INTERVIEW I

INTERVIEWEE: WILBUR J. COHEN

INTERVIEWER: DAVID G. McCOMB

DATE: December 8, 1968

PLACE: Mr. Cohen's home, Silver Spring, Maryland

Tape 1 of 2

M: First of all, to identify this tape. It's with Wilbur J. Cohen, secretary of Health, Education, and Welfare. This interview is in his home in Silver Spring, Maryland. The time is 3:30 and the date is December 8, 1968. My name is David McComb.

Mr. Cohen, first of all, I would like to know something about your background--where you were born and when.

C: I was born in Milwaukee, Wisconsin, June 10, 1913. My father's name was Aaron and my mother Bessie Rubenstein. I have one brother named Darwin. I lived in Milwaukee until I was seventeen years old when I went to the University of Wisconsin.

At the University of Wisconsin during my first two years I attended the experimental college which was under the direction of Dr. Alexander Meiklejohn, the former president of Amherst University, who had been brought to the University of Wisconsin by President Glenn Frank. The experimental college was an attempt to produce some new thinking in the whole field of education. I mention it because subsequently when I became the secretary of Health, Education, and Welfare (although I had been somewhat an expert on social security) it was not known or realized that my ideas of education had been formulated by my early participation in what was, and I think

still is, probably the most unusual experiment in higher education in the history of this country. About four hundred boys went to this experimental college which lasted, I believe, from 1928 to 1932. It was discontinued as a result both of the financial crisis of the Depression and also because its radical departure from conventional higher education alienated many of the conservatives and they were unsympathetic with it.

I then went into the regular last two years of the University of Wisconsin where I majored in economics. There I met a series of men who shaped my ideas and whose association inevitably led me into government and the Social Security. I participated in the classes of Selig Perlman, who was a professor of labor economics, under whose direction I wrote my thesis on the International Association of Machinists during the years in which there was a strong socialist influence. This work on my thesis brought me into an understanding of the political process in America which again was quite significant in terms of my later role as a Cabinet officer.

M: This was an M.A. [master of arts] thesis you were writing?

C: Bachelor's thesis. I was intending to come back to the university and finish my Master's degree, which of course I never did, because when I graduated from the university in 1934, my senior professor, Edwin E. Witte, had been selected as the executive director of President Roosevelt's Cabinet Committee on Economic Security. I came down and became his research assistant, and I never did go back then to finish my graduate work. I was very disappointed at that, but was very, very happy when in 1966 the University of Wisconsin gave me an honorary degree in *lieu* of my advance work which I never was able to complete.

But during that period of time I first became associated with Paul Raushenbush as one of my teachers whose wife was Elizabeth Brandeis, the daughter of Mr. Justice [Louis] Brandeis. They were part of the early Wisconsin group that worked out the unemployment insurance law of Wisconsin which was the first law to be enacted in the United States. In my seminars, therefore, I very early became acquainted with the Social Security movement, and I went to the legislature of the state of Wisconsin one evening and watched the Wisconsin legislature pass the first unemployment insurance law in the United States. I believe that was some time in 1932. So the combination of contacts with Meiklejohn, Perlman, Witte, Miss Brandeis, Ralph Linton, who was professor of anthropology there, Grayson Kirk, who was the professor of political science, was of course very important. My professor, Edwin E. Witte, had originally been trained as an economic historian; he was a student of Carl Russell Fish and had been acquainted with Frederick Jackson Turner. So that indirectly through Witte I became acquainted with the whole process of what I would call economic history and then studied with John R. Commons who was a great labor historian, and had intended upon leaving the university to get my advanced degree in economic history. I've always retained therefore a great interest in economic history, namely the interaction of economic institutions with historical forces, and I have watched in these ensuing thirty-four years a great deal of activities which I've been able to witness with a sort of a third eye or a third ear, going back to my original interest.

There are two other factors that should be mentioned in this early formulative period. I was born and raised in Milwaukee, which had a socialist mayor for many years

and also did have a socialist congressman, Victor L. Berger. The combination of this sort of American socialist movement, which was not Marxian and was not revolutionary, but was really a kind of local good government aspect, plus its close identification with the labor movement in Milwaukee and social legislation in general, was an important factor when combined with the fact that most of my professors at the University of Wisconsin had been participants in the LaFollette progressive movement going back to 1910 to 1920. Therefore, the impact of these two forces, the municipal socia1ist movement in Milwaukee and the LaFollette progressive movement with its strong populist overtones, was quite important. Later this same populist streak was to be found in my affiliation with Lyndon Johnson, who was influenced by some of the same factors a thousand miles away.

I left the University of Wisconsin in 1934 during the Depression to come to Washington, D. C. I arrived in Washington about early August.

M: Why did you come to Washington?

C: Because Professor Witte had been appointed the executive director of President Roosevelt's cabinet committee and I came here to talk with him to see whether there was something I could do to assist him. I did that at the recommendation of Mrs. Witte, his wife, and Professor Perlman, who had told me that Professor Witte was looking for me to see where I was and to see why I didn't come to help him. So I did and on August 14, 1934, I took my first paid position as his research assistant working in the Walker Johnson Building, 1734 New York Avenue, in the offices of Harry Hopkins, the Federal Emergency Relief administrator. Mr. Hopkins was on a trip to Europe and he gave Mr.

Witte his office to use until the committee could find proper space. At that time I was twenty-one years old and I came and started to work for Mr. Witte. I did all sorts of research jobs for him, studying foreign social security systems, American social security programs; I studied the so-called Townsend plan which was then sweeping the country. I studied the Canadian Unemployment Insurance System, the British social security system, the German system, the systems of a number of countries.

My memoranda for the Committee are listed in the report of the Committee on Economic Security and are contained in the archives in Washington as part of the files of the Committee on Economic Security. My work with the Committee on Economic Security lasted, of course, until August l935 when the act was passed. I then went to work for Arthur J. Altmeyer, who was also from Wisconsin and a Ph.D. in economics from the University of Wisconsin. He was a strong colleague and friend of Mr. Witte and as a matter of fact he was the man who recommended Witte to come to Washington. I then became the research assistant to Dr. Altmeyer, who became a member of the Social Security Board, and later the first commissioner of Social Security, and before that the chairman of the Social Security Board. He remained in Washington until April of 1953 when he retired under the Eisenhower Administration. In one form or another from 1935 to 1953, I was in effect closely associated with Mr. Altmeyer, and Mr. Altmeyer's papers will be found in the Wisconsin Historical Society in Madison, Wisconsin, along with the papers of Edwin E. Witte and a number of others of the Wisconsin group which contributed so much to the formulation of social legislation during that period of time.

M: Did you have any connections with any of the government leaders at the time?

C: In the early days, of course I was a very young man and one way or another I had contacts with a number of people. The most important contact I believe I had was with John G. Winant, who was the first chairman of the Social Security Board, and later ambassador to Great Britain during World War II, and the director-general of the International Labor Office. Winant had previously been governor of New Hampshire and as a Republican, was appointed by President Roosevelt as first chairman of the Social Security Board in an effort toward bipartisanship to get the Social Security program accepted by the American people. I worked closely with Mr. Winant. He was a very, very unusual man. Insofar as I have been able to read about Abraham Lincoln, he gave me always the impression of being a kind of second Abraham Lincoln--tall, gaunt, unable to be very articulate, driven by inner compulsions and by strange pressures that were not understandable to the ordinary individual. He had the ability to infuse into an organization a sense of great leadership from the mystique that he had. In many respects he reminds me of John Gardner who, I would say, had somewhat that same capacity.

My next contact, of course, was with Frances Perkins who was secretary of labor and chairman of the Committee on Economic Security. I did not work as closely with her as I did with Winant and Altmeyer, but I did have a number of associations with her and later on in life, of course, my associations with her grew closer and closer. And we had many opportunities for conversation and discussion during the remainder of her lifetime.

I also knew very well [Mary W.] Molly Dewson. Molly Dewson was one of the great women suffrage leaders in the United States. She later became part of the consumer movement, ultimately became director of the women's division of the Democratic

National Committee, and then a member of the Social Security Board. She was a part of the great movement of the twenties and the thirties in getting women interested in public policy and politics. She was a real tiger about getting people active in taking responsibility for politics and political action. As a member of the Social Security Board, I worked very closely with her and was introduced to other people in the suffragette political movement. She was a very wonderful person. She has written her memoirs; they have never been published. I have read part of them. One of the copies, I believe, is in the Roosevelt Library in Hyde Park and one in her college. And I believe they're very well worth looking into for the history of that previous period and for her relationships with Arthur J. Altmeyer.

I also, of course, got acquainted very slightly with Harry Hopkins and more particularly with Aubrey Williams, who was the deputy FDR administrator, and the administrator of the National Youth Administration. My contact with Aubrey Williams remained close right up till he died, in part, because he originally also lived in Madison, Wisconsin, years before. That brought him and his family into contact with Altmeyer and myself.

I also knew Mrs. Ellen Woodward, who also was the vice chairman of the Democratic National Committee and who later became a member of the Social Security Board and another one of these women who came in politics during that period. Mrs. Woodward, however, was from Mississippi and in that capacity I got acquainted with a whole different group of people who had an absolutely completely different outlook on life. For the first time in my life, I was introduced to a liberal from Mississippi who was

interested in social reform.

I should mention during this time that there was one very significant person I met who had a vastly important role in my ultimate relationship with Lyndon B. Johnson. I met at that time quite casually a young woman named Elizabeth Wickenden, who is now Mrs. Arthur Goldschmidt. Mr. Goldschmidt and Miss Wickenden became very close friends with Lyndon Johnson, with Abe Fortas, and with a whole group of people who were Lyndon B. Johnson friends. And in my relationship with Miss Wickenden, it was she who ultimately brought me together with Lyndon Johnson. That did not occur for some fifteen years later. Now, Miss Wickenden was Aubrey Williams' assistant in the National Youth Administration and worked in the same building that I did when the Committee on Economic Security was in the Municipal Auditorium in 1935. And in the course of time, our relationship and our friendship deepened. She was extremely close, as Tex Goldschmidt was, to Mr. Johnson and it was Miss Wickenden who on many occasions recommended me to Mr. Johnson for information concerning Society Security and ultimately Medicare. That plus several factors that I'll enumerate were largely responsible for opening the doors to the contact with Johnson.

At that time I also met a young man who I ultimately had a large amount of association with through that program--John J. Corson. John J. Corson was working in the National Youth Administration. He was from Virginia. He ultimately came to work with the Social Security Board, and ultimately became the second director of the Bureau of Old Age and Survivors Insurance; then he became director of the United States Employment Service. He then left and took on a number of other jobs including working

for Princeton University, for McKenzie and Company, and for John Gardner, and a lot of other people whose lines crossed with me ultimately. He is now working with me as I finish out my role as secretary in helping me to reorganize the work of the Department. But as a Southerner too, and as a man who came up in the newspaper field, he brought me into association with a great many other kinds of people, some from the South, some from business, some from other avenues which would not normally be a source of contact with me.

M: In that first Social Security Act, were you disappointed in the narrow scope of it? If you'd studied all the other systems, it would seem that you would have a broader--

C: Well, no, because of a very important point. I had been trained, as Mr. Altmeyer and Mr. Witte had been trained, by John R. Commons. And John R. Commons was a believer in the principle that a bad law well administered is more important than a good law badly administered. And he taught his students not to try to be so global that you took on so much more than you could administer that failure would ultimately be certain. For instance, later on, I was critical of what was in the Economic Opportunity Act in 1964 because it tried to do too much at one time. That is, in my opinion, the source of much of the disenchantment and opposition to the Economic Opportunity Act. No, my position, as my colleagues were about the Social Security Act, was that it was important to get the principle established. And at that moment of history, the constitutionality of these laws was not even certain; there was no body of trained people to put it into effect. And it is quite clear that the political climate of the time was such that a much broader program, including possibly health insurance, could have been obtained by Congress. But the risk

was that a big act, which some of the other European and South American countries put into effect, might be doomed to administrative failure and thus set back the course of ultimate improvement.

I think this is an extremely important point because the men and women I worked with, while they were populists, while they were progressives, while they were strong believers in social legislation, they were also strongly of the belief of the inevitableness of gradualism. In other words, they felt it was more important to take one step at a time. Or perhaps I ought to put it this way--to digest one meal at a time rather than eating breakfast, lunch, and dinner all at once and getting indigestion. This was their social philosophy. I think it's the right social philosophy; I think it has been demonstrated over and over again that the American people are much more pragmatic than they are ideological. And if something works, they are willing to accept a sharp change in ideological principles if what is put into effect really works, but they are very dissatisfied with something which may not have much of an ideological change if it doesn't work.

So the group of people that I was trained by and the people that I had been affiliated with are really gradualists in that sense, and they're not the kind of people who are frustrated and dissatisfied by that process. As a matter of fact, a recent magazine which was analyzing my conduct during the years had the heading, "Salami Slicer." It said that Secretary Cohen believed in the principle of salami slicing, which is to take a piece of salami and slice it very thin and then pile slice upon slice so that eventually you have a very good sandwich. And that is my concept of the revolution of social legislation, to take a bite at a time and digest it, and then to go on to the next phase in an

orderly evolution that is acceptable by the body politic as being practical, realistic, and one that they're willing to build upon.

M: Did you have to do anything special to gain the support of the Supreme Court?

C: Well, with regard to the Supreme Court, the first thing that we did was to not call the program "insurance." We were all very worried that if we called anything in Social Security "insurance," the Supreme Court would say that there was no express authorization in the Constitution for a system of insurance. Therefore, we called Social Security "old age benefits," and we called it "unemployment compensation" and "unemployment reserves." I will add that the day the Supreme Court issued its decision that the program was constitutional, I prepared a memorandum which I sent with Dr. Altmeyer's approval to all of our staff people saying from now on they could call it "insurance." But at that moment of time, of course, everybody was very worried, and I would like to add this--that the greatest contribution that Franklin Roosevelt made to all of these programs was his Supreme Court packing plan. Everyone thinks that that was one of President Roosevelt's greatest blunders, but viewed in perspective, it was one of his greatest successes, because although he did not achieve what he asked, he achieved the result which was a monumental change in the decisions of the United States Supreme Court which validated the national Labor Relations Act and the Social Security Act and a number of other laws. And therefore I consider the Supreme Court packing plan, while to many historians a great defeat, was one of the greatest victories that a president could achieve. These just illustrate that in looking at particular battles, one must also look at the war as well as the battles.

M: He won that war.

C: He won it.

M: Then what did you do? Did you go to work for the Social Security Administration?

C: Yes, I went to work for the Social Security Administration. And my work became increasingly more and more directed to work on legislation and with Congress. So over the years I began to meet the congressional leaders. Mr. Altmeyer had me go with him to the congressional sessions publicly and in the course of time, I went to the executive sessions of the committee. I thus became familiar with practically all of the congressional leaders, I would say, from 1935 to the present who have had some significant role in this legislation. Now, this is quite important because Social Security legislation was handled, and is handled by the House Committee on Ways and Means and the Senate Committee on Finance, two of the most prestigious and important committees in the Congress. This brought me into contact with Congressman [Robert L.] Doughton, who was the chairman of the Ways and Means Committee in the 1930s, ultimately brought me into contact with Jere Cooper, who was the chairman for awhile, and of course ultimately with Wilbur D. Mills, with whom I worked out the Medicare plan.

Similarly on the Senate side, I intimately knew and worked with Walter George; I worked with Pat Harrison who preceded him; Mr. [Eugene] Millikin, and subsequently with Russell Long of Louisiana. All of these men, of course, I had to work with very closely. I had to learn their likes and dislikes; I had to learn how they operated; and I had to find some way in resolving differences among them, which has largely been my job during these last twenty-five or thirty years.

M: Of those men, which one was the most helpful?

C: Well, all of them were helpful, because one wouldn't have had the legislation all these years if they weren't all helpful. Ultimately something had to be worked out with all of them.

M: In other words, they were receptive to the general idea although they might object to parts of it?

C: Well, all of these men in Congress have their likes and dislikes. Some are more liberal; some are more conservative. But in all of these cases they made an effort to work with the chief executive and his representatives, and the secret is to find that modification, that compromise, that adjustment, that permits the men in Congress to accommodate himself to what the chief executive recommends.

M: Did you ever have an occasion at this time to meet Franklin Roosevelt?

C: I met Franklin D. Roosevelt, but my contacts directly with him were rather minimal. I worked very closely with Sam Rosenman, his writer; I worked closely with Benjamin Cohen who worked closely with him; I worked with Isador Lubin who worked with him. So that I found myself, you might say, on the outer edge of the people who were working with Roosevelt rather than working with Roosevelt himself. I wrote some material for him that ultimately found way in his speeches, but my direct contact with Roosevelt was very minimal. I would go to hear him speak. I would prepare memos for him, but my participation was very limited with him personally. I knew Mrs. Roosevelt probably better than Mr. Roosevelt.

M: She took an interest in your work?

C: Well, Mrs. Roosevelt was a good friend of Mrs. Woodward's. And both of them were interested in social programs and through Mrs. Woodward, I several times participated in meetings and conferences and discussions with Mrs. Roosevelt.

M: Were you impressed with her?

C: Mrs. Roosevelt was a very, very impressive woman, a very fine person, a very socially-minded person. And it has always been a source of regret to me that so many people at that time were so critical of Mrs. Roosevelt for her, you might say, political participation. Mrs. Roosevelt was probably the first wife of a president who tried in her own right to contribute something to the social awakening of citizens and not just giving dinner parties at the White House. And she naturally engendered a certain amount of disfavor among the conservatives, many of whom didn't like Franklin D. Roosevelt, but who could vent their anger on her. But she made a great contribution and her contribution has changed the whole role of women in American life. And there are countless women today, as well as men, who owe their opening up the avenues of social consciousness and political activity to the role that Mrs. Roosevelt played during that period.

M: I have heard that she would have compassion for the social condition of a particularly downtrodden, say, family in a particular, specific case, but she had trouble visualizing a mass of, say, poverty stricken people. Is this true?

C: Well, I don't know whether it's true, but Mrs. Roosevelt had the capacity, which I think women have generally, and that is to be empathetic with individuals. You might say the male mentality is global, and the female mentality is personal. I say that with regard to my own wife and myself. A woman finds it difficult to take a mass of statistics; it

depersonalizes the problem to them. But Mrs. Roosevelt nevertheless could work on general situations. She was interested in the resettlement administration; she was interested in Appalachia; she was interested in political movements, but she did that through people who interested her in the phenomenon and who talked about individual cases and individual problems which personified a larger issue.

M: Well, now, is the next big step for Social Security the amendment in 1939?

C: The first big change was in 1939, and that was my first major introduction to taking a role of leadership. I was then twenty-six years old, and Mr. Altmeyer brought me to the public hearings as his assistant, and I attended all the executive sessions in the House and the Senate and the conference committee in the molding of the 1939 amendments. And it was through that process that I originally became identified as being a kind of legislative expert on policy and programs. And, of course, from then on my life was inextricably mixed up with the legislative process in the House Ways and Means Committee and the Senate Finance Committee. I never, since that date to now, have changed that.

Of course, I had the opportunity to meet, for instance, in that connection in 1939 Congressman [John William] McCormack who was a member of the Ways and Means Committee. And my friendship and contact with Congressman McCormack deepened over the years and was very important when I became assistant secretary, under secretary, and secretary, to have him as a man who I could go to. Speaker McCormack's door was always open to me under any circumstances. And during the time he was speaker, I, of course, attended many of his meetings with congressional leaders. He and the President would bring me in and I participated in some of the most intimate political decisions at

the legislative level, even though I was a member of the executive branch, largely through the contacts and familiarity and confidence that had grown up over the years with Speaker McCormack. Speaker McCormack was the man who swore me in when I became under secretary, and it was the first time that the speaker had ever been asked to swear in a member of the executive branch. Both he and I were very proud of that in 1965.

M: Since this is your first introduction at this point of time to working with committees in Congress, and since you have become an expert in this sort of thing, did you develop any principles or particular attitudes in dealing with Congress and committees?

C: Well, I guess I'd have to say yes to that, but I don't know that I can answer the question in a very simple way. The key to it is what I have sometimes called the principle of looking at the problem from the standpoint of the consumer. When you're in the executive branch and the president has formulated certain recommendations, you're selling a certain product or service just like any businessman is. What you've got to do is turn the problem around and look at it from the standpoint of the legislator who is in that sense the consumer, and then try to see where he sees the price of the product is too high or the service is imperfect or how he wants it changed. I'd say the fundamental principle then is to turn yourself around a hundred and eighty degrees and see what his problems are. And if he can work out his problem, then you can get the legislation passed.

M: That means you're going to have to know the man you're dealing with intimately?

C: Well, you have to know the factors that impinge on the man before you can know the man. A congressman or a senator is the end result of many, many different factors that

are not all personal. They may grow out of the character of his constituency, his ultimate goal for himself politically, his own personality and ambitions, the situation in his constituency as against whether he comes from a safe one or a borderline one, whether he's a Northerner or a Southerner, a rural or an urban man, a conservative or a liberal, a populist or a reactionary. And you do have to make an evaluation, but the evaluation is based upon more than just understanding the personality of a man because as a congressman he's faced with problems and you've got to know what those problems are.

M: You've got to know his background?

C: You have to know his background.

M: How do you find this out?

C: Well, you work on it. You make every effort to talk with him, talk with the members of his staff, analyze his psychology, talk with members of his district, talk with his friends, talk with his enemies, talk with everybody you can until you get an insight into the totality of it, and it's usually very complicated. It's not something that you can put in a computer and get out an answer. Every man is different, every man and every woman is different, and is affected by different factors. Again, a man is very different if he's the bottom man of a committee or he's the chairman. And you have to understand his relationship in Congress. A man is in Congress, but he wants to run for the United States Senate in five years--he's obviously going to do different things than if he isn't. If he ultimately hopes to be speaker of the house in fifteen years, that might be a factor in addition to all the others. You have to know his political ambition--not only know them, you have to have a sense of what those possibilities really are. And if he comes from a

small town, his attitude toward problems is going to be much more individual and personal than if he comes from a big district inhabited by ethnic minorities. So that when you deal with Wilbur Mills, you're dealing with one kind of man, and when you're dealing with Russell Long, you're dealing with a vastly different kind of man.

Russell Long has, for instance, a certain heritage from his father Huey Long, and while there are many things that Russell Long is in favor of that would make his father turn over in his grave, nevertheless Russell Long still has a strong, strong, populist, radical, share-the-wealth attitude, even though he's one of the men who, on the other hand, stands with the oil interest in preventing an amendment of the depletion allowance. Now, you've got to understand that inconsistency to understand Russell Long. And you've got to understand that Wilbur D. Mills comes from a little town of 2,500, which is a small rural town, but he nevertheless is a Harvard Law School graduate who has got an incisive mind. Now, you can't work with these men unless you understand those "inconsistent" factors.

M: I see. So, before you go into a committee meeting, you want to know about the people you're going to face and preferably about what they object to about your program and then to see if you can meet these objections?

C: Well, you try to find out several things. You try to find out the ones in the committee who are for you. You take a committee of twenty-five and there are probably something like five people who are very strongly for what you want, five people who are very much against what you want, no matter what you're going to do or say, then you've got the other fifteen that are all over the lot and you've got to figure out how you deal with these

twenty-five people.

M: Do you call these people up on the phone and talk to their assistants? Do you just call up and say is this man going to be for me or against me, or how do you work this?

C: Well, you do all the things, but that would be an oversimplification. The first thing is to try to analyze him before you talk to anybody. You read his biography. You look up his biography and you see what he has been interested in over the period; you study his religion; you study his political background; you look at his age. You read his political record, if there is any. And if he was in the state legislature, you try to call people in his state that you talk to or you talk to other state officials about what he has been interested in and done. Then if he or his office contact you on anything, which they're likely to do before you get in contact with them, you use that as a base of operation. If a man writes you a letter saying, "I'm very much interested in building a hospital under the Hill-Burton Plan," you go and talk to him, and say, "Well, are you interested in building it?" "Well, yes." "Well, why is that?" "Well, I think it's great I think we need more hospitals and better--"

You have base then for discussing with him hospitals, medical care, Medicare, change in medical practice, what he thinks about physicians, whether he's beholden to the AMA [American Medical Association] or independent of them, and pretty soon out of one little simple event, you've got some insight into his political philosophy and his attitude.

M: And, of course, in time this would build?

C: In time this builds up, and you use each opportunity that he gives you and that you find to

try to understand what he's for, what he's against, and what he would like to do.

M: At what point in a legislative struggle do you call in help from the White House?

C: Well, it's more likely that the White House calls you before you call them, because they're just as sensitive as you are to the impending problems and it's likely to be almost simultaneously.

M: To get back to this second slice of salami--the 1939 amendment. Did you have any particular difficulty with that? Say, were there lots of meetings? What was your particular problem with getting this amendment through?

C: Well, the 1939 legislation was a very omnibus piece of legislation. It consisted of changes in Social Security, changes in unemployment insurance, and changes in a lot of the other programs, so that it represents a simply tremendous piece of legislation. And there were problems in all of these areas. Of course, the biggest feature of the 1939 amendment that was new is that it incorporated survivors' insurance as the second step in the evolution of the Social Security program. Survivors' insurance is a form of monthly life insurance benefits. And this was achieved through the brilliant engineering of Dr. Altmeyer and it was done with a minimum of controversy. It then was not until 1956 that the third part of Social Security was developed, which was disability insurance. And then the fourth part was Medicare in 1965. This is the evolution of the salami-slicing in Social Security over that period of time.

The other big issue in 1939 was some improvement in the unemployment insurance program. And here we encountered a tremendous failure. Mr. Altmeyer was strongly for some type of benefit standards in the state unemployment insurance system,

but at the end was not able to achieve them. And with that unsuccessful venture, there have not been standards in unemployment insurance incorporated in the Social Security program at any time. I think they could have been achieved in 1939 if Mr. Altmeyer had been willing to accept very, very low standards and then had used the same philosophy which he believes in of improving them in the course of time, but he did not do so and this act failed. Interestingly enough, the opposition to what he tried to do was led by Mr. Raushenbush and Miss Brandeis from Wisconsin, his colleagues and friends, and this of course resulted in a long period of disenchantment between Raushenbush and Brandeis on one side and Mr. Altmeyer and myself on the other side. I think it has been somewhat patched up recently when both Mr. Altmeyer retired and Mr. Raushenbush and Miss Brandeis retired, but nevertheless this represents one of those interesting strains of conflict among friends which turned out to have very emotional overtones.

M: What was their objection to your position?

C: Miss Brandeis, as the daughter of Mr. Justice Brandeis, was a strong believer in the so-called Brandeis philosophy of political pluralism, decentralization and the use of states as experimental models in social legislation. So that the Brandeis-Raushenbush position, if anything, was leave the states alone; be opposed to federal interference; try to keep things small, not large; be against the domination of the federal government. And that led them into the idea of being opposed to Federal benefit standards in unemployment insurance.

M: Is there any relation between the concept of creative federalism of Lyndon Johnson in this? Or is the situation so different that you can't compare?

C: Well, it springs somewhat from the same sources. There's no direct alignment with them,

but the creative federalism idea is but another term for what this group believed in which was the strengthening of the federal state role which was created really by the Federal Social Security Act of 1939. The great believer in creative federalism was Franklin D. Roosevelt, because Franklin D. Roosevelt in 1933 could have federalized or nationalized anything he wanted. There's no question that at the bottom of the Depression if Franklin D. Roosevelt wanted to create all national banks, have a single national financial system, had wanted to have a national system of Social Security and health insurance, he could have gotten it. I don't say it would be constitutional, but the country was in such broken-down condition and the states and localities were so unable to do anything that the man who should get credit for creating federalism is Franklin D. Roosevelt. Because by building upon federal grants and aid for Social Security, he opened the door to the whole federal-state relationship which is now so diverse and so embedded. We would have a different political system today in my opinion if Franklin D. Roosevelt had made the decision to consider the states as sub-sovereignties of the federal government. But having been governor of New York, he was very sensitive to the use of the states, and although many of the people who opposed him politically in 1936 and 1940 thought of him as a great radical, both in his use of the federal-state system and his use of Social Security, he was the great conservator of creative federalism and the private economy and the role of the states in our political system.

M: This failure to erect national or federal standards has plagued Social Security ever since, is that right?

C: Plagued unemployment insurance, yes, and has never been realized. President Truman

recommended standards; President Kennedy recommended standards; President Johnson recommended standards. And none of the three presidents were able to get them.

M: You would consider this a fault to the present day on that point?

C: Oh, yes. As a matter of fact, my present view is that the unemployment insurance system ought to be completely federalized. I don't see any opportunity to do that unless the country were to go into a recession as deep as 1929-1933, and I don't think we're ever going to have a recession again like that because of the new tools of fiscal policy and the tremendous transfer-payments we have. So that I would say that it's entirely possible that we will never successfully rectify the evils of the unemployment insurance system because it's somewhat like the fable of the hole in the roof. When the sun is shining people say, "You don't need to fix the hole in the roof," and when it's raining so hard they say, "It's too late because the water's coming in." So I believe that our unemployment insurance is going to remain, at least for a long period of time, one of the great inadequate programs of income maintenance. I think we've got to consider new ways of tackling that problem because although unemployment is not large and has not been large for the last ten years, for those particular individuals whom it hits, the inadequacy of the unemployment insurance system in this country is particularly tragic. And it need not be so! There's plenty of money; there's about ten billion dollars in the unemployment insurance reserves of the fifty different states. And we could have a benefit in unemployment insurance which is about twice as good as what we have. But because you've got fifty different states with fifty different vested interests and fifty different business groups all thinking it's their little playhouse, we're not going to get an

improvement in that until some president under some condition can overcome that politically entrenched vested interest.

M: Between 1939 and 1950, there was apparently little legislation in regard to Social Security. Is that correct?

C: That is correct, and that is largely due to the war. I would say almost solely due to the war.

M: There was some kind of Senate advisory committee in the late 40s--1947--

C: Yes.

M: Is that committee important in the development of Social Security?

C: Yes, it was. It was important for a number of reasons. First, let me say that it was important because that advisory committee--I had met Fedele Fauri in connection with that work on that committee. He was a man who came to work with the legislative reference service of the Library of Congress, and he and I became fast friends. He ultimately became dean of social work at the University of Michigan in about 1951, and in 1955 he brought me to the University of Michigan as a professor. And so from a personal standpoint, the work on that committee and my friendship with him was a major concern to my future. Because by his bringing me to the university for those five years, I was able to develop the intellectual capital and to work with Senator John F. Kennedy. This ultimately brought me into contact with him to become assistant secretary by his appointment, which brought me to be under secretary by Johnson, which brought me to be secretary. So the combination of my friendship with Miss Wickenden and Mr. Fauri probably were the two most important aspects in directing me into the point of where I

got into a situation in the Kennedy-Johnson Administration.

M: Can you tell me the genesis of this Senate advisory committee back in 1947? What was its purpose; why was it brought together?

C: Well, there had been a period of time since 1939 to 1945 in which nothing had been done about Social Security because of the war, and it was obvious that something had to be done. Everyone was aware that the price level had increased; our gross national product had gone up; the laws needed changing. But nobody knew exactly what. And therefore by creating this kind of an advisory committee, there was able to be a study of the problem and some popular consensus reached about the issues, and this group turned out a big tome of technical information which served as a basis for legislation. And as you know, there were some amendments in 1946. There were some amendments in 1948, and then the great amendments of 1950, which were the most important amendments since the original enactment, came about.

During the war the big issue had been the constant freezing of the Social Security tax rate, which was not permitted to go up. What had happened was that income had increased tremendously because of the increased employment, and benefit payments were not rising very fast because the system was so immature and more money was coming in than was needed for the Social Security system. This gave a lot of the conservatives an opportunity to kind of criticize and attack the Social Security system for building up large reserves. And the fight over whether Social Security should have a full reserve, a partial reserve, or should be pay as you go, became the key issue between 1940 and 1944. So one of the real points of this advisory committee was to delve into this complex question

and come up with some suggestions for how to deal with this financing problem and its relationship to the whole benefit structure. So, that was a precipitating factor in getting this advisory group going.

M: Does this advisory group signify a turning point at all in Social Security?

C: Well, I don't think so. There was an advisory group in 1935; there was an advisory group in 1939, so it's significant, but it was just a continuation of a prior trend.

M: Then the amendments came in 1950 which expanded the program.

C: Yes.

M: Was there any great difficulty?

C: Oh, yes. The 1950 amendments started in 1949 and took two years and were extremely controversial. As a matter of fact, among the various controversies was the introduction of the whole disability insurance program which was included in the House bill that passed in 1939 and was dropped by the Senate. It was one of the major issues in conference, and it was dropped in conference. And it wasn't until 1956, six years later, that we got the third prong of the holy trinity: Old Age, Survivors, and Disability Insurance.

M: But the history of that 1956 amendment goes back to 1949?

C: Yes.

M: This was when the idea came into--

C: Oh, the idea was discussed before that. The idea of disability insurance was introduced in 1938 and 1939 in connection with the Wagner bill and was a part of the big Wagner-Murray Dingell bills of the early 1940s.

M: Was Wilbur Mills in power at this point of time?

C: Well, Wilbur Mills was not in power at that time, but he came onto the committee during that time and he served his apprenticeship during this period of time in getting to be an expert on this program. I don't recall exactly the first year that Mills came on the Ways and Means Committee, but in 1949-1950, Mr. Doughton was chairman and Jere Cooper was next in line and later became chairman. And so Mr. Mills must have least been third or fourth in seniority; but as a young man with an incisive mind, he was learning very quickly and watching his older colleagues and absorbing the techniques of both how to deal with the problem and the information so that when ultimately he became chairman, he was a great walking fund of knowledge about the whole system.

M: Why did the idea of benefits of disability fail in 1954 and yet pass two years later?

C: First, in 1955, when it was reported out by the House, the Ways and Means Committee was under Democratic jurisdiction. Mr. Cooper was chairman of the committee. So you had the beginnings of a tension between a Democratic Congress and a Republican Administration. Then in 1956 when it passed the Senate, you had, of course, a Democratic control of the Senate; and once it had passed the House and passed the Senate, then it was for certain that it was going to be in, in spite of the fact that Mr. Eisenhower under Secretary [Marion] Folsom's leadership had given the impression to many people that if it passed, the President would veto it. But of course Mr. Eisenhower did not do so, and thus it became law. But the significant difference was the change in Congress--the fact that the Republicans lost the Congress in the off election of 1954 which put the Democrats in control and then the Democrats decided to write their own

Social Security Bill. It was at that point that I became involved with Walter George. I drafted Walter George's 1956 disability insurance speech; I drafted Walter George's amendment. And the significant point about that is it won, as you know, by one vote. The vote in the Senate was 45 to 44, and would only have been successful because you had such a great leader like Walter George, a conservative.

Now, this may be the first point at which I became acquainted with Lyndon Johnson, because Johnson was the majority leader in 1956. And it was through his arrangements that Senator Clements of Kentucky voted for this amendment. Senator [Earle] Clements was later defeated as a senator because of his vote on this bill, or at least he so alleges and I so believe. But because Lyndon Johnson was able to take the Walter George leadership and get Clements to vote for it, the disability insurance was passed in the Senate and became law.

M: How did he get Clements' vote?

C: Well, I can't tell you that because I don't know what happened between them. I think he just went to Clements as he did and said, "I need your vote on this, Earle," and Earle was very upset about it, and agreed only to vote if his vote was necessary. What they did is they kept Clements in the Democratic cloakroom until all the votes were in and they could see that they were forty-four to forty-four. And [Richard] Nixon was in the chair.

Now, Nixon would probably have voted no as vice president, because of Folsom and Eisenhower's views. I don't know. But that will always remain a secret unless somebody can ask Nixon what he would have done. But Earle Clements was brought out of the cloakroom and he voted aye; the vote was forty-five to forty-four and was passed.

M: Did Eisenhower ever make any indication of why he did not veto this?

C: Not that I know of. I think the only person who would know that would be Marion Folsom--Secretary Folsom, who was then secretary, or Sherman Adams, or Eisenhower himself.

M: Did this put you in somewhat of a peculiar position? If Folsom and Eisenhower were against this and you were for it and working under Folsom--

C: No, I was a professor then. I was already at the University of Michigan. One of the reasons I resigned in 1955 is that with the House passing the disability insurance, I did not want to be a part to working for an administration that was going to oppose it. I could see the clouds rising in this. And I then tendered my resignation and Mr. Folsom asked me to reconsider when he became secretary. I felt that if I remained as either a consultant or an employee under Folsom, I was going to get myself into a terrible personal predicament of being at odds with my secretary, and so I turned down Mr. Folsom's offer to remain a consultant, went to the University of Michigan in January of 1956, and it was then, in March, April, or May, while I was a professor, that I worked with Senator George doing it. Now, I never did work with Senator Johnson during that period. My contact was one hundred per cent with Senator Walter George.

M: You must have been there when the department, HEW, was formed.

C: Yes, that was in 1953.

M: With Oveta---

C: Culp Hobby. Yes, it was.

M: Was that a difficult period for you?

C: Well, it was extremely difficult because Mrs. Hobby came in with instructions from the [Republican] National Committee to fire a number of the people. Included in this list of about five or ten names in Social Security was mine. And you know ultimately she accepted Mr. Altmeyer's retirement; she in effect forced Miss Jane Hoey out of office; she forced I. S. Falk, the great leader of health insurance, out of office. But when it came my turn, I refused to be forced out, and I took a demotion of one grade and one thousand dollars a year to stay in the department. It was extremely humiliating to me, but I made up my mind that I was not going to be kicked around for political reasons by the Republican National Committee. I have no reason to blame Mrs. Hobby because she was only an instrument of the Republican National Committee.

The reason I was able to do it is the person they appointed as commissioner of Social Security to take Mr. Altmeyer's place happened to be a very good friend of mine, John Tramburg. When he became commissioner and they indicated that they wanted to fire me, Mr. Tramburg told them that if they fired me, he would resign too. He's now deceased. Mr. Tramburg told Nelson Rockefeller that if they fired me he would go too. This kind of stopped the effort for awhile, and they finally decided on the point of demoting me and appointing me to a different position that was one grade less and one thousand dollars less. I willingly accepted that as a basis for trying to solve the problem, because I knew they had a problem. Incidentally, Nelson Rockefeller was a man that I had been very friendly with years before and I appreciated that he didn't want to do this, but again he was merely the instrument of the Republican National Committee. So I never bore any grievance against Nelson who, I think, always remained very friendly

with me as I have with him on a first-name basis.

It was humiliating and somewhat disconcerting to me because in demoting me they gave me a better title, and people wrote me complimenting me on my appointment--upon my promotion. The new position they gave me was the one that Dr. Falk vacated, which was director of the Bureau of Research and Statistics, and to most people the title that has the term director in it seems a promotion. I did not answer the letters at that time that came to me complimenting me on my promotion. It was a most difficult time and a time of great tension. I remained until I resigned in, I believe I sent my resignation in in the fall, in the summer or fall of 1955, to be effective in January 1956 in order that they would have sufficient time to select and train my successor. I wanted to be sure that somebody had all the information and the materials that I had so that the work wouldn't suffer.

And it was during that period of time that I was waiting that Mr. Folsom then became secretary and said in effect, "Oh, my goodness, Wilbur, you're not going to resign! Just forget about what all the Republicans said about you during these two years. I'll protect you and defend you. Stay on!" But by that time, it was too late. I had already decided to leave and I did. I did, however, I believe, end up with a good personal relationship with Mrs. Hobby and Nelson Rockefeller as individuals. I helped Mr. Rockefeller and Mrs. Hobby develop the early substitute to the Health Insurance Reinsurance Fund which was the precursor to the Kerr-Mills bill and Title XIX of Medicaid in 1965. And I worked that all out for them, which was enacted in Congress in 1956. When Mrs. Hobby left, I went to see her; she thanked me for my help. Nelson

Rockefeller sent me a very fine letter of commendation. I have remained on reasonably good terms with Mrs. Hobby and with Mr. Rockefeller since, in what I consider was one of the rather difficult, emotional experiences of my life. I don't know how they felt about it, but to me it has always represented a kind of political blot on what the secretaries of departments have done. I don't believe any other secretary has tried to do it; certainly, I never tried to do that while I've been secretary. Certainly Mr. Gardner has not.

M: Even after you took this new position within the department, did they continue to put pressure on you to force you out? Is this why you eventually resigned?

C: No, they did not. When I took the new position, the whole situation ended.

M: But you eventually resigned anyway?

C: Yes.

M: Is this because of the position at Michigan? Was that more attractive?

C: Well, I don't know. It was a combination of two factors. First, I would have been willing to go in 1953 if Mrs. Hobby or Mr. Rockefeller had called me in and said, "Look, Wilbur, we think it would be better for the department for you if you leave, if you'll find another position to your satisfaction. Go at your convenience; we'll pay your salary until you find one." I would have gone. But when they tried to force me out against my will, I'd say there was a certain Irish quality in my character which said, "I'll be very happy to walk out myself, but I sure am not going to be pushed out." I was a career civil servant. While I did believe in the Social Security program and while I was a Democrat, I did not feel, nor have I as secretary ever tried to force out a person in my department who is a Republican. I have lots of Republicans working in the department; I would consider it an

undignified, impractical, terrible thing for me to go around and say, "Who are the leading Republicans in the Department of HEW," and those positions have all got to be filled by Democrats. I just think that's unsound and undesirable, and unfair, and inequitable, and inconsistent with our career service.

So I made my stand at that time, I was backed up by Mr. Tramburg, but once the pressure was alleviated and they were happy that they had demoted me and told the Republican National Committee they had kicked Wilbur Cohen in the pants and downgraded him, everything was over. Then I decided that was time for me to walk out on my own two feet. Plus the fact that with the impending issue coming up on disability insurance, I could see the clouds gathering and I thought, well, we just solved this issue now; now, there's going to be another big one, so it's better for me to get out and be on my own. And it was just more satisfactory emotionally and professionally.

M: So then you went to the University of Michigan and taught?

C: Taught five years there.

M: And during this period of time you came into contact with John F. Kennedy?

C: That is correct.

M: Would you review the relationship between you and Kennedy?

C: Well, largely my association with Kennedy grew out of my friendship with Ted Sorensen. Although I had met and talked with Kennedy in 1950 and I have a rather extensive memoir in the Kennedy Library about my early origins and acquaintanceship with Kennedy between 1950 and 1956--

M: If that's in the record, then we can slide over that.

C: Yes. Largely this was in '56, an outgrowth with my contact with Sorensen who started to use me as a person to comment on proposals that Kennedy was making. And since I was coming to Washington, for instance, like in working with Walter George on the disability insurance in 1956, I would stop in to see him, have lunch with him or dinner with him and talk with him and tell him about my ideas on unemployment insurance, and Social Security, and Medicare, and disability insurance. This became a source of expertise to John F. Kennedy on the area that I was familiar with. Then he started to ask me to draft statements for him. And working with [Myer] Mike Feldman and Ted Sorensen, I drafted Kennedy's Ten Point Program for the Aged; I drew up his program for the Aid to Dependent Children of Unemployed Parents; I drew up his Medicaid program in 1960; I helped on the unemployment insurance amendments of 1956. Oh, I did a whole host of things--

M: Is all of this chronicled in the Kennedy Library?

C: Well, pretty much so, yes. That whole period between 1960 and 1963 is fairly well chronicled.

M: Does it cover your work in that 1960 task force?

C: I don't think it does.

M: You might say something about that then.

C: Well, what happened in 1960 was of course I first became a vice chairman of Senior Citizens for Kennedy because of my contact on Social Security. And I began developing proposals during that period of time. Then during that time Senator [Robert] Kerr called upon me to help him with the formulation of the Kerr-Mills bill. While I was doing that,

I would go around and see Sorensen and tell him that while I was working with Kerr, that was only one aspect to my interest--I was equally concerned about Medicare. Now at that time most people felt the Kerr-Mills was the substitute for Medicare. It was my position that you ought to have both of them. And I was the only one who believed that. I finally sold both Kennedy and Kerr that position. Now Kerr was supporting Johnson in 1960, was trying to be sure later on that if Kennedy ran, that he had something that differentiated his position from Kennedy because Oklahoma was a Baptist state and he knew Kennedy was going to lose Oklahoma. So he wanted to be for Kerr-Mills against Medicare. I went to see Paul Douglas, Senator McNamara, Senator [Albert] Gore [Sr.] and the others, and I said to them, "Look, you've got Kerr and you've got Kennedy. But you don't need to choose between these two. You can be for both." And after a violent session in which my own senator, Senator Pat McNamara, dissented and dissented till his death and created a great source of problems for me, I persuaded the others that rather than propose Medicare as a substitute for Kerr-Mills, you vote for it or against it as you wanted, but have Medicare on top. And that was my way of having an allegiance to both Kerr and Kennedy. I think Kennedy and Sorensen thought that was a great act of political realism and pragmatism because up to that time, everybody--and still later, everybody thought they were antagonistic.

It was then after the election that Feldman called me up and said the President-elect would like me to be chairman of the Task Force on Health and Social Security [for the American People] and frame up the details of the Medicare bill and all Social Security and health legislation--would I accept it? And I said, "Well, anything the

President-elect feels I can do, I will be happy to do." So we picked a group of people and on that group, I put Miss Wickenden. And this then became again the bridge between Kennedy and Johnson, Miss Wickenden was one of the few people who was in the Johnson camp and was also in this other camp, and we worked closely together throughout the 1960 campaign. I was able to take enough time from my teaching work and work on the report and head the committee, and I drove to Washington during Christmas of 1960 with my family and stayed here all during Christmas. I recall eating Christmas dinner for an hour or two and going back to wherever we were meeting to work. And I worked smack up to about January fifth or tenth, as the case may be, in the preparation of the report. I submitted the report to Mr. Sorensen and I subsequently received information from him that I should present it publicly to the President. And after some back and forth, selection of dates, I believe it was January 12, 1961, that I brought it to the Carlisle Hotel and met with Senator [Abraham] Ribicoff, then Secretary-designate Ribicoff, governor of Connecticut; Mr. Sorensen; and Pierre Salinger at the Carlisle Hotel.

During those conversations, while waiting, I had the second or third of my meetings with Ribicoff, and he was contemplating whether in some way or other I should join the administration. Quite frankly at that time I didn't give much attention to that question, because I was so involved in the substantive issues in the preparation of that report, the actuarial data that was involved and alternatives, and I had to go back and teach. I had my exams coming up and I had really only paid attention to my course work, you know, with my little finger, and things were just crowding all over me. But in the

course of the discussion of the report, when President Kennedy received it, he turned over the pages very rapidly and he turned to a page that had a recommendation in it for including the needy children of unemployed parents in this amendment to aid the families with dependent children, which is what I had proposed to him and he had introduced a bill in 1958. He looked at that and he said, "Wilbur, that's one of the first things I want you to get for me." Well, I was rather astounded because I had no direct information from him up till that that he wanted me to do anything. So I kind of said, I suppose, "Yes, sir," but I didn't quite understand what that meant, you see. I said, "Well, what do you want to do with the report?" He said, "Well, there's too much in this report. Tear out the last four or five pages. You've got too much in here, particularly on unemployment insurance." So he said, "How many copies of the report did you bring along?" I said, "About twenty." So Sorensen, Salinger, and I tore out the last parts of the report. Of course, when we gave it to the press, the front of it said there's so many recommendations in it, then when you read the back, you came to recommendation nine, but there wasn't any ten or eleven. And it was just sort of a mystery to the press how this had gotten to be. I don't know how we ever got out of that, but Kennedy just didn't want the press to think he was too global and recommending everything.

I left that meeting and had a press conference in which I was the central point. Ribicoff said nothing. He said, "I'm not the secretary; Mr. Cohen is making a report and we're not saying we're for it or against it or anything." I had the press conference and then I went back on the plane, *The Caroline,* with President-Elect Kennedy, Mr. [George?] Kennan, Ted Sorensen, and the others and they came to Washington.

I then had a brief conversation with Sorensen and I said, "What's all this about? I've had several meetings with Ribicoff, but nothing has ended up." I said, "Please understand I'm happy teaching; I'll do anything I can to help you, but you don't need to bring me into the administration." "Oh," he said, "the President wants you to be close to him, and to help him. It doesn't make much difference--how would you like to be director of the Census?" And I said, "I sure wouldn't like to be director of the Census. I think it's a wonderful job, but you ought to have a director of the Census who's going to direct the census." He says, "It doesn't make much difference what job you have as long as the President can call on you whenever he wants." I said, "Well, he can put me wherever he wants, as far as I'm concerned."

So eventually, I can't recall the details--that was maybe the twelfth. It must have been not many days afterward. I know it was the succeeding Saturday that I got a call from Andy Hatcher from Florida saying, "The President is going to announce your appointment tomorrow as assistant secretary." And I said, "Well, that's fine. What am I supposed to do?" And he said, "We need to know how old you are and what your birthday is and a few facts to get out a press release." And the next morning, the Sunday morning paper, my appointment was announced with the Surgeon General and a couple of other people. I forget just exactly what that date was, but I do recall this. My final exams in my course were January 16. I was giving two courses and one seminar, a seminar I had already read the papers; I had about sixty or seventy exam papers. The exam was finished about two or three or four in the afternoon. I graded exam papers until 4:45 in the morning; I completed them all, gave them to my wife, told her to take them

back that morning, went upstairs and took a shower. I finished showering and shaving about 5:30 or quarter to six, called a taxicab, went to Willow Run, took a seven o'clock plane to Washington on January 17, 1961. I left my office, my papers, my home, and walked out. My office is still there in Ann Arbor; it has been moved to another floor. My library is there; my wife closed up the house, moved everything here. And all I did was walk out of that house on January 17 at 5:45 in the morning. And I came to Washington; I met with Mr. Ribicoff at the Bureau of the Budget on the budget of HEW, That's just about eight years ago now.

M: Now, you're back in government. Perhaps I ought to pause here for a moment since the tape is about to run out--

C: Okay, let's take a little rest--

M: And check signals and what not.

Tape 2 of 2

M: So now we're at the point of time that you're in the Kennedy Administration. And to continue the comment on the development of Social Security, the next big event in the evolution is apparently Medicare which you worked on and which has been followed by a program of oral history in the Social Security Administration in conjunction with Columbia [University]. You have given me some indication that your role in this could be found in several books.

C: Yes. The first place in which part of my role can be ascertained is a book by Richard Harris, a writer for *The New Yorker*, which appeared in a book called *The Sacred Trust*. I was interviewed extensively by Mr. Harris and while there are some inaccuracies in the

Harris book, mainly the compression of historical occurrences that occurred over a period of time occurring all at once, they nevertheless are substantially accurate although incomplete, and with a need for some modification. The second source would be in the oral history of Columbia University that was undertaken by Peter Corning. Corning has submitted to the Social Security Administration the outlines or the actual chapters of some kind of a manuscript which I have not yet completed reading, but he has interviewed most of the outstanding people in this area of both Medicare and Social Security, and I think he will probably have the most complete review of these that I have seen or heard about.

M: You mentioned that there might be some corrections or additions that you might care to say about Medicare.

C: Well, the big problem about Medicare that has not come into any public disclosure has to do with the differences within the Kennedy Administration as to the tactics to be employed. You might say there was one group of people which I headed which had a strategy which was based upon having to win over Wilbur D. Mills to some modified proposal. I believed that this could only be done by a change in the political composition of Congress and by the adaptation of the legislative proposal to satisfy Mills' prestige and his own personal creativity.

The other group was led by the under secretary of HEW, Ivan Nestingen, who was working closely with other people in the White House close to the Kennedy Administration and working with people on the outside in senior citizens, AF of L-CIO [American Federation of Labor and Congress of Industrialized Organizations], Walter

Reuther's organizations, and a number of other political groups. The major strategy of this group was political pressure on individual congressmen to change their vote in support of Medicare and to so put pressure on Mills that he would change his position. This kind of a running battle went on very extensively because of the fact that the White House group was willing to work with and listen to these people in the belief that there could be some effective change in Mills' position. This continued in 1964, even after Kennedy died, because Johnson kept most of these people on in the White House. It was not until the overwhelming victory of Johnson in 1964 that it became apparent that Medicare could be achieved because of the changed composition of the Congress. By this time, however, the feeling among the respective groups was very strong and there was a strong current of criticism against me and antagonism to me led by Ivan Nestingen. Nestingen was so confident of his connections with the White House group that he on several occasions defied Secretary [Anthony] Celebrezze's orders on one or another item which angered Celebrezze very much. I might add that while Nestingen was under secretary under Ribicoff, Ribicoff paid practically no attention to him because of his feeling that Nestingen was uncooperative and ineffective. I believe, although I do not know directly myself, that both Ribicoff and Celebrezze recommended that Nestingen be replaced.

When Johnson became president he immediately served notice on Nestingen through [chairman of the Civil Service Commission John] Macy that he should find another job. A number of other positions were directly or indirectly offered to Nestingen through Macy, but direct information on this would have to be attained through John

Macy himself. I only heard of them through Mr. Macy. Subsequently, Mr. Nestingen did resign and it was then, of course, that President Johnson appointed me to his position as under secretary in June of 1965. But this was substantially so late in the whole progress of the Medicare fight that Nestingen had remained in office during this whole period, creating a great deal of difficulty for me, and making it almost impossible for me to conduct the negotiations without having to spend a lot of time always looking behind me to see if somebody was cutting my throat while I wasn't looking. On several occasions since 1965, I have had occasion to talk to President Johnson and on these several occasions, he has made derogatory references to Mr. Nestingen, whom he considered an ineffective person. I do not know whether Mr. Johnson came to his conclusion because of his knowledge about the whole Medicare fight or because of Nestingen's close connection with the Kennedy Mafia in the White House, but suffice it to say during this entire period I remained on fairly good terms in this issue with Ted Sorensen, Mike Feldman, Larry O'Brien, Henry Hall Wilson, and Mike Manatos.

I tried to count my shots as I saw them, hoping against hope that my strategy was correct, which I think ultimately turned to be the correct one, that continuing to work with Mills and the congressional leaders was the only way to get the bill through. I am sure that President Johnson adhered to that approach implicitly from his long association with Congress, and President Johnson has always been most commendatory about my role in getting Medicare enacted as has been Larry O'Brien. So the end product has been fairly well, but I am sure that Mr. Nestingen still harbors a violent grudge against me for not having supported his point of view and for having not cooperated in working with

him. I did cooperate fully in working with Sorensen, in working with Wilson, and O'Brien. Quite frankly I considered all of these other people as being interlopers and interferers into the process for which I was being held responsible, since at that time I was the assistant secretary for legislation. And quite properly I think as the presidential appointee in the department who was responsible for legislation, it was quite rightful for the President and everyone to look to me as being the person who had the responsibility for this other than, let us say, the secretary himself, but Nestingen and his group thought that they were a lot smarter than either Ribicoff or Celebrezze, and they certainly thought that they were a lot smarter than Ted Sorensen and myself. And in developing their separate lines of relationship, they certainly complicated life and ultimately all of these people were forced out or left during the Johnson Administration, leaving me as the only one to complete the term of office with Johnson. I believe that President Johnson feels somewhat the same way as I do, and I think history and the oral history records will prove that these other people had no substantial effect upon the overall results except to make life difficult for all of the people who were in charge of carrying it out.

M: Does the other oral history of Medicare bill or the books you mention go into your work in persuading and getting cooperation with Wilbur Mills?

C: Yes, they do.

M: Is there an analysis in there by you of his character and what you did to persuade--?

C: No, I don't think so,

M: Would you make some comment about that?

C: Well, Wilbur D. Mills is a man who was born and raised in a small town in Arkansas

called Kensett, Arkansas. He is what might be called a small town boy. He sees life in terms of the way you might see it in a small town with people having an uncomplicated simple life that is based on mutual respect and integrity and understanding, and people in a small town trying to take care of their problems whether it's a handicapped child, an illegitimate child, a widow with little money, an elderly person, or the businessman. Mr. Mills' father was a small town banker, and I think he and his father saw life in a way that perhaps many people do not see about their successes and failures. He obviously was a smart enough boy, because he went to Harvard Law School and graduated and became a judge. He obviously has an incisive mind and is the kind of person who will take a problem as a lawyer might take it and look into it objectively and even if he has a strong position on it, will scrutinize the opposing point of view before he comes to a final decision. You might say as a lawyer he briefs both sides of the question, surrounds himself with all of the information, and is clearly the equal if not the superior of any person who is pro or con on an issue that he is concerned with.

He works hard, he is diligent, and does not proceed to deal with a problem unless he has some basis for understanding what it's all about. Many members of Congress are lazy, and that is one of the reasons why many of them do not become great leaders. Wilbur D. Mills is a hard worker. He reads, he studies, he listens, he talks to people, he proceeds to deal with any problem that comes within his purview as a man who knows as much about it as any person can. He does not go into the cocktail circuit so that he has a good deal of time for himself and is not enamored of the social life in Washington. I have rarely ever seen him at a cocktail party or at a dinner party. He and his wife lead a

quiet life. He has a couple of grandchildren which he likes very much, he is a strong family man, and he spends his time watching sports--spectator sports, and doing crossword puzzles. I believe, therefore, that it is safe to say that Mills represents the kind of man in politics who is an independent as a human being can be. In the last election of 1968, he had no candidate running against him. Obviously, therefore, he is a man of great political independence. His constituency sends him back because of his stature and his independence and without much political opposition, it's obvious that he can decide to do pretty much what he thinks is right and proper without, as many other Congressmen have to do, considering who in his constituency is for and against and what they'll do in the next election.

I do not mean to imply by this that Mr. Mills is completely unattentive to political realities--quite far from it. This independence makes him even more attuned to political reality than it would be if he were subject to simply the pros and cons of people in his own constituency. I believe that as chairman of the Ways and Means Committee he is sensitive to what the House of Representatives and the people of the United States really want as a whole. In other words, I think he looks more at the national situation, the overall situation, what he considers to be the national interest than probably many other people. Now, there are a lot of people that don't agree with his point of view, but I think he's doing what he thinks is right and proper for the long run interest of the country and to retain his leadership in the House. As, for instance, recently in connection with the surtax, I think he subordinated in part his own personal views to what he thought was the general view of Congress and as the chairman of the committee, he did not want to put a

piece of legislation through until he had prepared the Congress to accept the inevitable. On the other hand, he recognized the great importance that the chairmanship of the House Ways and Means Committee has, and he attempts to exercise that role.

In the Social Security field, Mr. Mills is probably the only man out of the five hundred and thirty-five people in Congress who completely understands the actuarial basis of Social Security. He is completely conversant with the basis for making the actuarial estimates and all of the factors that enter into it. When he prepares to question a person or the Administration in public or executive sessions, he studies closely all the actuarial information and asks the right questions, probes deeply, and I believe is the only man in Congress who can follow through on that aspect of the work. This was a big problem in connection with the Medicare amendments because there were a number of alternative assumptions that had to be made, and he was the only man who could probe this and he eventually made different actuarial assumptions which we accepted as one of the bases for getting his approval of the changes in the financing and the law. Secondly, he probably is one of five men in Congress who understands the financing of Social Security and the whole complications of the financial structure versus full funding, pay-as-you-go, *et cetera*, *et cetera*. Most members of Congress are completely confused by these financial complexities.

Again with regard to the retirement test under Social Security which is one of the most controversial issues in Social Security, about, I would say, three-fourths of the members of Congress are in favor of the repeal of the retirement test. Mr. Mills is the only one who is opposed to the repeal of the test, because he understands what it means

financially and what its repercussions have been, and he has stood steadfast against the universal opinion of those who want to repeal or modify it. And I would say it is only because of his knowledge of the intricacies of this policy question that the retirement test has not been substantially liberalized or repealed. And although Nixon, as presidential candidate, recommended the elimination of the retirement test, I would be one hundred dollars against one penny that as long as Wilbur D. Mills is chairman of the Ways and Means Committee, that will not happen.

He is a man of great capacity and a man of great ability, and the most important part of that is that he has the respect of his colleagues in Congress. The reason he has such great power is that the other twenty-four members of the Ways and Means Committee respect his decisions, knows about his incisive thinking and his political adaptability as well as most of the other members of Congress, whether they are for or against him. Thus, in effect, although there are twenty-five members of the Ways and Means Committee, all major issues in the Ways and Means Committee are decided by Wilbur D. Mills, whether the individuals are for him or against him, because they have great respect for his knowledge, his insight, and his political ability. And I've watched many times in executive session even the Republicans will be very, very careful what they do before they understand what Mills is going to do. And certainly over the years, particularly in recent years, his close association with the Republican senior member John Byrnes of Wisconsin, they have tended to see problems more alike than a lot of other people; and this alliance between Mills and Byrnes is what has enabled Mills to be so powerful.

M: Did the passage of Medicare round out the Social Security program?

C: The passage of Medicare added the fourth big block to Social Security. But of course in each of these four big blocks there are still gross inadequacies; Social Security for old age payments are grossly inadequate as to their amount and as to their scope. The survivors' benefits for widows and orphans still needs major improvement, particularly for certain groups of widows and for the level of benefits. The disability insurance is still far too limited for people who have disabilities of less than twelve months duration and who have less than permanent and total disability. And finally Medicare, which only covers about forty-five per cent of the total medica1 bill, is not only too limited for the people sixty-five and over, but it is not even existing for children or other groups in the population. So all of these areas of inadequacy will be subjects of important consideration in the future for improvement.

M: I have heard that you are the originator of the term "kiddy care." Is that right?

C: Well, that is correct except that I hate to admit it because my wife is violently opposed to the use of that term.

M: This would apply to the application of medical aid to children?

C: Yes. Mothers and children.

M: Would this be an extension of Medicaid?

C: Well, it could be. We have explored in the recent years a number of different ways that this could be done. I would hope that it could be added onto Medicare, but I am not so wedded to the idea that I feel it absolutely has to be molded onto Medicare; maybe Medicare itself has to be changed to incorporate it. Maybe there are other ways of doing

it through Blue Cross Blue Shield. I would prefer to do it with Medicare. But you cannot do it alone. You've got to do it along with something else to make it a feasible actuarial and financial possibility.

M: Well, a stop beyond this would be some sort of national health insurance?

C: Yes.

M: Would you be in favor of such a step?

C: Well, I'm in favor of the salami-slicing approach which is to take one step at a time. It's almost impossible to put into effect successfully a program that goes from covering twenty million people to two hundred million people. That's a ten-fold increase. Our system of medical organization in this country just could not stand that in one single gulp, because there are so many tremendous inadequacies in the supply and distribution of physicians and nurses, hospital beds, nursing homes, medical technologies, *et cetera*, *et cetera*. Therefore, I favor some kind of gradualism, and that is the reason why I proposed to President Johnson the program of Kiddy Care. I felt that this would be a program that could be put into effect in steps. There are roughly about four million children in each one year age group so that if one started with a group of children at birth, you're dealing with four million; maybe in two years you're dealing with eight million, and in three in twelve million, and then you've got their mothers, of course. And this gives you, if you started with a new group coming on, a method by which you could handle the problem administratively without taking on the whole one hundred and eighty million additional. It's just too big of a bite at one time to digest without getting yourself into so many problems that you can't see the end of it. So Kiddy Care represents to me not only an

establishment of a new system of priorities by directing our attention now to children in the new generation as against the aged, but at the same time it helps you to swing into an evolutionary process where over a course of time you could end up with a more comprehensive program than you have today.

M: Apparently Medicare was a tremendous administrative problem. Did your tapes go into that?

C: No.

M: Is this correct--that it was a great problem for administration?

C: The application of Medicare to twenty million people on July 1 was perhaps the biggest single governmental operation since D-Day in Europe during World War II, and could have been a tremendous flop if it had not adequately been planned. Now the first part of our planning that I think was the most important was the decision that I made to start Medicare in summer and not in winter. A lot of people said, "Well, why don't you start it on January 1 at the beginning of a year?" But the point is the sickness rate in flu and other diseases for which people are hospitalized [is] about ten or twenty per cent bigger in January than in June. So I consciously picked July 1 as the beginning date upon the recommendation of my good friend I. S. Falk. This was of major importance when we started it because the other factor is July first is so close to July fourth weekend that a lot of physicians and people are on vacation, and you are not crowded with a lot of people wanting to go into a hospital. Most people, if there's any elective surgery or if they have any choice, want to stay away. So your hospital problem on July first to July fifth is almost at its minimal during the year. So we started at a point where the congestion was

the least.

Secondly, we gave ourselves eleven months of preparation ahead of time before it went into effect, so that under the leadership of Mr. [Robert M.] Ball--under the brilliant leadership of Mr. Ball as administrator, we did a better job of preparation than we did for almost any other program. We could have used another six months or so. Then the next thing we did was to not put the extended care facility into operation at the same time, but allow for a six months' delay. All of these factors were well thought out by Mr. Ball and myself over a period of ten years of discussion. Thus while the implementation of Medicare was gigantic, each point of the way had been carefully thought out. But the most important part of the implementation was the decision I made on the day Medicare became law. I knew that the only way that you could provide medical care in this country is through doctors. Government people don't give Medicare; it's an individual doctor. The doctors in the country who had been decisively defeated in this rout of the passage of Medicare were feeling a sense of complete frustration and complete betrayal by the Congress. They could not understand what happened to them because their indignation was self-righteous. They had been led to believe that they were right and everybody else was wrong, and therefore that virtue would come down on their side. Their political unrealism had led them to deceive themselves that it would all come out with their ultimate victory or with the defeat of the government. With their defeat they expected to be kicked around by the government as if they were a vanquished enemy in a great battle. What I did was to send notice to Chicago that if they wished to meet with us, we would be glad to meet with them; that rather than say to them, "Look, you're going

to be on the outside looking in," I said to them, "You fellows can be on the inside looking out if you want."

M: This is the American Medical Association?

C: Yes. We ultimately then arranged a meeting with them and conveyed to them the thought that we'd be glad to put a representative of the American Medical Association, on the Health Insurance Benefits advisory council, which we eventually did by appointing Dr. Samuel Sherman to the council. We indicated that we would accept their recommendations of doctors to be on every task force consulting group on the development of forms and regulations and policies. They thought that this would not happen. Through the good offices of Mr. Ball and Mr. [Art] Hess, we included them in every major consultation and thus, although their advice was not approved on every single point, they probably were consulted and their advice was taken on ninety-five per cent of what we did. The net effect is that the opposition of the doctors was overcome; there is very little in Medicare that they can justly complain about. If there is anything that they complain about, it's a complaint that has to be taken care of by a change in the legislation. But uniformly we have consulted with them.

I myself have had three meetings now with the legislative council of the American Medical Association, which includes on it some of the people who have during the years most vigorously denounced me as a communist and socialist and a man who wanted to regiment medical care. At the last meeting that we had in November, for the first time Dr. Edward Annis was there, who was the most violent leader of the opposition. We met, we talked, we had a friendly conversation, we agreed to disagree about certain

things, but we also agreed that certain things were working better than he expected. And as a result of this, I leave office as secretary with the feeling that although I have pride in a great number of accomplishments, the greatest pride I have is in the successful administration of Medicare by winning over the support of the organized medical profession and their hierarchy for the government administering this on a sound basis. However, I would like to say this. I don't think I could have done that if Robert Ball and Art Hess had not been the men that I could lean on to carry out this policy into action.

M: Well, the successful implementation of Medicare then would aid you in advancing Medicaid or Kiddy Care?

C: Yes, because again returning to what I have said so many times, the American people, it is my belief, are willing to accept something that works well. And that is the reason that I developed or accepted the policy which I said goes back to John R. Commons of saying that people will accept an ideological revolution if the ideological revolution works. Medicare now works. People say all the terrible things that they said about it just didn't come true, and therefore I believe that in the course of time that it will be improved and expanded and built upon. Twenty-five years from now when young boys and girls go to college and the university and study what has happened during this time, they'll wonder why there was such a big fight about Medicare, because by that time they will consider it a very conservative institution.

M: In a more general sense, have the problems recently of integration affected the Social Security program?

C: To a minor extent, but not as it has in education. The amazing thing is that the

application of the civil rights law and guidelines to hospitals and nursing homes has been accepted, you might say, ninety-five per cent, compared to fifteen per cent in education.

M: Do you have any thoughts of a different funding system for Social Security, such as funding it all out of general tax revenue?

C: Well, yes, I've written a very extensive article or two articles about all of the alternative ways to fund Social Security, as distinct from what is being done now, and these involve a lot of different changes. I think there are two different aspects of it. One is the aspect that deals directly with the professional economist in terms of economic aspects; the other is what deals with the politician and the individual citizen. And these are miles apart. For instance, Mr. Mills is at the present time vigorously opposed to the application of general revenues to the financing of Social Security. But Mr. Mills was the one who enthusiastically went along with fifty per cent General Revenue financing of Part B and Physicians' Services of Medicare. Kind of hard to put those two things together, but this is indicative of the kinds of inconsistencies that you find in real life which the economists and academic people say is not desirable, but nevertheless is the real life. Mr. Mills today opposes it vigorously in the cash benefits, and he enthusiastically supports it in the medical benefits. Now, he obviously has got reasons for doing it, but that's what makes the problem of the president and the secretary of HEW both so difficult and so interesting--because people are inconsistent and people don't do in real life what economists, statisticians, and psychologists, and doctors tell them to do.

M: Do you adhere to the idea of raises in benefits according to the cost of living changes?

C: Well, I adhere to it in part, but I think that if there is an increase in benefits only in

relation to the cost of living, it's obvious that there's no real improvement in Social Security. I favor a basic improvement in Social Security and on top of that improvement adjusting those benefits in connection with changes in cost of living and changes of wages. So my view is that you've got to look at this problem in a much larger picture. As long as wages are improving, as long as our society is expanding, then the people on Social Security ought to share in that increased affluence greater than what the cost of living would indicate. So I am not one who would favor just an automatic adjustment of Social Security benefits to the cost of living. I think that would be settling for too little that was too inadequate and inconsistent with an expanding dynamic economy.

M: This is the basis for your rationale then in saying that you believe that twenty per cent of the GNP [gross national product] ought to be spent for Social Security in the 1970s?

C: Well, no, that's not quite correct because my view is that when you take health, education, and welfare today, you're spending 19.2 per cent of the GNP for health, education, and welfare. What I said some time ago is that you ought to be spending at least twenty per cent; and my goal now for 1976 is twenty-five per cent. But that's not merely Social Security; that's the whole ball of wax of education, public and private, all health, public and private, all Social Security including private pension plans and welfare, which today amounts to about one hundred and sixty-three billion dollars at 1968 prices.

M: Do you see any dangers in the Social Security development in regard to invasions of privacy?

C: Well, the answer is yes, but I see that same function in connection with FBI records, police records, automobile accidents. I see it more pronounced with regard to credit

investigations. I think our whole society is now becoming a problem of invasion of privacy because of computers. What I mean by that is previously different people could get information, but it was very difficult to put all together into one dossier. Today with computers you can put together your arrest record for driving on the highways with your credit record with your academic record at school with your draft record with your Social Security record, and there would be no problem of a computer putting that all together. So it isn't the Social Security thing that's the invasion; that is only like a pimple on a flea compared to putting everything together from birth to death. And for the first time in history, it is now possible to do that in an efficient way. That's the danger.

M: How about in having to prove need to gain benefits?

C: Well, at the present time our welfare system uses the principle of need. This is only desirable as long as you have an inadequate system of Social Security. I favor expanding Social Security, broadening Social Security, undertaking more federal funds for education and health, training people so that there will be less need for people to pass through a needs test. I think a needs test is humiliating; I think a needs test offends human dignity; I think a needs test by itself is a confession to the individual of failure, and I think what you ought to do is minimize it as much as possible, not maximize it. But in order to do this, you're going to have to change our present economic and social system, because there are twenty-two million people in poverty today and only eight million people on welfare. That means there are fourteen million people who are poor who are not on welfare, and it means that almost every time you take one person off the welfare rolls, there are two other people who could be on. So unless you reduce the

extent of poverty, you're not going to solve the problem of welfare.

M: I need to check signals with you here.

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