

conducting for months into Maryland's scandal-racked savings-and-loan industry. With striking frequency, the pursuit has wound from the thickets of finance to the brambles of politics. Late last year, for example, indictments were handed down against two Democratic congressmen, Frank Boykin of Alabama and Thomas Johnson of Maryland, charging them with conflict of interest and conspiracy in involved dealings with Maryland savings-and-loan firms.

**The Charge:** Democratic Speaker Boone and five codefendants were charged with helping set up the Security Financial Insurance Corp. of Baltimore in a scheme to defraud investors in S&L firms insured by the company. A grand jury said Security Financial used the mails to palm off demonstrably shaky S&L institutions as solid enterprises. Security Financial is now defunct—and so are twelve of the 27 associations it purported to insure.

The indictment alarmed many of Boone's fellow delegates. Insiders estimate that roughly a quarter of the 142 House members have interests, of one sort or another, in savings-and-loan operations. In fact, both the S&L industry—and the scandals—proliferated in Maryland primarily because the ever-sympathetic legislature enacted no meaningful rules in the field until 1961.

Given this history, the reaction of the Maryland House to Boone's indictment was not surprising. Announcing a "leave of absence" from the speakership, Boone ceremoniously turned over the gavel to delegate Marvin Mandel, professed his innocence to the packed chamber ("I will be vindicated"), then strode to his regular Baltimore County seat on the floor where he expects to continue to serve pending the outcome of a trial.

As he stepped down, fellow delegates gave The Bear a standing ovation.



Walter McCordell—Baltimore Sun

Boone: The Speaker steps down

THE WHITE HOUSE  
WASHINGTON

*Mr. President:*

*Mr. Bundy asks if you  
would please call him.*

## JFK's McGeorge Bundy— Cool Head for Any Crisis

The note was handed to President Kennedy at 9:30 one night last week, just as he settled down in the White House projection room with Mrs. Kennedy and some guests to watch a screening of "The Ugly American." He rose promptly to return the call. The urgent caller was McGeorge Bundy, his Special Assistant for National Security Affairs, with first details of the week's most dramatic turn: the Cuban MIG attack on a U.S. shrimp boat.

How should the U.S. react? Should the news be released immediately?

"It's more important to get the story straight than to put it out at once," said the President. From his home, where he had received the "hot" message from his duty officer at the White House Situation Room, Bundy then gave the news to Secretary of State Rusk, Defense Secretary McNamara, and CIA Chief McCone. With each, he explored the implications; all were against making a "midnight judgment." Bundy phoned the President again, and the decision was taken to wait until morning for the "take all necessary action" order.

By habit forged in crisis after crisis, the President looks to "Mac" Bundy, boyish-looking at 43, for the first word of the tough, sometimes awesome, questions posed by cold war in the nuclear age—and a firm grip on all the possible answers. With his pink cheeks, sandy hair, springy step, and faintly quizzical expression behind plain glasses, Bundy could easily pass for a Washington junior civil servant. Yet he is one of the most influential men in the U.S. Government.

Along with his role as the President's adviser on crunching global problems, Bundy is director of the National Security Council and boss of its high-

powered staff. From the White House, he coordinates the many arms of government involved in "national security"—State, Defense, Treasury, Atomic Energy, Disarmament, Central Intelligence, Foreign Aid, even Agriculture—slashing across bureaucratic lines to deal with Cabinet members and agency heads. As a speechmaker (and a persuasive interpretive source for the press), he helps to transmit as well as shape U.S. policy, as in Copenhagen last year when he expressed U.S. disapproval of "small, separate, national deterrents" and support for a unified, multilateral European nuclear force.

**Subliminal:** Above all, Bundy's growing prestige and power flow directly from the source of all executive power—the President of the U.S. Mr. Kennedy has come to respect him, trust him, and communicate—almost subliminally—with him. "They think alike," explains an NSC staff member. "Bundy knows the President's mind. He knows what the President wants. The President's intensity is perfectly complemented by Bundy's ability to move things."

Although uniquely a product of his own relationship with the President, Bundy's role stems from an old political tradition—the "kitchen cabinet" dating back to Andrew Jackson's backstairs cronies—and the latter-day need to cope with the complex, crushing burden of the U.S. Presidency.

John F. Kennedy has no Colonel House, Harry Hopkins, or Sherman Adams. In the Kennedy inner circle, Bundy shares a place with a handful of advisers, all of whom—like the man they advise—are tough, brainy, and energetic. They are Robert Kennedy, Defense Secretary McNamara, and Presidential aides Theodore Sorensen and Kenneth

O'Donnell. Of the White House triumvirate, one aide says: "If it's foreign, it's Mac; if it's domestic, it's Ted; and if it's political, be damn sure Kenny knows about it."

The modern phenomenon of U.S. global commitments has given the American President so tangled and arduous a task that it defies the traditional organization of the executive branch, and severely taxes the capacity of any one man. Today's problems of national security are seldom single-agency problems; decision-making is pushed centripetally toward the White House, where departmental lines of decision and action converge. Someone is needed to sort out all the strands and to help weave a meaningful fabric of policy. In the Kennedy Administration, that someone is McGeorge Bundy.

**Too Much Power?** The assignment raises questions. Does Bundy pre-empt the traditional function of Secretary of State—especially a Secretary not notable for force and decisiveness? Does Bundy have too much power? The questions grow more pointed as U.S. policy comes under more critical scrutiny for the disarray of the Atlantic alliance and the festering Cuban situation. By the very nature of Bundy's duties—their secrecy and delicacy—it is hard to get much solid basis for answers.

On such rare occasions when Bundy surfaces long enough for the public to catch a glint of him in action, the sight is impressive indeed. In the chronicles that detailed how the White House handled the Cuban crisis last October, he emerged with high marks for his performance in a complex, nerve-shaking operation. More recently—and more startlingly—it developed that it was Bundy who authorized the dispatch of the State Department statement on U.S.-Canadian nuclear defense that toppled the Diefenbaker government. Bundy edited the final version, and neither Mr. Kennedy nor his Secretary of State saw it before it hit the wires.

Another Bundy initiative had major historical impact. Though he and his immediate associates will not discuss the matter, there is firm basis to credit him with breaking a deadlock in a dispute between the CIA and the Strategic Air Command as to which agency would conduct U-2 flights over Cuba. According to this account, it was that dispute—not bad weather—that left a gap of some two weeks in the U.S. overflights and that almost enabled Nikita Khrushchev to complete his missile installations before they were spotted. The CIA warned against making the flights a military operation, insisted on carrying them out with civilian pilots. Over its protest, Bundy arranged for SAC to send out its U-2 planes—and the very first flight thereafter produced the evidence

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that triggered the facedown crisis.

Such freewheeling style leads many Washington observers to call Bundy "the real Secretary of State"; and most informed diplomats, rightly or wrongly, believe that McGeorge Bundy and not Dean Rusk is President Kennedy's closest adviser on foreign affairs. It is his responsibility each morning to decide exactly which matters touching the national security to lay before the President. Sample items one day last week: the exchanges with the Russians over possible talks on Berlin, the role of the U.S. in the India-Pakistan talks over Kashmir, the situation in Venezuela (President Betancourt was arriving). "We try to figure out what is contained in a problem and frame up the decision to be passed on by the President," says Bundy.

The job demands extraordinary judgment, coolness, stamina, powers of analysis, breadth of knowledge, administrative talent, and sheer brains—but Mac Bundy is an extraordinary man.

**Brahmin Wunderkind:** "Bundy has tried his mind out on some of the best in the world," says a friend, "and he knows that he is good." Adds a professor who has known him for years: "He is unblanching in his confidence in himself, in his inner security. And it's not just because he was a *wunderkind*—it was also because he was a Lowell, from the rightest city, the rightest money, and the rightest schools."

In his own words, McGeorge Bundy

was born of a "cold roast Boston" family, the third son of five children and raised in a red brick house on Beacon Street. His father is Harvey Hollister Bundy, successful State Street lawyer, Assistant Secretary of State to Henry Stimson in the Hoover Administration, and later Stimson's assistant when he was Secretary of War in World War II. His mother is the former Katharine Putnam, niece of Harvard President A. Lawrence Lowell and of cigar-smoking poetess Amy Lowell. ("McGeorge" was his paternal grandfather's first name.)

Like another Boston family, the Kennedys, the Bundys fostered brilliance and competitiveness in their children, and, early on, young "Mackie" was keen at sports, word games, and conversation. The Bundy table crackled with serious, spirited discussion. "Diplomacy and world affairs were part of the household conversation," recalls Bundy's older brother, William, 45, now Deputy Assistant Secretary of Defense. "Stimson and Dean Acheson came by. We felt close to what was going on."

Along with the Kennedys, the young Bundys attended Dexter School in Brookline, though Mac and Jack were a class apart. Bundy took top honors in sports and scholastics, went on to Groton where he was first in his class, and entered Yale. "When we arrived at New Haven," recalls a classmate, "the dean announced there were two distinguishing features about our class. There were 850 students, the desired number, and

### Bundy and Rusk: Where to draw the line between their jobs?



one of us was the first Yale student to get three perfect scores on his college entrance exams. That was Bundy."

(On one question in the English exam, Bundy pulled a bold ploy. He wrote: "This question is silly. If I were giving the test, this is the question I would ask, and this is my answer..." It worked.)

**"I Believe...":** At Yale, Bundy majored in mathematics, wore a raccoon coat, wrote for the newspaper, made Phi Beta Kappa in junior year, and was tapped for secret, elite Skull and Bones. In one essay Bundy stated his creed: "I believe in the dignity of the individual, in government by law, in respect for the truth, and in a good God; these beliefs are worth my life, and more..."

At Yale's Political Union, Bundy was a fierce debater. By antecedent and later by choice, he was a Republican. Yet during his college years, he was philosophically "a New Dealer." He got a chance to express himself after a campus visitor, Sen. Robert A. Taft (Yale '10), spoke on the subject: "Resolved: That the welfare of the United States requires the return to power of the Republican Party in 1940." Bundy argued against the proposition (his opponents included William W. Scranton, '39, now Governor of Pennsylvania), and won handily, 53-44. At commencement, class orator Bundy reminded his classmates: "We who graduate in June of 1940 need not be troubled by the absence of wrongs for us to set right..."

**"Worst Campaign":** After graduation, Bundy ran in 1941 as a Republican for the Boston city council in a heavily GOP district, and was defeated by an unknown Democrat in what he calls "the worst-conducted campaign in history." He had set his sights on public service—but first it was military, beginning as a U.S. Army private after the country entered World War II. He went through

Officers Candidate School, and Adm. Alan G. Kirk, a family friend, asked him to become his military aide in the invasion of Sicily. Moving to London with Kirk, he dropped into famous socialist Harold Laski's week-night lectures, spent weekends at Lady Astor's Cliveden salons, "Ping Ponging," says his brother, "from left to right." Bundy was on the flag bridge of the U.S.S. Augusta at Normandy and served with Admiral Kirk to the Rhine.

Back home, Bundy collaborated with his father's distinguished old friend, Henry Stimson, on his memoirs, "On Active Service in Peace and War." Friends say Bundy was profoundly influenced by the strong character of Stimson, a Republican who served Presidents of both parties. The book gave Bundy other pointers. In a postscript that had special impact on Bundy, Stimson wrote: "The man who tries to work for the



In the Army: Ping Ponging



At Yale: Coon-clad orator

good, believing in its eventual victory, while he may suffer setback and even disaster, will never know defeat. The only deadly sin I know is cynicism." "Watching General de Gaulle move in and out of Colonel Stimson's diaries," he says, "you learn that nobody ever gained by getting sore at de Gaulle."

Bundy worked briefly for the Marshall plan before joining Thomas E. Dewey's staff of foreign-policy advisers during the 1948 campaign. There he was a very junior colleague of John Foster Dulles, Allen W. Dulles, Christian Herter, C. Douglas Dillon. Of their sublime overconfidence, Bundy remembers ruefully: "We didn't demean ourselves writing speeches. We were busy deciding on applications for ambassadorships."

In 1949, at 30, Bundy joined the Harvard faculty as a lecturer in government. His course, "The United States in World Politics," was tremendously popular.

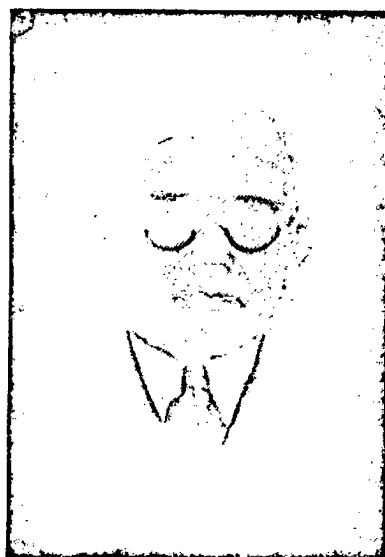
"He glitters, positively glitters on the lecture platform," says one colleague.

About that time, Dean Acheson—whose daughter married Bill Bundy—came under Sen. Joseph McCarthy's scattergun. Mac Bundy thereupon edited Acheson's papers—"The Pattern of Responsibility." "He had great loyalty to people with whom he identified," says a fellow professor. "It must have hurt him politically." There are many who believe the Acheson book was the reason Bundy, who supported Eisenhower in 1952 and 1956, was never offered a post in Ike's Administration.

**Sparkle:** But his academic career advanced spectacularly. After four years at Harvard (and three years after marrying Mary Buckminster Lothrop, the witty, brunette associate director of admissions at Radcliffe), Bundy was named Dean of the Faculty of Arts and Sciences, a post second only to the presidency of the University.\* He took charge of 1,000 teachers, 5,500 undergraduates, 1,800 graduate students, and had broad responsibility for determining educational policy. (Among his duties: greeting barnstorming revolutionaries, like Fidel Castro—photo, page 24.) By most accounts, he was no prig. As dean, says Prof. John H. Finley, "Bundy had a combination of very great personal charm and decency to his friends. His impact—his contribution—was an intellectual sparkle. He brought young men a feeling of participation, and involvement. He cut through bogus formality and stuffiness."

At Harvard functions Bundy renewed his acquaintance (from debutante party days) with Sen. John F. Kennedy, a

\*This led to a limerick by a former colleague:  
A proper young prig, McGeorge Bundy,  
Graduated from Yale on a Monday.  
But he shortly was seen  
As Establishment Dean  
Up at Harvard the following Sunday.



Bundy at Dexter: Honors

University Overseer. During Commencement early in the 1960 campaign, chance seated them next to one another. "He asked me about beating the Republicans," says Bundy, "a subject on which I surely had no expertise but one in which he had a certain amount of interest." But after the GOP nominated Nixon, Bundy shared enough of that interest to come out publicly for John F. Kennedy.

Bundy and Kennedy evidently sensed a kinship that others have observed—favorably and unfavorably. Prof. Charles R. Cherington, who taught government at Harvard under Bundy, says: "I have great admiration for Mac Bundy. But I don't like him personally. He pays no attention to what the other fellow may think. He's as cold as ice and snippy about everything. He and Jack Kennedy are two of a kind."

A Bundy admirer puts it this way: "Mac Bundy and Jack Kennedy were destined for each other. The things that these two men have in common are superior to the things that divide them. Each has charm, education, good looks, background. Each of their fathers worked hard to get where he is and is very ambitious for his son."

After the election, Mr. Kennedy's first choice for Secretary of State was McGeorge Bundy, but he discarded the idea in the belief, as he put it at the time, that "two baby faces like mine and his are just too much." Instead, he turned him loose on the formidable job he now holds. His first assignment was overhauling the machinery of the National Security Council\* to cut down what has been called "the foul-up factor" imposed by excessive checks and balances within the executive branch of the government. Under President Eisenhower, the National Security Council staff had been augmented by a Planning Board—which turned out formal advance position papers that usually proved too rigid to apply to real crises—and an Operations Coordinating Board.

**Borrowed Talents:** Bundy abolished the two boards ("It is better not to keep planning separate from operating") and dovetailed the two functions in a staff that he reduced from 74 to 49. In putting together a new team, he borrowed talent from the Eisenhower Administration as well as the Pentagon

\*The Council was created by Congress in 1947 "to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security." Its statutory members: the President, Vice President, Secretary of State, Secretary of Defense, and the then Director of the Office of Emergency Planning.

and the New Frontier. The staff, now known as "The Bundy Group," is among the youngest (average age: 43) and best-paid (average salary: nearly \$17,000) in Washington. The top three members: Deputy Carl Kaysen, 42, Harvard economist who specializes in African affairs; Executive Secretary Bromley K. Smith, 51, ex-foreign service officer, director of the old OCB; and senior staff member and Far Eastern specialist Michael V. Forrestal, 35, Harvard Law School graduate whose father, the late James V. Forrestal, conceived the NSC while serving as the first Secretary of Defense.

Basically the job of Bundy's area specialists—who are sometimes called "a miniature State Department"—is to ride herd on the problems in their bailiwicks by frequent checks with the responsible officers in State, Defense, or "The Agency" (CIA). Bundy would like to see increasingly fast and close liaison



The Bundys and the troops: 'Don't talk while I'm interrupting'

between his staff people and the "assistant secretary" level in other executive departments.

"Organizationally, we are flexible as hell," says one member of the Bundy Group. And Bundy explains: "Their job is to help the President, not to supersede or supplant any of the officials who hold responsibilities in the executive departments and agencies."

When Bundy freshly arrived in Washington he found his new office was in the dreary old Executive Office Building across the street from the White House. ("Everybody took the office of his predecessor," says Bundy. "That's why Sher-

man Adams' stayed empty.") It had served well enough for his predecessor, Gordon Gray, who saw President Eisenhower only about twice a week. But Bundy found himself seeing Mr. Kennedy several times a day and decided he was spending too much time running across West Executive Avenue. He wangled space in the basement of the executive mansion, with only wallboard partitions. At Mr. Kennedy's suggestion, this toehold was soon expanded into four beige-carpeted offices, plus a top-secret "Situation Room."

**Nerve Centers:** Bundy's Situation Room, with putty-colored walls and draped windows, is on the ground floor of the West Wing, about half a block from the World War II Map Room (now a storage place for Mrs. Kennedy's *objets d'art*). There, on a battery of Teletype machines, information feeds in via State, Defense, and the CIA from around the world. Several "scramble" phones link the Situation Room to the "war room" at the Pentagon and the "flap house" at the State Department. When "hot" messages chatter in, watch officers signal Bundy or a deputy, who are on 24-hour call. Bundy carries (or phones) the messages directly to the President, enabling the White House to begin reacting at the same time that machinery is cranking up at State or the Pentagon.

Bundy is at his desk (contemporary, walnut) each morning about 8:30. It is cluttered with cables and reports stamped "secret" and "urgent," and it holds, along with the usual In and Out boxes, one marked "President's box," and another simply "Cuba." "If you get away from this desk for a day you have to dig your way back onto it," he says.

He pores over messages from the Situation Room before holding a 9 a.m. staff meeting in his wood-paneled office to decide just what to put on the President's desk. Afterward,

Bundy strides up the stairs to the President's office for the first of several daily conferences there.

After briefing the President, Bundy tears into a round of meetings which one day last week ranged from the Cuban problems to the instructions Ambassador Livingston Merchant should carry to the talks in Europe on a NATO multilateral nuclear deterrent.

**'Fallout':** After each meeting, Bundy returns to his desk to handle the "fallout"—memos to the staff and other government officials on decisions made. Most of the topics are classified. What positions special adviser Bundy takes are

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known only to the officials present.

"He is an extraordinarily skillful administrator and he can take on enormous volumes of work," says a man who has worked closely with him. "He handles desk work very, very quickly. He presents his facts in a quick, orderly, and convincing fashion."

In working conversations, Bundy smiles readily, but it is a quick-fading smile. Consciously or not, he is a wizard at one upmanship, anticipating questions or cutting them off in mid-sentence with reasoned answers. Though tolerant of conflicting views if forcefully presented, he makes little effort to conceal impatience with those who lack a firm grasp of the subject.

Bundy ends his twelve-hour office day about 8:15 p.m. He leaves (as he

sic, theater, art, tennis, and reading. "He reads everything but the cereal boxes," says Mrs. Bundy. (Bundy's reading tastes are not as encompassing as the President's. "I am not an Ian Fleming fan," he says firmly.) Because of the work load, they entertain infrequently; but as dinner guests, they are in high demand. Friends find Bundy witty and gregarious, free-spoken and candid, a man who enjoys the thrust and parry of good conversation.

Sometimes his talk divulges a striking insight. Asked recently about the background of the decision to invade the Bay of Pigs (his description of his own role: "not very constructive"), Bundy said: "The great trouble was that we were a bunch of people who just hadn't thought through their various roles. And

Department machinery. "When we have something important to show the President," says one NSC man, "we can get it to him, zoom." And Bundy once said: "Cumbersome State Department procedures do not give us the quick and precise answers we need, when we need them." Privately, some officials at State complain of corner-cutting. For example, they say that one White House staffer "sabotaged" the Department's efforts to reach an understanding with the new Peruvian Government before extending U.S. recognition.

**Tempo:** Bundy and Rusk deal quite cordially. But among Bundy's colleagues, it is no secret that he has more respect for what he calls the "executive operation" at Defense under McNamara than for State under Rusk. One NSC man puts it this way: "The State Department just hasn't yet got the tempo of the White House. We haven't been able to convey the sense of urgency." Outwardly, at least, Dean Rusk appears unperturbed by the backstairs backbiting.

From the Security Council staff viewpoint, a certain *modus vivendi* has been worked out. The NSC concerns itself with getting urgent attention for urgent national security matters. It has largely left upstream planning to special "task forces" created by the President.

In the last analysis, the system—and Bundy's place in it—exist to meet the needs and carry out the policies of the President. It must bear the stamp of his own style. By the same token, only the President can finally judge how Bundy and the system perform.

How does the President size up Mac Bundy? He put it this way last week: "First, you can't beat brains, and with brains, judgment. Then, he gets the work done. He does a tremendous amount of work. And he doesn't fold or get rattled when they're sniping at him."

For those who worry that McGeorge Bundy, in his shadowy job, is perhaps too powerful and too influential, it may be worth considering that he works closely under a man who is something of an authority on power and its uses. On that score, the President offers this wry assurance: "I think I'll continue to have residual functions."

## CONGRESS:

### It Started With Adam

By most accounts, especially that of Sen. John Williams of Delaware, Rep. Adam Clayton Powell was coming back to Washington under a cloud. The cloud burst last week, and both houses of Congress got pretty wet.

Powell stood accused of more peccadilloes than most politicians can afford. Williams, rasp-voiced Republican, had taken the Senate floor (NEWSWEEK,

Newsweek, March 4, 1963



Bundy with Castro: From early disaster to critical success

arrived) in a chauffeured government Mercury for his roomy, white-brick house in the Spring Valley section of Washington. There he relaxes with a bourbon-on-the-rocks or a Martini, and chats with his sons, Stephen, 11, Andrew, 9, William, 7, and James, 3, whom he calls "my troops." "Mac gets very little time with the boys," says Mrs. Bundy. "But he's an affectionate father." (A card stuck in a foyer bears the Bundy family's gag motto: "Don't talk while I'm interrupting.")

About twice a week, Bundy takes a midday swim at "the athletic club," an ancient YMCA two blocks from the White House. Once, at the office, he startled aides by walking in wearing white tennis shorts—the President was out of town. Another time, summoned to the office on a holiday, he kept a picnic date with his family—in the White House basement.

The Bundys share an interest in mu-

"we were awed by the Presidency. I remember how terribly hard it was to say anything. We were just freshmen, and as freshmen you don't go in and say, 'Dammit, Mr. President, you're not getting the right kind of information'."

**Traffic Cop:** But Bundy is circumspect, and elaborately modest, in talking about his own job; he has described it as "a traffic cop's job—to see what gets forwarded to the President" and what should go elsewhere. "I have tried to avoid having a Bundy office trying to do what's on Bundy's mind," he says. "This job is a matter of carrying out what the President wants done."

Yet there is no question that some top bureaucrats are miffed because they feel that Bundy is usurping the functions of other departments, particularly Dean Rusk's State. Sparring breaks out occasionally between staffers at State and the Bundy Group, some of whom are inclined to be contemptuous of the State