the coin matter ended up?



**ENSLEY:** It was denied, again with Flanders and Chairman Tobey siding with the Democrats.

**BAKER:** So McCarthy had reason to be irritated with Flanders.

**ENSLEY:** That's right. Now, as we approached adjournment, the Congress created a Joint Committee on Housing. This was at a time when there was a lot of discussion about public housing, and government support for low-income housing. Most of the Republicans

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were skeptical about federal expenditures for housing. The Democrats tended to be for it. But Majority Leader Taft was for public housing and the whole liberal housing program. The Republican leadership of the Congress decided they would have a joint committee study the problem over a period of several months. The Senate president pro tem appointed Flanders and Tobey and I forget who else from the Senate, including McCarthy, since he had sponsored the legislation. And the Speaker of the House appointed their members.

They had the first joint committee organization meeting after Congress had adjourned in the summer of 1947. Flanders couldn't be at the meeting. In the Senate at that time they could vote proxies. I went with Tobey to the organization meeting with Flanders' proxy for Tobey to vote. The House Republican members didn't want Tobey to be chairman, because he was for public housing too, along with Flanders. So they proposed [Representative Ralph A.] Gamble, who was the ranking member of the House Banking Committee. They proposed him as chairman and McCarthy as vice chairman. Tobey, of course, had the votes, but the House members ruled that Tobey could not vote proxies because the House does not recognize proxies. After a long fight, Gamble of New York and McCarthy were elected chairman and vice chairman—both opposed to public housing. These two hired the staff and went on their merry way. Months later and after hearings,

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the committee chairman and vice chairman came up with a four or five hundred-page proposed committee report.

**BAKER:** Did you have any input into that report?

**ENSLEY:** None at all. No. We were given the report after it was completely drafted and ready, presumably, for approval by the full joint committee. I got busy at Flanders' request and had the Housing agency downtown—which was a Democratic agency—help me write just a brief forty-page report, which would hopefully become the report of the joint committee. We sent it around the committee so that we knew just who would support it. All the Democrats on

both sides would support it with Tobey and Flanders. That gave us the votes we needed. We went to the final committee meeting and Gamble and McCarthy were in charge. They moved that the committee adopt their long report. The committee argued for some time. At the appropriate time, Flanders produced his proposed substitute report. It was passed around and all the Democrats and Flanders and Tobey signed it. We had the majority!

Flanders, Tobey and the Democrats just walked out of the meeting and left the other members there hanging. Tobey and Flanders gave the report to the press and filed the report in the Senate and the Democrats filed it in the House. That left further bitterness between Flanders and McCarthy, you can be sure.

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There were other issues that caused Flanders and McCarthy not to get along well. So, it didn't surprise me several years later to go into Flanders' office one day and find him personally writing a brief sense-of-the-Senate resolution censuring McCarthy. I looked it over. I didn't have much input. I was with the Joint Economic Committee at that time. But, nevertheless, I was keenly interested in it. I was sitting in the Senate the day Flanders got the floor and introduced the sense-of-the-Senate resolution. It was referred, eventually, to a special committee of the Senate, headed by another member of my Joint Economic Committee, a former judge, Arthur Watkins of Utah—a wonderful person. His special committee held hearings and came up with, as you know, a somewhat modified resolution, but which was passed.

I was rather upset years later when a historian from Wisconsin wrote a biography of Joseph McCarthy. The author, I forget his name . . .

**BAKER:** Thomas Reeves?

**ENSLEY:** I couldn't say, but he was being interviewed on ABC for a half-hour a few years ago. On the same program was Roy Cohn. They were reviewing this whole McCarthy era. I was very upset when near the end the inquisitor asked Cohn what he thought of Flanders. And he said, "Oh, Flanders he might not have used the word

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"crazy", but he said he was "senile and over the hill." He implied that Flanders didn't have all of his faculties about him during this era. That irritated me, because there was no one there to answer him and Flanders had died years earlier. This poor historian didn't know Flanders personally. And then Cohn said that Flanders got up on the Senate floor after this resolution was passed and *apologized* for what he had done to McCarthy.

Well! I would have given anything to have been there, because here's what he got up and apologized for! At one time Cohn and [G. David] Schine were traveling around Europe together.

All sorts of rumors developed as a result of the two single men traveling around Europe. Flanders got up one day and made a casual remark about their trip, because he'd been in Europe and had witnessed the unfavorable press they had been receiving. He criticized them for going over as representatives of the United States Senate. He had no thoughts of anything immoral about it. But, after the censure of Joe McCarthy, it came to him from somebody that this comment on the Senate floor had been interpreted as impugning the morals of these two gentlemen. So, he got up in the Senate and said there was only one thing that he ever did in the long censure proceedings that he regretted. He tried to straighten that out, because it really bothered him. Now, that was the extent of his apologies. But, it did reflect Flanders' integrity. And to have Roy Cohn get up and say

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that Flanders apologized for introducing the censure resolution made me wish that the days of dueling were still with us! Because I would have challenged Cohn to a duel over that terrible misrepresentation of the integrity and sincerity of Senator Flanders.

**BAKER:** I took a course on "practical politics" at the University of Massachusetts in 1959, taught by Senator Flanders as a guest lecturer. I can attest to his having all of his faculties at that point. He was very sharp.

**ENSLEY:** Of course. And this was—years earlier—that Flanders was allegedly "off his rocker." There was no one there to defend him in that television show.

**BAKER:** In fact, the activities of Cohn and Schine, going around Europe acting as inquisitors, were totally off base. There was no solid precedent for these staff people to be acting as if they were members of the Senate.

**ENSLEY:** And that is what Flanders was criticizing.

You know, being here on the Hill gave me a number of opportunities to travel. I mentioned earlier my being a delegate to the international statistical meeting in Rome. After that meeting I went to Geneva, Switzerland to a meeting of GATT, General Agreements on Tariff and Trade where I was a U.S. delegate. This was in September

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of 1953. I think it is interesting because it was the first meeting of the new Republican administration with GATT. Our chief delegate was Assistant Secretary of State for Economic Affairs, [Samuel C.] Waugh. There was a considerable amount of apprehension about what he was going to say in his opening statement. The other member-country delegates had memories of the 1930 Smoot-Hawley Tariff. They remembered that during the 1930s it was the Democrats that were so-called "free traders" and for the reciprocal trade program. The Republicans

historically tended to be protectionist. Now, isn't that kind of ironic! Today, 1985, it is almost the reverse. You have the Republican administration talking free trade and against protectionism. You have the Democrats who are calling for protection.

Back in 1953 I was a good friend of Mr. Waugh. He had taught at the University of Nebraska. We had a number of mutual friends. I was director of the Joint Economic Committee and Waugh arranged for me to be a delegate to the GATT meeting. The night before his opening speech he called me in to sit down with him to go over his statement, which he wanted to modify to remove the apprehension of the other delegates. He expressed to me a concern that his superiors in the State Department—Foster Dulles was secretary—had not clarified yet the position of the new administration with respect to trade. And here Waugh was going to make the first public statement

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on the subject. It had been prepared, I guess, by underlings and they had not made the new administration's position clear, either. So, we rewrote the first part of his speech to allay any fears of the rest of the world about the possibility of this administration, or our government, reverting to the awful Smoot-Hawley era.

**BAKER:** And this was nine months into the administration already?

**ENSLEY:** Yes. Waugh had been impatient, but we clarified his statement. It allayed all fears abroad. It was a commendable and timely statement.

**BAKER:** Now that required some fast footwork on your part. You were working under the gun. You had a fairly short deadline.

**ENSLEY:** Well, we didn't have to make many changes, actually. Just a few words here and there to remove the suspicion that was pretty evident among the other delegates.

You might be interested in the Joint Economic Committee and its broad purposes. It was to advise the Congress on the president's Economic Report and other economic conditions facing the Congress. So, we were quite dependent on the Council of Economic Advisers for explaining to us the president's Economic Report, which comes in January of each year and which the joint committee must forthwith

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study and report to the Congress what it should do with respect to the main recommendations in the report.

**BAKER:** The idea of a president's Economic Report was really brand new, wasn't it?

**ENSLEY:** Brand new.

**BAKER:** Where did this come from?

**ENSLEY:** Well, it goes back to the [1946] Employment Act itself, which required it.

**BAKER:** How did it work into the Employment Act itself?

**ENSLEY:** The Employment Act said that the federal government should use all of its powers to maximize employment, production, and purchasing power. It was a rather simple, but pretty comprehensive statement as to the responsibilities of the federal government. Use all of its powers, you see. In order to carry this out, the framers of the act felt that the president, as the executive head of the government, should send a report to the Congress each January about the conditions of the economy and what recommendations he would wish to make in dealing with the economy to carry out the objectives of the Act.

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**BAKER:** Was there something in that that was a reaction to President Franklin Roosevelt and the way that he cavalierly treated Congress, particularly in the early war years? Here's Congress saying, "We want a report!"

**ENSLEY:** I don't think so. I must say that when I came to the Budget Bureau in 1941—the Budget Bureau had been just recently reorganized, establishing five divisions, of which I was in the Fiscal Division. That division was responsible, among other things, for preparing the president's message accompanying the budget. Right from the beginning of my time there, we decided that we wanted the president's budget message to be more than just a little simple statement of the estimates. We attempted to incorporate in the budget message much of the stuff that later found its way, naturally into the Economic Report of the president prescribed by the Employment Act. I always visualized the president's budget, or any budget, as being more than just statistical tables. It should set forth the program of the administration.

We were faced, right off in the committee with having the president's Economic Report coming up in January and of being required by law to advise the Congress what should be done with respect to the major economic recommendations in that report. Now, I had always thought that the chairman of the Council of Economic

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Advisers should logically be the first witness to testify at the hearings that the committee would hold on the president's report. Dr. Edwin Nourse was the first chairman. He was a distinguished and able economist from the Brookings Institution. But, he took a very narrow

position. He thought that the Council of Economic Advisers—and you could give this interpretation under the law—should only advise the president. He would not testify or even meet with the committee. He'd come up and have lunch with me, or Senator Taft, or both of us, or with Flanders, but he would not come up and testify. He was chairman for a couple or years.

When he resigned for, I suppose, age reasons, the next chairman was Leon Keyserling. He was a member of the Council and Truman designated him chairman. Keyserling was just the opposite. Not only did he testify, he was an advocate of the president's program on any platform or in any media where he could get attention. Unfortunately, he put the Council in a vulnerable position. When Eisenhower was elected, there was a question as to whether the administration should continue the Council of Economic Advisers. As a matter of fact there was a three-month hiatus when there was no Council.

**BAKER:** What kind of "vulnerable position"?

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**ENSLEY:** Mr. Keyserling was considered too much an advocate of the president's program. More of a politician than an objective economist. And I guess it was the personality too that irritated people. As a matter of fact, it wasn't just the new Republican Congress and administration that were disillusioned with the Council. The outgoing Democratic Congress in 1952 appropriated only nine months of funds for the Council. So when the new Republican Congress came in, their funds had run out. They were on a fiscal year beginning July 1. By the first of April there were no funds and the Council went out of existence. All the staff were let go. The new president had not yet selected a Council. Arthur Burns was a White House advisor and was obviously going to be appointed. And he was appointed, but there was a hiatus with no staff—primarily, I think, because of the image that had been left by Leon Keyserling. I hate to say that. He was a good friend of mine. He'd made a tremendous contribution in the government housing field. He was a close associate of Senator [Robert] Wagner.

The next chairman was Arthur Burns. He reverted to the position of Nourse. He might come up and have informal closed discussions with the members of the committee as long as no transcript—or tape—was made. This was his position for the two or three years that he was chairman. Then when he retired, he was succeeded by Raymond Saulnier, who is a good friend of mine. We had dinner together last

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night and I told him about these interviews. He was impressed by the fact that the Senate is interested in history.

Raymond Saulnier came in as chairman in 1956. The committee had this on again-off again experience with the chairman of the Council of Economic Advisers. I sat down with Steve

and worked out an arrangement in writing whereby he would come up and testify. If he wanted to meet in closed session, we would give him that privilege. We took that arrangement to Senator Douglas, who was the chairman, and he agreed to it. It was approved by the committee and by the Council. That's the way it has been ever since. The chairman does come up and testify. Several years later, when Arthur Burns was back at the National Bureau in New York, and before he came back for the Nixon administration, I had dinner with him one night and he said, "Grover, on that subject, I was wrong and you were right." As you know, when Burns came back in the Nixon years, he was one of the most effective witnesses I've ever seen in the Congress—one of the most persuasive and adroit. I felt pretty good that he had conceded that he had been a little too stiff when he was Council Chairman in the Eisenhower administration. But, I think it was the result of Keyserling's unfavorable image that he left with the Congress and the public generally.

At the joint committee, in addition to having a non-partisan staff, we developed liaison with the economics departments of the

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universities. Both in terms of correspondence and getting around visiting. When Congress was not in session, I was out visiting the various universities. I would participate in faculty discussions, among other ways of liaison. We had close relationships that we developed with research organizations throughout the country—both government and non-government. We created relations with groups in business, agriculture, labor and with our foreign peers. This was important to give the country and the various economic interests a feeling of participation in the work and the recommendations of the Joint Economic Committee. We took that very seriously. I think that from the clippings you've seen, you can see that we did build up a pretty good rapport with the interests groups and with the media, too. I felt very comfortable with the press.

**BAKER:** Clearly, they took you as a person of great substance and of great power, because you had not only the information that for the general public is often difficult to understand—economic policy information—but you also represented the members of the Joint Economic Committee.

**ENSLEY:** They gave us a great deal of credit. *Business Week* of July 1957, for example, carried a favorable report on the work of the committee. The long article on its importance stated:

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It was under Ensley that the committee scored most of its successes and that the staff worked out the study methods that presumably will be continued by his successor. When given an assignment, the committee blocks out the particular subjects it wants covered, then calls on the best professional brains in business, labor, and the universities for

background papers. These papers are published, often accompanied by a staff-written document in which the material is sharpened up. Hearings are then held in which authors of the background papers participate.

In the scholarly atmosphere scrupulously maintained at these hearings, economists exchange views with the same freedom they would have in a university seminar.

This method has produced some landmark economic studies, notably the inquiry into money and credit conducted by Senator Douglas; an inquiry into general credit control and debt management conducted by Representative Wright Patman (0-TX); and last year, a sweeping study of the economic factors in tax policy, by Representative Mills.

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The committee handles its one routine job each year the same way—its assessment of the President's Economic Report to Congress, which is prepared by the Council of Economic Advisers. The president's report is required by the Employment Act, and the committee in turn is required to hold hearings regarding it.

What results is a critical assessment by the committee, the staff, and outside experts of what the Council of Economic Advisers has told the president regarding the state of business.

*Fortune* magazine in December 1955 ran an article, "The Economy's Scouts." It pictured me as one of "The four economists—that exert a profound influence on the national economy." The other three referred to were Arthur Burns, chairman at the time of the Council of Economic Advisers, Gabe Hauge, assistant to the president in the White House, and Win Riefler, assistant to the chairman of the Federal Reserve.

*Nation's Business* of October 1955 stated:

Dr. Grover W. Ensley is staff director of what has been called the country's most important economic policy group. This is Congress' over-all Joint Economic Committee. The committee, which was formed in 1946, has

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been a major force in shaping American economic policy not only in Congress but in the Administration and business world as well. Its studies and publications are must reading among economists.

I always thought these statements pretty nice!



**BAKER:** I would say so. Quite a compliment. Did this ever present any problem in your relationship with the members of the Joint Economic Committee?

**ENSLEY:** No, I don't think so. I tried to be deferential to my members. I got to be known as the fellow that walks things around. I would go one-on-one and explain the economic situation to them and what I thought the committee and Congress should do. Then I'd go to the next one. When we'd have a committee meeting, it was pretty much resolved beforehand. I found that technique useful in private business later on. To walk around and get everything settled before the board meeting. I would know before the committee would meet as to where I could get areas of agreement and where I couldn't. The objective was to try to minimize confrontation. Not that you would try to eliminate serious differences of opinion or debate, but we would try to reconcile things as best we could.

It was interesting to me to compare the Congress here with legislative bodies in other countries. I got to know Hugh Gaitskill

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pretty well. He was the Labor Party leader in the parliament in Great Britain. We would go to seminars each summer put on by Amherst College at the Merrill Center out on Long Island—Southampton. One time in the fall of 1953, on the way back from the meetings in Rome and Geneva, I stopped in London. As soon as I got to the United States embassy I called Gaitskill's office and found that he was out of town at a Labor Party Congress and wasn't expected back until after my scheduled departure. This made me feel badly. Nevertheless, our embassy driver drove me over to see the Parliament. Parliament was not in session. I got out of the car and released the driver and went to the front door. It was locked! I went around that Parliament building and all the doors were locked. I came to what was apparently the last door and I tried to open it. It wouldn't open. As I was turning to leave, it opened a crack and a guard stuck his head out. I went up and I said, "I'm Grover Ensley. I work for the United States Congress. I am leaving tomorrow night and this is the only chance . . . I'd like very much to see the Parliament Building." He said, "Well I don't think we can tolerate you this afternoon." (laughter) Well, I explained to him that we were appropriating billions of dollars for the Marshall Plan to assist western European countries and Great Britain.

I used every trick I could to get him to show me Parliament. But to no apparent avail. Finally I said, "You know, I'm a very good

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friend of Hugh Gaitskill." "Well, why didn't you say so in the first place!" he said. He took me by the arm and he gave me a two-hour personal tour of the entire building. He knew the history, tradition, and all the background. He showed me where the king or queen comes before they make their annual presentation to the House of Commons. He pointed out how one party is on

one side, and one on this side—just beyond where swords would reach. Then he took me over to the House of Lords and gave me the long history and tradition of the House of Lords. After that, he took me down underneath the House of Lords Chamber to the Lords' Bar where there was a storekeeper taking inventory. I ended up buying all three of us a glass of "whiskey" as they call it. The three of us had quite a discussion there for a good half an hour before I left.

I got back to the embassy and found a call from Hugh Gaitskill. He had come back early and wanted me to be sure to stop at his home on the way to the airport the next day. So I did. We had a real good visit and I told him this story about my visit to Parliament and how I was turned down. Before I could get to the end of the story, he said, "Well why didn't you tell 'em that you knew me?" (laughter) When I told him that was how I got in, it made him feel pretty good.

Years later, in 1960, my wife and I went over to London. Harold Macmillan was the prime minister and Gaitskill was still the minority

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leader. We were there for one day, and Gaitskill was busy, as it was question day—he, nevertheless, took us to good seats for special guests in the gallery. Then Gaitskill and the minority paraded on to the floor of Commons. He looked up and waved at us. Then Macmillan and his cabinet came in and sat down. Gaitskill asked the first question of Macmillan. It was a very complicated question about the Common Market. This was before England went into the Common Market. I'll never forget that Macmillan answered him in kind of a flip way, which made Gaitskill look like two cents. It was a very skillful reply. Gaitskill looked up at me and just kind of shrugged his shoulders. It was the last time I ever saw Gaitskill, because he died soon after that. Years later, Mrs. Ensley and I went over and visited Lord Gaitskill in Parliament. His wife had been made a lord.

On another trip in 1955 when I was in South America, I arrived in Lima, Peru and was met by the minister of finance who took me to my hotel. On the way to the hotel, he *whispered* to me, "There is something I want you to tell President Eisenhower." I didn't disillusion him. He outlined the military threat from Ecuador or Bolivia, I forget which country. He wanted me to tell Eisenhower personally that Peru was about to be invaded. He didn't want me to talk it over with our ambassador to Peru who I saw the next day. When I got back to Washington I immediately went over to the assistant secretary of state and built this up as dramatically as I

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could. He just laughed at me. "He tells all the congressmen that come to take a personal message to President Eisenhower!" Well, that was kind of disillusioning . . . (laughing).

In the days I worked for the Congress, security was not the problem that it is today. I had no difficulty walking on the Senate floor at any time. One develops a certain confidence after a

time. In the 1950s one time I visited the United Nations in New York City. I just strode into a meeting of the Security Council and sat with this country's delegates. No one even asked to see my driver's license!

In 1955 the joint committee created a subcommittee on automation. It was the first venture of the Congress in this field. Representative Wright Patman of Texas was the chairman of the subcommittee. We had some hearings. The first witness, as I recall, was Vannevar Bush, the famous scientist. He pointed out that the Soviet Union was graduating more scientists and mathematicians than we were, or something to that effect. We had several days of hearings. And those hearings did lead to increased aid to education as well as other tangible results. It was the first time that I had heard of robots. One of the witnesses told how robots were going to be the thing of the future.

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About ten years later, in 1965, when I was with the savings banks, I was at a trade association meeting in San Francisco. My opposite, who headed the Credit Union National Association came up to me and asked when I was going back to New York. I said, "Tomorrow." He said, "Won't you accompany me to Dallas, Texas, and drive over to Texarkana. The Credit Union Association is having a testimonial dinner for Chairman Wright Patman of the House Banking Committee. I know you know him and he knows you. We'd like you to come to that dinner." Well, I'd never gone from Dallas to Texarkana. We arrived in Dallas about the middle of the afternoon and were met by the Texas credit union group. We drove over to Texarkana—some two hundred miles! We didn't get there until about seven o'clock. There was time for just one quick bourbon before going to the junior high school auditorium where the banquet was already under way. Everyone was seated and eating. They put me right up in a front row table. It was not on the podium. I sat down, had a good dinner, completely relaxed. I had been told that Mr. Patman had a half-an-hour speech denouncing commercial banks and high interest rates. This was his principal interest. He was a populist of the old school. I saw that big speech that he had there on legal sized paper and I suspected that that was what he was going to do.

After dinner the toastmaster stood up and came down directly to *me* and introduced himself, because we had come in after they were all

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seated. He said, "Dr. Ensley, I think we'll start with you." I said, "What do you mean start with me?" He said, "You'll be the first speaker and we're gonna start right now." I didn't dream that I was going to have to say anything. The toastmaster turned and returned to the podium and introduced me. Well, it hit me all at once as I was walking to the podium—this automation study. I started out: "You know how happy I am to be here in Chairman Patman's home town. While it is tempting to talk to you about banking and credit matters, you are acquainted with his forte in that area. I am going to tell you something about Chairman Patman that you perhaps do

not know. When I was with the Joint Economic Committee ten years ago, he was chairman of a subcommittee that conducted the first hearings ever held in the Congress on automation. And those were rather noteworthy hearings." And I gave one or two facts—I referred to Vannevar Bush on Education—and then I sat down.

There were a dozen or so other speeches before the climax, when the toastmaster introduced Chairman Patman. Patman came up to the podium with that big manuscript and he started out, "I am so glad Dr. Ensley is here. You know he is the greatest economist in the country. And I remember those hearings on automation." And for fifteen minutes he indicated what the nature of the hearings were and

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what came out of the hearings and the legislation that was produced. I had forgotten most all of that. But he remembered. And he never did get to his speech attacking commercial banks. (laughter)

**BAKER:** You had known him going back to the beginning of the committee.

**ENSLEY:** Oh, yes. We were close after I left the Hill and went with the mutual savings banks. Because he was an old time populist and something that was "mutual" or nonprofit meant something to him. He was a champion of the nonprofit credit union movement. So we got along just fine.

Another good friend was Senator [J. William] Fulbright. After I had gone with the mutual savings banks, I was made a Franklin Fellow of the Royal Society of Arts in Great Britain. The Royal Society was created about in the middle of the eighteenth century. One of the first members was Benjamin Franklin when he was representing the colonies in Great Britain. Every year the Royal Society makes an award to an outstanding American one year, and a Britisher the next, who has helped bind America and England together. I urged naming and Fulbright a few years ago. The Fulbright presentation was made at the British Embassy here in 1977.

Incidentally, the president of the Royal Society is Prince Philip, the Duke of Edinburgh. A few years ago on the occasion of

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our Bicentennial, the Royal Society had a three day celebration in London commemorating the event. The Society invited all the Franklin Fellows and their spouses. The high point of the program was the reception given us by the Society's president. I remember presenting Prince Philip with a set of commemorative coins. He seemed grateful. He told me he was chairman of the British Commemorative Coin Committee.

The speaker of the House of Commons also entertained us at a luncheon in his apartment in the House of Commons. It was on that occasion that we visited with Lord Gaitskill. We were taken from the speaker's apartment nearby to the House of Lords, but our escort—a member of Commons—could not cross a certain line. He beckoned to a Lord to come to this line and take us the rest of the way and help us find Lord Gaitskill.

**BAKER:** I would like to get back briefly to the whole concept of joint committees. Right after the war, with the Legislative Reorganization Act of 1946, there was a great proliferation of joint committees.

**ENSLEY:** That's right. You had the legislative budget committee, the atomic energy committee, the Joint Economic Committee, and there have been others.

**BAKER:** Internal Revenue Taxation . . .

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**ENSLEY:** Well, of course that goes back to an even earlier period. A very dear friend of mine, Larry Woodworth was the executive director of that committee until President Carter persuaded him to go down to the Treasury in 1977 and help him with a tax reform bill that never got off the ground. He died in office. I think partly out of the frustration that came with trying to reorganize the tax code and face up to all these conflicting interest groups.

Then, of course, there were always a lot of short term or ad hoc joint committees, like the Joint Committee on Housing that I mentioned that was created for just a set period of time.

**BAKER:** Before I ask you about the structure of joint committees, perhaps we could pick up on your discussion of the joint budget committee and focus on why that ultimately failed as an outgrowth of the Legislative Reorganization Act.

**ENSLEY:** As I mentioned earlier, the Legislative Reorganization Act of 1946 provided for a joint committee to come in with a consolidated budget and appropriation bill. The committee, as I recall, was composed of a number of representatives from the two taxing committees, from the two appropriations committees, but at least one member from each of the authorizing committees. For example, from the Agriculture Committee—the chairman generally. In the first

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year, 1947, it actually did produce a unified one-appropriation bill, with all the agencies taken care of in that one bill—as against some thirteen or fourteen bills that you normally have. It took a lot of cooperation, but you had in that first year a burst of enthusiasm because it was new. The Congress had just passed it. So they put a lot of effort into making it work. And it did. But I

think that was the last year. It was too unwieldy, perhaps. Each of those committees is jealous of its prerogatives. Why should the Appropriations Committee take on the other members to consider the appropriations? Why should the authorizing committees be hindered by the appropriations committees? There are certain basic "turf rights."

**BAKER:** Is there also a House-Senate turf problem in view of the House's exclusive role in initiating revenue bills?

**ENSLEY:** I am sure there is that jealousy. Just as there is between the executive and the legislative branch on issues. For example, the good case of that was a monthly publication called *Economic Indicators*. It is a best seller. It was developed first in the Budget Bureau and then taken over by the Council of Economic Advisers. I was with Flanders at the time, and we persuaded the joint committee to print it each month. As a standard procedure, when I was executive director of the committee, once every year I would put on the front cover, "Suggestions Requested." This was a short paragraph addressed to the reader and the users in order to encourage

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feedback. The Council would send a rough draft up and we would look it over and send it to the printing office and get a galley. In the summer of 1953 Arthur Burns was chairman of the Council. The month we put "Suggestions Requested" on the galley and shot it back to the Council of Economic Advisers for final proofreading, Arthur Burns called me and he wanted no part of that at all. He said, "I'm the master of this publication." Well, now here was a Republican administration saying that the "Suggestions Requested" note had to come off. I went over to my chairman, who was Jesse Wolcott, the Republican chairman of my committee. I explained to Wolcott that I thought it was good PR, if nothing else, to give the users an opportunity to make their suggestions of what we should include or exclude and the general arrangement of the publication. Wolcott agreed with me. He called Burns and told Burns off and the notice stayed on. Now, here was a case of jealousy between the legislative branch and the executive branch. Everybody has their areas that they would like to protect. And the printing of this document was the responsibility and the prerogative of the Joint Economic Committee.

**BAKER:** You have really identified a very interesting point at a very interesting time in congressional history. Nineteen-fifty-three with a new Eisenhower administration, a lot of Republicans on the Hill who had not really been in power very long . . .

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**ENSLEY:** That's right. They'd not been in a position of running the Congress in many years. It was quite a transition. For a person like Wolcott, who'd been here for many years as a minority man, and a *ranking* minority man, to put on him the responsibility of running a committee, the Banking Committee or the Joint Economic Committee, was a new experience for

him. I mentioned earlier my walking on the House floor without being stopped by the newly organized Republican House to hear Winston Churchill speak to a Joint Session in early 1947.

**BAKER:** I gather from reading Robert Taft's biography that there was a lot of frustration on the part of Republican leaders, at least in the Senate, about this new Republican administration—and there hadn't been, as you pointed out, a Republican administration for many years—but they weren't paying a whole lot of attention to their party members in Congress. For example, what does Eisenhower do, he names Martin Durkin as secretary of Labor! A Democrat. And he didn't even bother to consult Taft—the senior Republican on the Labor Committee. Did you pick up a sense of that kind of feuding between Republicans in the White House and on the Hill?

**ENSLEY:** Yes, there were a number of instances. I've mentioned the hiatus with the Council of Economic Advisers early in the Eisenhower Administration. It took some intensive efforts on the part of Gabriel Hauge, assistant to the president at the White House,

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and me at the joint committee to get action by the Senate Appropriations Committee to fund a reconstituted council in the early summer of 1953. It reflected a lack of experience in liaison by Republicans, newly in control, at both ends of Pennsylvania Avenue. And between the House and the Senate. But that is life. Actually, my experience with university faculties, with private business boards, when you really get down to it, suggests there is something about the decorum in the Congress that is unique and satisfying. There is a certain amount of give and take, and respect that you don't always find on the faculty of a university or in private business. There can be some of the most difficult problems that you ever saw, as you know if you have ever been on the faculty of a university. But, here in Congress there is a respect for each other.

I remember when Flanders first came to the Senate. I would sit down beside him while he was handling a piece of legislation on the Senate floor. He had to be the floor manager on quite a bit of legislation, because even though he was just a freshman senator, he was senior to many of the other Republicans—and there was a raft of them of course in 1947. On one occasion he was explaining a bill to the Senate. Senator Barkley, who was the minority leader, got up and paid Flanders a great deal of respect, using all of this "distinguished colleague" stuff. He ingratiated himself to Flanders no end.

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Flanders just kind of flippantly bowed. I forget just what it was. Anyway, in a few minutes, when the opportunity arose, Barkley came over and I heard him quietly chide Flanders for being so flippant in his responding to Barkley's flattery. In other words, it wasn't the proper etiquette. Now, Flanders took this very seriously. He respected and was grateful for Barkley's counsel. Here was somebody from a different party coming over to explain to a freshman senator

the etiquette of the Senate. That is pretty important, I think, to the smooth running of the Congress.

**BAKER:** Is there something in this that grows from the realization that issues transcend personal feelings? No matter how much you might personally despise another member, you may need his vote someday. And if he tells you that down the road he is going to be with you on an issue, there is an etiquette that his word is his bond.

**ENSLEY:** That's right. And if it isn't, you are soon done, aren't you?

It is a fantastic organization. I wouldn't give anything for the few years that I was able, as an employee, to see it in operation. It was a fantastic experience.

Did I tell you about witnessing the attempt on Truman's life?

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**BAKER:** Not on tape. This was the 1950 incident?

**ENSLEY:** In the fall of 1950, as you know, Truman was staying in the Blair House because they were rebuilding the White House. I was over at a meeting at the Council of Economic Advisers on the third floor of what is now the Executive Office Building, overlooking Pennsylvania Avenue just across the street from Blair House. I was talking with the members of the Council. We heard some shots. With my experience in Guam during the war, I knew it was gunfire. I looked out the window and there was a policeman in the middle of the street, lying down shooting at somebody trying to go up the steps to Blair House. I guess there were forty of fifty shots in all and, as you know, there were some deaths there. Fortunately Truman was asleep in Blair House and they weren't able to penetrate the door.

I went down and looked around and got a cab back to the Capitol. On my way to my office, I stopped in the Senate Press Gallery and told them. They knew nothing about it. The news hadn't gotten up here yet. It was just minutes after it happened.

I wrote my parents of this incident. Over ten years later, upon their death, we found a box of clippings which I took East. This year (1985) I thumbed through the clippings for the first time and discovered a clipping from my hometown newspaper reproducing the

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letter I had sent my parents. I had not realized that they had shown it to the newspaper. (See attached copy of the clipping).

Several years later [on March 1, 1954] committee clerk John Lehman and I were going



up the elevator in the Senate wing of the Capitol and there were four people who got on the elevator in the basement. A girl and three men. I kind of thought that they were perhaps Puerto Ricans. Of course, those involved in the attack on Truman nearly four years earlier were Puerto Ricans—this nationalist group. Well, these four people got on and, as we rode up the elevator, they wanted to get off at the main floor and they said, "What is the direction to the Senate gallery?" We pointed out how you go down this way and this way and so forth. We were on one of the back elevators.

Well, about an hour later Senator Flanders and I walked across to the House floor to meet Chairman Jesse Wolcott to review some Joint Economic Committee matters. As we approached the door to the House, people were coming out from all directions, from the gallery and from the House floor. These folks that had ridden up the elevator with us had missed directions and had entered the House gallery and shot five members. They had probably intended going to the Senate gallery, but by some mischance, ended up in the House gallery. That's the only explanation I have for it. I went back to my office and turned on the radio. The news was on and the announcer

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indicated that the police had caught the "three" suspects. Well, we knew there were four in the group. So we immediately got in touch with the police and said that we thought it was the same group we rode up with in the elevator, and in that group there were four! The police went down to the bus depot, among other places, and they caught the fourth man.

**BAKER:** That is one of those events around here for which everyone remembers exactly where they were on that day.

**ENSLEY:** Just like John Kennedy's assassination. I was at home in Scarsdale, New York in bed with a bad back. I was listening to a football game on radio when the announcement came of the Pearl Harbor attack on December 7, 1941.

**BAKER:** In thinking about the time that you were here with the Joint Committee, it occurs to me that one of the characteristics of Congress during the period from 1947 to 1957 was the closeness of party division. During that entire time there was only a handful of votes separating the parties. When Robert Taft died in July 1953, he was replaced by a Democrat, with the result that the Democrats actually had more votes than the "majority" Republicans. This drove the new majority leader, William Knowland, crazy.

**ENSLEY:** I had forgotten about that.

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**BAKER:** Was that a factor in your daily life? People will argue that it makes parties a lot

more responsive to one another when they are so closely divided.

**ENSLEY:** Oh, yes. In the next Congress, we had Sam Rayburn and Lyndon Johnson as the leaders in the closely controlled Democratic Congress. They worked very well with Eisenhower. Partly because of the closeness of the votes. I think, too, it was a credit to the men involved, to both Johnson and to Rayburn. They helped the Republican Administration a great deal. I sometimes think that we don't have as much of that today.

On the other hand, the opposite party may be too accommodating to the majority if the wrong policy is being pursued by the party in power. I was critical of the Democrats in 1981 for going along so quickly with the Reaga-led 25 percent reduction in the personal income taxes. I thought the large tax cut was premature. I tried to lobby with my Democratic friends on the House side. But, they said, "Oh, let the Republicans hang themselves." Currently the House Speaker says that, "We are going to get the tax reform bill through the House this year; we are not going to take any chance of being criticized for not doing so." It might be a terrible reform bill, but they will pass something. There is lacking a certain amount of responsibility, it seems to me. I realize I shouldn't get into

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currently controversial things here, but it just seems unfortunate. Actually, tax reform is always in order and the Ways and Means reform bill looks good.

When I think back upon the decade I was here—sure there was a lot of partisanship—but it seemed to me that there was more of an attempt to accommodate each other and work for the common good. I might be wrong. I guess it is just old age.

**BAKER:** But you are raising a very important point—the problem of the interrelationship of politics and economics. You were in a position to try to make that relationship work.

**ENSLEY:** It was my whole life. My goal was to try to seek and achieve areas of agreement and get on with some constructive legislation or some constructive action.

**BAKER:** Here you were, sitting in the Joint Economic Committee with responsibility for developing a non-partisan or bi-partisan approach to economic policy. You must have felt an awful lot of forces coming along trying to take the statistics and the indicators and twist them to particular partisan ends.

**ENSLEY:** Yes. You just had to do the best you could. Fortunately, I hired the entire staff, except for two or three people

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who were there when I came. And they were selected on a non-partisan basis so that we truly had a non-partisan staff. We had a great deal of loyalty to each member of the committee. But we didn't have any employee who was there by reason of one of the members persuading me to hire that person. It was somewhat unique here on the Hill, I think. I didn't have to do much firing and hiring, but I never had any member of the committee question me about how I handled the staff.

**BAKER:** That's an awfully tall order. When Joseph O'Mahoney took over as chairman from Robert Taft in 1949, how did that work?

**ENSLEY:** Well, I was not at the executive session. In fact, I was not an employee of the committee at that time. I was still with Senator Flanders. I think it was an easy meeting. Taft and O'Mahoney got along well. They understood the mechanics of the operation. They might disagree on policy, but when it came to organization and committee machinery there was no problem.

**BAKER:** Did you think that some of that came from the sense that the joint committee was essentially a study committee.

**ENSLEY:** In part. We were not a legislative committee. Our responsibility under the Employment Act was to make recommendations to the other committees on dealing with the recommendations that, in the first instance, the president had in his Economic Report and in

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other economic matters as well. I remember the first hearings that we had even before I came with the committee, when Taft was chairman. The steel industry had increased their prices. There was a question about whether or not it was justified and Taft presided over those hearings. It was a completely non-partisan effort. (laughing) They were all against the steel companies for increasing prices at that particular time, nothing partisan about it at all. The next year we had more hearings when they increased them further and O'Mahoney was chairman.

**BAKER:** Did you have a sense of rolling a rock up a hill? Once you had done a study and had come to some amalgamation of policy matters and academic thought and so forth, then it was up to the individual legislative committees to take the rock and keep it going.

**ENSLEY:** We worked hard to induce the legislative committees to act on our recommendations. In most cases there was cross representation with the legislative committees. But there was also the role that I viewed the committee as being a force for influencing broader public policy, public opinion and, of influencing the administration downtown. For example, in 1950, we were concerned about our highway system. We came up with the idea that maybe we should have a study of it and we did. We got the agencies downtown to come up and have some input. We published a study that was the forerunner for the

whole Interstate Highway System. We gave the report a fancy title. But the initiative came from the Hill. It was a \$40 billion program of highway construction.

**BAKER:** So just by airing these issues and bringing together the best of thought, in that alone you can take an awful lot of pride.

**ENSLEY:** The study of Russian economic growth compared with United States economic growth was a pioneering study in 1955. It did not have any bearing on immediate legislation. I suspect that maybe it was used by the defense agencies and other groups. As I pointed out earlier, we were able to draw upon the agencies inside and outside of government that had access to information and could analyze that information. But, we were in a position to publish it under the auspices of the Congress. That meant more than maybe just some professor issuing something in an economic journal. So we did have a platform that we tried to use constructively for the general good.

**BAKER:** Beyond that, did you feel an advocacy role to go to people such as Senator Burnet Maybank on the Banking Committee, Walter George on the Finance Committee and try to get them to follow through?

**ENSLEY:** I was working all the time on that. I took a position of not only coming up with a recommendation, but doing everything I could that was logical and within the ground rules of trying to get it accomplished.

**BAKER:** Let's get back to the question of the structure of joint committees in general, apart from the Joint Economic Committee. Some senators have had complaints about joint committees. In fact, we see fewer joint committees these days. Why do you suppose that is?

**ENSLEY:** That's right. I think there is a turf problem and also it can permeate down to the staffs of the House or Senate. There is a certain natural and understandable jealousy. Some of the rules of the House are different from the Senate. As I said, when they got together on this Joint Housing Committee in 1947 the House people couldn't use proxies and the Senate could. It made for a very messy organizational meeting. It left some deep marks there that lasted for the whole period that the study was underway. It actually meant that the true majority was not the working majority. When Flanders and Tobey and the Democrats of the two houses had more votes than the rest of the Republicans, it was the minority that created the machinery and hired the staff and pioneered the study and came up with a big report that did not have the backing of the true majority of the joint committee. That was unfortunate, I think.

**BAKER:** Was Jesse Wolcott the first House chairman of the Joint Economic Committee?

**ENSLEY:** Yes. In 1953.

**BAKER:** So, the committee had been in existence for six years, always with a Senate chairman.

**ENSLEY:** Always with a Senate chairman.

**BAKER:** Why was that?

**ENSLEY:** I think that in 1953 the House members, even before the 1952 election, had come to the conclusion that it was about time that they have the chairmanship on their side. And I agreed with them. I couldn't say too much, because the chairman that I had been working under for four years, Joseph O'Mahoney, was up for reelection. But he was defeated and it was just almost automatic, I think. It would have been either Wolcott or Flanders as the Republicans had just won control of both houses. I think, frankly, that Flanders would have been a better chairman. I think the Republicans at that time felt that it would be better to have a more down-the-road Republican as chairman. And Wolcott was their man. That's one explanation of it. But, logic was with them. It should rotate. It just hadn't because of the dominance of members like Taft and O'Mahoney. They were so prominent on the Hill generally. About this time we

developed some written rules for the committee. The first rule agreed to was that the chairmanship should rotate every two years between the Senate and the House.

**BAKER:** Just a couple of questions to conclude. I was reading with great interest the transcript of the 1966 commemorative meeting—the twentieth anniversary—of the Joint Economic Committee. You were selected to serve as chairman of those proceedings.

**ENSLEY:** That was a great honor.

**BAKER:** I read those transcripts extensively and you clearly ran that meeting. You were very much in control.

**ENSLEY:** Well, we had worked a half-a-year on that meeting. (See picture of press conference announcement of the special committee in the United States Capitol in October 1965.) I came down from New York many times and worked with many members of the committee. I walked the plan around for conducting the meeting. We were going to have it here in the Senate, but there was no room at that time big enough. So, we had it over at a hotel.

**BAKER:** Why did the committee decide to have that event? Did they have one for the tenth anniversary?

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**ENSLEY:** Yes. There was just a dinner meeting put on by the National Planning Association. It was kind of a last minute thing. I guess no one really thought about it at the time. I should have been on the ball, I guess.

**BAKER:** Was there any particular hidden agenda for the 1966 meeting?

**ENSLEY:** No. It was just the twentieth anniversary. There were two living ex-presidents, including the person that had signed the bill—Harry Truman. I wrote a letter to Chairman Patman and to Gardner Ackley, the chairman of the Council of Economic Advisers, in the early summer of 1965 indicating that they should give some thought to the upcoming twentieth anniversary. That's when they got in touch with me. They came up with the idea of forming a special congressional committee composed of non-congressmen. (laughter) But, even more interesting, I think, was the fact that they had me preside over the whole day's proceedings.

**BAKER:** A great tribute to you. I was a little surprised at Edwin Nourse's attitude. He asked the first question after the formal presentations had concluded.

**ENSLEY:** By design. He should have really been on the program itself. But at that time he was rather senior. He was of sound mind and all, but physically he was getting along in years. I wanted him

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on the program. That night at the banquet, I had him stand up. He was the only one from the podium that I introduced. He had some reservations about the program itself. You'll recall, in his remarks during the question period, he thought that maybe we should have had representatives from labor, and business, and the interest groups come and participate in the formal presentations. We had given some thought to that, but we just didn't know where to start and stop. We were going to have a good solid hour of questioning and observations. Anyone could get up. He was the first one to do it. The second one was my predecessor, Ted Kreps.

**BAKER:** Nourse remarked that he thought there should have been more participation on the part of the committee—that John Lehman was the only person who spoke from the perspective of the committee.

**ENSLEY:** No. That wasn't quite right. It was true in the afternoon when Nourse made his remarks, but that evening Paul Douglas spoke, as did Wright Patman. Richard Bolling, and

William Widnall read letters from Truman and Eisenhower, and the then executive director of the committee, James Knowles, summarized the day's proceedings. The proceedings were published by the committee: *Twentieth Anniversary of the Employment Act of 1946: An Economic Symposium, February 23, 1966.*

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**BAKER:** No doubt that there was a large congressional representation. I just mentioned that as preface to his remark, that he was wondering whether the "passage of the Employment Act of 1946, did that mark a subconscious or intentional departure from the traditional American principle of checks and balances and toward a monopolistic central government?" What did he mean by that?

**ENSLEY:** (Laughing) Oh, I don't know.

**BAKER:** Was there any particular significance in that?

**ENSLEY:** I'd have to think about that a little more.

**BAKER:** It seems to me that the essence of what you were doing in the Joint Economic Committee was to make the checks and balances work better, to bring the parts of the government into better cooperation and harmony and to get away from what had been going on earlier with the executive branch calling most of the shots.

**ENSLEY:** I think, actually, Nourse felt a little badly that he didn't have a larger role in the Twentieth Anniversary proceeding. Quite frankly, in talking with the members of the committee here, they were the ones that persuaded me not to schedule him as a principal speaker. It's the first time I've ever mentioned that. But now that you are pressing me, that was the case. I say that with great respect for Dr. Nourse because he and George Galloway sponsored

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me for membership in the Cosmos Club. So, I had every reason to be deferential to him. But quite frankly, Douglas and Patman particularly, as well as some of the Republicans that I had walked the program around to just didn't think—because of Nourse' aloofness when he was chairman—he wouldn't come up and testify. They just thought it wasn't right to put him on the formal scheduled program. I think he wasn't too happy with the format of the meeting as reflected in his observation there. But, I went out of my way to alert him, several days before, that I was going to look to him first to get up and make some observations when we came to the questioning period. Frankly, Patman just didn't want his name showing on the printed program.

**BAKER:** Some strongly held memories.

**ENSLEY:** That's right. These were senior people on that committee and they remembered his refusal to come up and deal with us. Now that you've put it on the line, I'll give you my explanation of it.

**BAKER:** At that session, you said at a moment of great importance, that "one of the greatest achievements of the Employment Act during the past twenty years has been the improvement in economic knowledge and the use of that knowledge by public and private policy makers. I believe that no area of American life has witnessed a more dramatic revolution than in this area"—Do you still agree with that?

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**ENSLEY:** Well, (laughing) I get a little disillusioned once in a while. I must say that so much of the product of the joint committee now is a Democratic party statement, if they are in charge and a minority statement by the Republicans. I just don't think the committee today has the influence or the respect that it had in those good old days. I might be wrong. It probably isn't fair to say, but I don't think that it is as attractive for prominent members to come on the committee as it once was.

I remember when Senator Goldwater of Arizona had just been elected to the Senate in 1950. I knew we had a Republican vacancy on the committee. I had studied Goldwater's background. His experience as a department store operator and as a citizen out in Arizona. I thought he would be a good member of the committee and I wrote him a letter. "You are coming in January. There's a Republican vacancy. Why don't you give it serious consideration." And he did. And he was appointed to the committee. After I left, he stayed on for a few years and then he resigned from the committee. Years later I saw him at a restaurant and I reminded him of how we had worked together on the Joint Economic Committee and he said, "Yes, but the committee isn't like it used to be."

**BAKER:** When do you think it began to change?

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**ENSLEY:** (Laughing) I hesitate to say it was when I left. Paul Douglas was a good economist and he carried on in a very respectable way. Dick Bolling was a fine man, but he got tied up with the House Rules Committee and other areas that he couldn't provide the leadership. I must say that when William Proxmire was elected chairman in 1967, I got a call from his secretary saying that he was going to be in New York the next day, and he was wondering if he could come up and see me. I was president of the National Association of Mutual Savings Banks and located in the Pan American Building and he came in to see me. He wanted to know if I would come down as executive director of the Joint Economic Committee. I was honored, but with four kids in college at the time, it wasn't possible for me to get away.



**BAKER:** One final broad question. Do you see any fundamental structural weaknesses in the way that Congress and the executive branch operate today to formulate and implement economic policy?

**ENSLEY:** Not if you adhere to the intent of the law and of the Constitution. We've talked of the responsibility of the executive in carrying out the purposes of the Employment Act. We have a Budget and Accounting Act of 1921. It has been amended off and on since, but it is still a model law, placing the responsibility on the president of the United States to develop and bring up the budget program of the federal government for the next fiscal year. And

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through amendments he must make some longer run projections. It is a clear-cut piece of machinery for our government for developing its program. But, I must say, I don't think we are getting that type of leadership today. You have President Reagan talking continuously about amending the Constitution—forcing a balanced budget and an item veto. I can see some values of an item veto, but I can see how it could be used to penalize and punish members of the Congress by deleting some specific program that means a great deal to them back in their districts. And, yet President Reagan hasn't come up with a program for a balanced budget in his five years in office. I think he is not carrying out the intent of the Budget and Accounting Act. He is concurring with the Gramm-Rudman-Hollings amendment to the current debt ceiling bill, which creates a structure which really puts off what should be done now—namely, moving aggressively to narrow that deficit, either through tax increases or expenditure cuts or both. If the amendment is enacted, and we will know in a few days, it will create new machinery, but no Congress can really bind the next Congress. There are many ways in which it can get around Gramm-Rudman. But yet, it apparently gives the Congress something to vote affirmatively on and go home saying they have done something about the deficit, when they really haven't.

One of the values that I see in the Gramm-Rudman-Hollings amendment is that it might force the president, when he puts together

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a budget next January for the fiscal year 1987, to find that the only way he can accomplish the defense buildup and take care of the minimum requirements in the non-defense areas is to increase taxes.

Now, with respect to the Congress, I have already criticized the Democrats for their behavior in 1981 for just going along with the premature tax cut and apparently today going along with the adoption of the Gramm-Rudman-Hollings amendment in the House. In both of those instances, it was the House Democrats saying, "Well, let's let 'em have it, because they are going to live to regret it and the country's going to have a political reaction to it." I think that is unfortunate. When I was up here on the Hill, I don't think you would have had Rayburn and

Johnson proceeding in that manner. I am concerned about the persistent deficit here and the fact that some of my most conservative friends think it is wonderful. I refer to it as Keynesianism going wild. It just can't go on forever. It might go on for another year or two or three. Who knows. But, all you need is the Japanese and the other foreign investors in this country saying, "We're going to take our money out." And you could have a panic.

I think the Congress is lacking in leadership in handling budget matters—both appropriations and revenues. When the new fiscal year begins on October 1, very few of the appropriations bills have been passed. And there is no effective machinery for reconciling revenues

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and expenditures. The legislation of the 1970s calling for early resolutions and goals looked promising and was perhaps in the right direction. But Congress seemed unable to face up to its fiscal responsibilities.

**BAKER:** But history does offer a few lessons. You came in on this whole picture in the wake of the Great Depression. You grew up in the Great Depression and knew what that was like. You had an opportunity to implement some of your ideas, particularly when looking toward the period after World War II. You seem to have made a career of trying to integrate, to bring statistical sources together, to bring agencies together for unified planning. And I gather that you are saying that you are really seeing a falling away from that.

**ENSLEY:** I think we have had some retrogression in recent years. The decline in the accuracy and completeness of our statistical programs is a good example. It does not involve a great deal of money, but it is a cost that I am sure some budget directors feel is less important than other things—than cutting taxes, for example. I think it is leaving us in a bad way.

You mentioned lessons of history. When I was in the University of Washington in the early 1930s, my professor was James K. Hall. He died in 1962. We created a memorial fund giving financial assistance

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to promising graduate students in economics. This is very near to my heart. So, last June the University had me come to the presentation of this year's award. They asked me to speak to a faculty and graduate school group luncheon about my experience working my way through the university in the depression of the 1930s. They taped it. I'll leave a copy with you. (See Appendix)

**BAKER:** On the first of June, 1957, you took on a new position and career as president of the National Association of Mutual Savings Banks.

**ENSLEY:** As you can imagine, during the time I was here, I was approached on a number of occasions by big commercial banks to join their organizations. A large corporation that I won't name wanted me to come and rationalize its bigness. This was in the days that there was criticism of big companies. Some people thought they should be broken up into units. I was also approached one time by a large oil company that wanted me to come and rationalize its tax depletion allowance. These offers were constantly coming through. And they were very attractive from a monetary standpoint. But I couldn't face the philosophical adjustment required. In 1957 I was approached by Booz-Allen & Hamilton. This consulting firm had just made a study of the mutual savings bank business and thought it should have a stronger national association with a strong executive director. I gave a lot of study to the mutual thrift industry. The philosophical

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adjustment was not too great. A mutual institution is managed by a group of trustees. It operates for the benefit of the community. I joined their ranks for twenty years—1957-1977. Unfortunately, today—after I retired a few years ago—many of them are converting from mutual to stock, which bothers me. So, it is just as well that I have retired.

My final position, an unpaid honorary one, was president of the International Savings Banks Institute between 1975-1978. ISBI is an association of government and private mutual savings banks from now over one hundred countries. It is based in Geneva, Switzerland, with a professional staff. The president is elected by members for a three year term. He is a spokesman for savings banking around the world. We traveled the world over several times during this period. The president serves as chairman of the board of directors, presides over the annual general assembly of members, and the International Congress, which meets every three years.

In closing, Dr. Baker, let me tell you how much I appreciate your indulgence. These hours with you have been the crowning achievement of my life. I have three requests.

First, perhaps the attached list of publications of the Joint Economic Committee during my association with it can be included as an appendix to this document (the Eightieth through the Eighty-fifth Congress). I

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participated in the preparation of virtually all of this material as associate, acting, and during the last six years, as executive director of the committee. The list of publications is prefaced with a notice of their availability. A few years ago, I transferred my personal copies of all these publications to the Truman Library in Independence, Missouri where they are readily available to scholars and historians.

Second, I'd like the last half of Edward R. Murrow's news broadcast of March 15, 1955 printed as an appendix.

My third request is that the attached biographical information be included as an appendix.

Thank you.

**BAKER:** Dr. Ensley, thank you very much for a most informative series of interviews.

**ENSLEY:** Thank you.

[End of Interview #2]

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He held that post until 1957 when he left Congress to become president of the National Association of Mutual Savings Banks. His tenure on Capitol Hill coincided with a period of rapid growth in the size and functions of congressional staff. In the following interviews, with wit, clarity and insight, Grover Ensley provides an outstanding example of the imagination and productivity that senior staff brought to the multiple challenges of the post war era.

**About The Interviewer:** —Richard Allan Baker has been Director of the United States Senate Historical Office since its establishment in 1975. A graduate of the University of Massachusetts, Amherst, he received master's degrees from Columbia University and Michigan State University, and his Ph.D. in history from the University of Maryland, College Park. Prior to 1975 he worked as a specialist in American history for the Legislative Reference Service of the Library of Congress, and as Director of Research for the private Government Research Corporation. He is currently president of the Society for History in the Federal Government. His latest book is *Conservation Politics: The Senate Career of Clinton P. Anderson* (1985).