INTERVIEW I

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INTERVIEWEE: WILLIAM GORHAM

INTERVIEWER: Janet Kerr-Tener

PLACE: Mr. Gorham's office, Washington, D.C.

Tape 1 of 1

K: I wanted to start by having you review your biographical highlights, your education and what led you to HEW [Health, Education, and Welfare].

G: Sure. I started higher education--I went to school at Brooklyn Tech. That was high school. I went to MIT [Massachusetts Institute of Technology] first, and I spent only a year there and then I transferred to Stanford, and then spent two years getting an undergraduate degree and then I went on to graduate school at Stanford.

K: In economics?

G: In economics. I left before I finished my work. I was offered a job at Rand, where I went in 1953. I was with Rand till 1962, nine years. I was offered a job as a consultant to [Secretary of Defense Robert] McNamara in 1962 to study military compensation.

K: You were a consultant [inaudible].

G: It started out as a consultant to study military compensation, going toward a major overhaul in the military pay system. And after some period of time--I can't remember whether it was a month or eight months, but within a year he offered me a job, and I became deputy assistant secretary for manpower, with the responsibility for personnel requirements, which included pay and the draft, and I had a group of people working for me there. And I worked there until the early fall of 1965 when I was offered a job at HEW by John Gardner, to come and be assistant secretary and start planning evaluation

systems, which had become more commonplace in Defense. That's why I was brought in there.

K: It was started over in the Defense Department?

G: It was actually started at Rand, way back during my years at Rand, and then McNamara bought into a lot of it with the Defense Department. And then it was spread to the rest of the government. There was a very speedy memorandum . . . which was this one, which was the memorandum that basically spread that system to the rest of the government. And in connection with that, in the implementation of that program in HEW that I was recruited to by Gardner.

K: Did you do any of this while you were at Defense?

G: Yes. Well, in a way. Yes, and in a way, no. I was never involved in the formal implementation. That was Alain Enthoven. But I was involved in applying it to the manpower area that I was responsible for.

K: When you were at Defense, one of your studies--was it on the military compensation?--became the basis for the Uniformed Services Pay Act--of 1963?

G: 1963, I think it was, yes.

K: And then after that you also studied the procurement policies and the draft. I suppose that was a pretty--

G: Big study of the draft.

K: That was an issue then?

G: It was touchy and it was a very big study and a major report, and the recommendations of the report were that the draft was fundamentally unfair and it should be switched to a lottery system. That was rejected. It was rejected by McNamara at the time because by

then he already knew there was going to be a buildup, and he didn't want to fiddle with the system at the time of the buildup. But he didn't tell me that. I figured it out after a few months. It coincided with the offer to set this thing up at HEW. So I was ready, having done that and been frustrated in getting any of its recommendations implemented. I was quite open to switching over.

K: I was going to ask about that, because in a few memoranda that I saw concerning your nomination to the position at HEW, you had been described by McNamara and Charley [Ellis H.] Veatch as one of the most valuable men in the Defense Department.

G: That was nice.

K: Evidently you were enjoying high standing there--what was it that appealed to you about the HEW position?

G: Well, it was a tough time, actually, with Vietnam. Just that summer we began moving from the advisers in Vietnam to the buildup, and it was clear that the more dominant forces were going to be the military. I mean, those things happen. The focus of our activity, naturally, switches over to military people and away from civilians. Civilians are not in their strongest positions when things are calm or going bad. When they're moving forward, the military way, the military inevitably takes a stronger role and therefore, as I observed these things happening, I was less enthusiastic about it than I was before. But I still had a tremendous respect and admiration and affection for McNamara, which I--he's been with me as a friend and as a colleague since that. He's been on my board here for eighteen years.

K: How did John Gardner describe this new position to you?

G: He really didn't know what it was all about. Basically, he read that memorandum and recognized that he needed an analytical person, a quantitative, analytical person in the department, somewhat different than the kind that we normally get from the budget resources. We looked at both the contributions of programs as well as their costs, that's the difference. Budget people are more traditionally concerned with costs and budgets. People in systems analysis are concerned with costs and effectiveness. So that element hadn't really been part of HEW; they were proponents of programs, led by Wilbur Cohen.

And then there were the budget people who exercised the constraints that were initially imposed by the OMB [Office of Management and Budget] and the BOB [Bureau of the Budget]. So you had those two forces, but you really didn't have--and that was I think the creation and contribution of Rand, through Defense and then into other departments: people who tried to weigh the cost and the benefits and make selections on the basis of both of those criteria.

K: There had been some prior talk prior to the time you actually came to HEW within the Budget Bureau about the problem of controlling planning and programming and budgeting in the different agencies, and I think there was an attempt in August right about--it must be the same issue discussed in the memorandum that you've given me--an attempt by the BOB to get the cabinet people to hire in their respective departments.

G: Yes, that was the idea. And they tried to get each department to hire a person who'd be a PPBS person--Planning, Programming, Budgeting System.

K: Did this mean that you were supposed to have some kind of special relationship with the Budget Bureau itself since it was such as force behind [this issue]?

G: Yes, indeed.

K: Was HEW regarded as a particular problem, as far as you can tell?

G: Not a particular problem, because I was there and I had been brought up in the system. No, not a problem, but they're the largest and most formidable agency, which is vast and filled with interests and connections that people held and so forth. So it was a problem in the sense that it was a very difficult organization to manage from the White House.

K: Did Gardner view it the same way, as a difficult organization to manage?

G: Oh, yes, of course. But he never tried to manage it. He's a--I don't know if you want to say [the whip?], but I don't think he really tried to manage it. In fact, I can't really think of a secretary who has. Each one had some interests and came at it a different way.

K: Was it [Abraham] Ribicoff who said it was impossible to govern HEW, when he left?

G: He said that, right. But I don't really believe that; I just believe that the people who were selected--Ribicoff had no history of being a manager, nor did Gardner. There was a whole string of people, none of whom had been trained or understood management. And then frequently, and usually, they did not pick undersecretaries who were, either. So it wasn't as if there were strong managers that were put in charge, and they failed; it was other kinds of people who were put there and it was not surprising that they did different kinds of things.

K: Who were the people that you worked with?

G: Of course I was hired by Gardner, and I related to him. I also related to other assistant secretaries who had substantive area responsibilities: Lisle Carter in the income security and welfare-related areas. And Phil DesMarais. Those were the two men, to a lesser extent, Doc Howe [commissioner of the U.S. Office of Education Harold Howe II] and Frank [Francis] Keppel, in Education. But actually I did work with all four of those.

Then of course Jim [James F.] Kelley, who was the budget director. In a sense, we were a threat to the budget office; the budget office was used to having its way, only.

K: The budget office within the department?

G: Within the department. A very able person in Jim Kelley, who's now deceased, had really been handling things, pretty much calling the tunes on budgets. And then suddenly a new office was started that was entering the conversation, not as advocates for particular programs, but really as analysts of the value of programs. So that the space had to be made, really, from Jim's world. And it was made. I hired three very able people, and I allocated areas among them. I went to Brookings, and Alice [Rivlin] was sort of a very low-level researcher, and I offered her to be the education person. And then she became my general deputy. And Bob [Robert N.] Gross, who I had known at Rand, and Halp [Samuel Halperin]. And Worth Bateman from income security. Then I had a person named Tom McFee who worked on the systemic issues, Planning, Programming, Budgeting Systems, trying to introduce into the department more systematic ways of collecting information; what they were trying to do and what kind of progress they were making toward it.

K: That brings up the question of evaluation. I noticed that the title of the office changed, maybe--

G: Once.

K: --once, halfway through your term.

G: When I was offered the job, there was a slot that was open, called program coordination. I took the job with the understanding, the agreement, with Gardner--unwritten agreement--that I would be allowed to change the name because there was no way that I

knew how to coordinate; I thought it was a losing idea. So "planning and evaluation" captured the idea that I would be working toward; planning in the sense of, in the wordy way, trying to understand what we were trying to do in that department and how well we were moving toward it. And the "well" we were moving toward is the evaluation part, because you can't, unless you involve information about what is actually happening, it is very difficult to know what to do, if something is--

K: Did that create fear among the--?

G: Yes, it did. Widespread concern.

K: What were people afraid of? Why were they worried?

G: Nobody wants someone else looking over their shoulder.

K: They were afraid that programs would be changed or--?

G: Found to be wanting. It was kind of like another GAO [Government Accounting Office]. (Laughter)

So there was a lot of concern. And then I was very aggressive territorially, because I had no limits to my territory. That was also worrisome. See, the operating agencies feel that they kind of own the person in their functional--[inaudible], maybe not really owned them, but that they wouldn't be trading them off against someone else, they would be working with them. Whereas we had no advocacy position, therefore we were dangerous. We didn't get a benefit from expanding the territory of any one of these individual areas.

K: Did people actively resist efforts to evaluate?

G: Oh yes. In the traditional way, foot dragging.

K: Were any divisions worse than others?

G: The hardest one was Social Security. And the second hardest was NIH [National Institutes of Health]. Both hard. Social Security was in some ways harder because it had its own research group, and they were kind of assigned to deal with us and we were very competitive. They viewed us as very competitive. We set up task forces in each area and we invited them to participate. But these were very threatening because they were outside of their maze.

My objective at HEW was to create a tradition of, if you will, scientific decision-making, which hadn't been there at all. Recognizing that in most of the areas that we were working, we'd be a long way from science, but at least we'd be moving in the direction of trying to understand the value of the things we were doing, and to work to expand the things that were successful, and contract the things that were unsuccessful. So I frequently found myself in the role of critic, antagonist, to "bright new ideas which didn't have anything behind them." I was sort of the early David Stockman, [stifling?] in that sense. I'm not a person who wanted to have that kind of power, but it was an early skepticism and--which didn't suggest that I wasn't antagonistic to the ends of what we were doing but rather--

K: But just asking for justification or--

G: --asking very hard questions about the means, exactly. I interviewed in my office every single manager of every program of HEW. And I had a series of very simple questions like, "What is your program trying to do?" And it was amazing how few people had thought in those very simple ways. And after he answered that question, I said, "Well, what is it that you keep track of?" One of my memories: adult basic education, which was basically teaching people to read; it was literacy training. He'd say, "Yes, we're

trying to train people to reach at least the sixth-grade level." That's a clear objective. "Well, what is it that you measure?" "We measure attendance." Well, attendance isn't measuring; I mean, that just says somebody's there. But that's the kind of conversation it would be. "Don't you measure whether they're learning how to read?" (Laughter) It was that kind of a conversation. It got to the point where it was very clear after a short time that the basic feedback on the impact of programs wasn't there, and you couldn't do my job without that information, and that's why for the evaluation I hired Joe Holey [?] to erect an evaluation group, which was apart from these others, to begin developing systematic evaluations of the programs.

And then I did one thing, which I am proudest of, although it hasn't worked out perfectly but I am very proud of it--this is one of those wonderful little insights that you get on a nice afternoon. The coordination procedure of the department is to send around proposed legislation to each of the assistant secretaries. We'd read it, and if we had any comments we'd comment, and if we thought very strongly we'd call the person who was responsible and say, "We think you should change this."

I read a new piece of legislation; I think it was on child health, Comprehensive Child Health Act or something. I'd been terribly troubled by this fact that evaluation wasn't going to get anywhere unless it had some money. And where was it going to get the money? And that's when the idea came to me [inaudible], and I just wrote in a little item; I just added a clause which is that one per cent of all money appropriated for this legislation will be made available to the secretary for evaluation. Just that. Well, it got through and got to Charley [Charles L.] Schultze, and he liked it so it was approved. And then it began going everywhere into legislation. So that suddenly there was a tremendous

machine created; a lot of good stuff was done and a lot of junk was done with that one per cent. But that one per cent rule really suddenly created, in the secretary's hands, a means of assessing what it was doing.

K: Who did evaluate the programs? Was this one per cent--?

G: The money was available to the secretary. He then made the allocated decision of its spending to us. Now, there weren't that many pieces of legislation passed, but by the time I left it was building up rather more.

K: It got written into some of the education legislation.

G: Yes, it did. It really started with this one piece.

K: Did your office actually conduct evaluations? Did you hire out?

G: We hired. As I said, this was just getting started when I left. We began to reap some of the benefits, but remember, this might have been--I don't know what year it was--but probably 1964, and that might have been a piece of legislation for the 1965 season. No, excuse me, it wasn't 1964, it would've been 1966 or 1967. We didn't enjoy much of the money by the time I had left; we hadn't seen much. But it did work its way through and I think it was allocated between the agency and the secretary's office, the one per cent.

K: Do you know, after you left, were program evaluations conducted within the department by your former office, or was the money sent back to the divisions to evaluate themselves?

G: No, I don't think they were--I'm not absolutely certain, but my sense of it is that the money was split between the secretary's office and the agency. So the agency head would have some of the money, and the office would. If all of the money went to the

agencies--that's why the provision was the secretary would have the money available, not the agency. There are people who would know more about it than I.

If you're interested in that subject, the very first thing that we did when we came, when I started the institute, I felt that it was very important in doing an assessment of how far the evaluation had gone in the government. So one of the first projects of the institute was, "assess evaluation." And one of the first books that we did was [on] federal evaluation policy. And it deals with a lot of those questions, except--I've forgotten . . . I think it came out in 1970.

K: As far as the planning part of your responsibilities goes, how did this fit in with the year-to-year legislative program planning that started in different divisions and worked up to the assistant secretary?

G: I never felt it had a--I mean, there was a lot of attempt--because we were developing a systems approach toward--but I don't think it progressed very far; I don't think it was a great success. It had volumes in which--it was a very wordy presentation of information, but a lot of it was made-up information. See, the basic data that you need to do that job right wasn't there. In a sense, if you'd been evaluating for three or four years you could've done it. But by the time we left, we'd just begun; we'd just begun doing it.

K: What about the responsibility for coordinating with other agency's programs that--?

G: We did a lot. We related a bit to OEO [Office of Economic Opportunity], and I was sort of a Joe's person in HEW--Califano's. So I participated in a lot of the White House task forces as a participant. And usually Gardner was the official member, but I would sit in for him. He sort of had me labeled as the person to deal with Califano.

K: Did you participate in any decisions to transfer programs from one department to another?

G: No. I didn't.

K: Who made those types of decisions, like the Work Experience Program of the Economic Opportunity [Act]?

G: I would guess it was done at OMB, BOB.

K: Okay.

G: That's where I think that was staffed, not the White House.

K: Okay. I wanted to ask specifically about one report that came out that caused a lot of waves in the education heartland, and that was the 1966 [James S.] Coleman report on educational opportunity. Did your office have anything to do with that?

G: It came out of Education.

K: You didn't review it or comment on it or anything?

G: It may be that Alice did, I'm not sure. Alice succeeded me when I left HEW; she became the assistant secretary until Nixon came in.

K: Was it within your purview to make prescriptive recommendations as to what was desirable [or] what wasn't, if you saw--?

G: Oh yes, of course.

K: Did you convey these to Gardner, or back to--?

G: Yes, to Gardner. And they usually took place in the form of comments on legislation and budgets. I would say the systemic aspects of what I came in with, which never interested me that much, but which we went through, were not enormously productive. What was productive was the close analysis of each area in the development of this concept of how

do you analyze these sorts of problems. I started a series of papers called program memoranda. I don't know if I ever sent these to the Library [or not?].

Here's about half of them. But these were all very serious studies, and the first ones, usually, of these particular areas. First we had an overall set of studies on disease control programs, to look at them separately and then to look at them together. So here was disease control. And then we had a series of studies on human investment programs. See, this was one of the big categories; human investment in elementary and key secondary education.

K: You selected these topics?

G: Yes, oh yes; selected the topics and then created task forces around each one.

K: Were these task forces within your division or--they were inter-agency?

G: No, I reached out to other places for people to include, otherwise it would have been . . . but they are really the first attempt to bring together the numbers.

K: Now, who would have used these, or who would have read these?

G: Oh, they were read very widely in the department, and then in the end--take these disease control programs; we had one study which then lumped them all together and said, "Well, now, we've got all these things, and we're investing money in them. Which ones should you expand and which ones should you retract?"

Imagine how threatening it was for us to come in and begin studying arthritis when there is permanent [inaudible]. Here, now this was the one. See, this was an overview, and it took all of them and began comparing their cost benefits. This one is in the motor vehicles; let's see if we can get one that goes across [?].

K: Was it difficult to assess benefits when there wasn't--?

G: Yes, it was very hard to, but you did the best you could. And some of them where we couldn't, where we had nothing, we just didn't do it.

K: Did you have to reach outside the agency to the field sometimes to get--?

G: Oh yes, of course. Well, look at this. Here's one which cuts right across: "Seatbelt use, restraining devices, pedestrians using helmets, arthritis," all in the same comparisons. "Syphilis program, uterine cancer." Now look at this one: "Benefit costs." These are benefit cost rates. In other words, the benefits that you get for each dollar of cost in the program. Look at the range.

K: Oh, my gosh. That is amazing. At what point would one decide that the costs outweighed the benefits? And if you made that decision, what happened?

G: The issue is not whether the cost outweighed the benefit. In most cases, the benefits do exceed the costs; that's not the issue. The issue really is how do you allocate your money among these things? But then that's another question, which is, can you spend the next dollar as well as you spent the average dollar before? So it finally came down in the—it must have been the 1967 budget where I went in, basically, and took on the issue of uterine cancer. I said, "Look"--and these programs were under the same person--"you've got a screening program for uterine cancer. For every dollar you spend you save this many lives. You also have a tuberculin program, in which you're not saving lives any more; you're far past the point where you're saving lives. This is a much better way to spend money." So I really forced the reallocation of money towards uterine cancer. "See, without spending more money, you can save more lives and do more good by switching the money from here to here." So that was the nature of the conversation.

K: I assume that the Budget Bureau, the budget office, probably liked this type of analysis.

G: They loved it (laughter).

K: Did you ever have to call on anyone there to help you make your case when you were dealing with people within HEW?

G: No, I think mostly we worked within the department. Well, Charley [Charlie] Schultze was a good friend of mine. I knew most of the actors; Bill [William B.] Cannon.

K: I'm going to ask you a little bit more about them further on. You mentioned that Gardner often sent you to act on his behalf to the White House task force meeting reviews. What were these meetings like?

G: Well, they were, as you described in your questions, your leading questions, I mean, Joe ran them very aggressively and with a very strong hand. The most interesting series was on Social Security, because there were task forces in the White House on Social Security. And I'd sat in on some of them [?], and it was interesting because they would go on and on, and there would be a White House task force, and there'd be members of the Council of Economic Advisers, and that particular field was sewed up by Wilbur [Cohen], personally. So he dealt with Wilbur Mills, the Congress; he dealt with the President. So the committee was kind of a joke, as far as Wilbur was concerned. So that field was very much his involvement of what was going on in the White House.

K: But the White House seemed to take its task forces pretty seriously.

G: Oh, it did, because most of its task forces were concerned with new legislation, and new legislation was the desiderata of success. And I think Joe had gotten four hundred-odd pieces of legislation through and--

K: Did the department not take the White House task forces, as a rule, so seriously?

G: Well, I think they took them seriously, of course, because that's where the action was.

K: Was there resentment in the department toward--?

G: Of course.

K: Why?

G: Well, because it was felt that people there were calling the tune.

K: There was little effort made to cultivate the experience and the views in the department itself?

G: Very little. There was some, of the views they had, the people on the board.

K: As a rule, were the interagency task forces better received by the department than the outside task forces?

G: I can't answer that, I'm just too far from it now. Interagency task forces probably were, maybe not better received--maybe better received, but they were not as powerful. So they never had the respect.

K: What about the secrecy policy about outside task force reports? The President would hardly let anybody concerned look at it outside the White House. Did that cause any problems?

G: I don't remember, but I'm sure it did.

K: How did people who were responsible within HEW for certain programs take task force information into account if the information was so closely guarded? I guess what I'm getting at, was there sort of a discrepancy between what was coming up in the way of legislative proposals from the agency, from the department, were there discrepancies between that and what the task forces were proposing to the White House staff?

G: I don't know how that all got blended together. Eventually, I think what happened was a lot of legislation, or the direction for legislation, came from the White House to the

departments, and then it was drafted in the departments and then worked over. But the basic ideas started in the White House. I was the head of several task forces; the one on child development actually led to at least one very important piece of legislation, which was as part of Title 19 of the Social Security Act. It was a screening of children; childhood screening. That really came out of my task force. Early screening was a way to capture these diseases early and work on them early. And so that found its way in to Social Security legislation.

K: Was this task force comprised of inside and outside people?

G: Yes, I was just looking at that. I don't know if these are on file there in the Library or--

K: The reports are.

G: They are?

K: Yes, the reports are.

G: How about this one?

K: That I don't know.

G: That was it.

K: Was this for public consumption?

G: Yes.

K: Oh, okay.

G: This was the summary of it. But it has the membership. You'll see it's both insiders and outsiders.

K: Now, did this task force follow another--there was a Hunt task force?

G: Could be, I don't remember.

K: Okay. It is my impression from some of the things I've looked at that this particular task force that you chaired was relatively conservative in terms of proposing new programs.

G: That was because I was the chairman of it.

K: Okay (laughter). Were you reflecting an attitude held by the HEW leadership at that point or--?

G: No, I don't think so. I mean, I think by then, by the time this came out in April of 1968, I mean, it was very clear that incremental dollars weren't there. We could wave flags forever, but the money wasn't going to go out. And we had to look for things which were fundamentally good but not expensive, ultimately, because if they were, it would just be frustrating to people to pass the legislation.

K: This was the thinking across all the programs in HEW, not just focusing on things like education, on--?

G: Definitely.

K: Why did the White House keep generating these new task forces if the realization was there?

G: The child development task force met in September and October of 1967. It was a stringent budget year; the task force devoted most of its attention to requirements of R&D [research and development], suggested a modest expansion and redirection of operating programs and [afterwards?] and learn more from our operating programs.

Well, this was put out after--I remember, I decided I would put out a report on what happened as a result of our task force, which was very uncommon.

K: I was going to say, because I don't believe there's anything else like this in the file.

G: [Both reading and commenting] Since the childhood element has first completed its work in November, the following steps have been taken to carry out the task force's recommendation, as a document [?] in the policy review of all legislation, including language reserving funds for evaluation. A program affected wherever this is appropriate. Fiscal 1969 contains fifteen million for the NIH and a million for--children's bureau were to finance developmental operations on a version of large scale demonstrations of different models of daycare/preschool for disadvantaged children, portions of OE research budget and so forth.

Anyway, there were eight pieces of progress in the report. That was very uncommon.

K: I know that there was some effort with some of the higher education reports to make them available to higher education leaders outside the administration, and Califano just put his foot down and said, "No, [president of the University of California]Clark Kerr can't have them" and "McGeorge Bundy can't have them; no one can have them."

G: Yes.

K: I asked a minute ago--I don't think you have a chance to answer, but why do you think that in view, since BOB was aware, HEW was aware, it was a stringent budget year, why--I guess this was as early as 1966, it was beginning to, because of the escalation of the war--why do you think the White House kept pushing for new program proposals?

G: It's kind of a schizophrenia. There was a desire to fulfill the Johnson dream, the Great Society dream. Well, it's very difficult to drop a Great Society dream; therefore there was energy kept going into scoring points, even though some of them were empty points in that fulfillment. They were empty because the guns and the butter were not both

possible. The guns were edging out the butter, and nobody was ready to say, "Wait a minute, if we're going do the guns, we're not going to do any more butter." You have this other track going, which is kind of a--and you had a very forceful and ambitious person like Califano; he got his points for getting legislation passed.

So that was going on at the same time the budgets were coming in; the social programs [were] very, very stringent.

K: I guess Califano and other people in the White House working on the domestic legislation were also operating under the assumption that Johnson would run again.

G: Yes, of course.

K: They had to keep the momentum--

G: Eventually Vietnam would be over, and there would be funds. That wasn't true in history, and there was the expectation that there would be the so-called fiscal dividend, which is, because of the way the tax system was structured, as GNP went up, more money would become available because people would keep going into higher brackets. And they had to begin developing ways of spending more money. The war took care of that.

K: I want to shift and ask a few different questions, one about working with Joe C. Califano. You said you--

G: I worked with Joe, yes.

K: What was he like to work with?

G: As you might have gathered, Joe's a very charming, highly intelligent, goal-oriented person. And his goal was--and oriented very much like a businessman, in the sense of an

interest in short-term success. The longer-term issues, the serious long-term issues were less interesting than getting the country sort of moving. So I think it was like a shell--

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--fundamental problem, is that in many areas where the administration wanted to make progress, there was very fundamental ignorance about the nature of the problem, the cause of the problem, and certainly in ways in which it might be attacked. That was the gut difficulty.

K: Was the White House's philosophy to take some kind of a stab at it and hope that as time went on--?

G: Yes. Try to bring the best people together, collect up their ideas, and implement some of them.

K: And that time would allow for corrections later on.

G: That's right. And then in fact the creation of the Urban Institute was part of that inspiration; the notion that there would have to be a lot of learning taking place, and the organization of the institute would be part of that learning. It would feed back, programs would be corrected; some would be eliminated. I don't think anybody believed that they were inventing the means to nirvana. I don't think anybody was that naïve.

K: You mentioned a little bit at the beginning of the interview that John Gardner possibly did not view his role in HEW as that of manager *per se*.

G: No, I don't think he did, no.

K: What kind of leadership did he provide?

G: I think it was much more philosophical, in the sense of supporting the people who were good; supporting strength where he found it. But those were tough years, and people

forget--well, a lot of legislation was passed after John got in there. A lot of it was boomed through by the White House. And the budget constraints he had got tougher and tougher.

K: Why do you think he left HEW? There has been all sorts of speculation; I don't think anyone knows for sure.

G: Ah, you would have to ask him. I knew John pretty well, and he told me about that he was made an offer to head up the Urban Coalition. We discussed it. I think that it was a feeling that he had lost a few appeals to the President, and it wasn't going to be very promising for him. He left in January 1968, right after [inaudible].

K: And I think Schultze left BOB right about the same time. What about working with Schultze? You said you worked with William Cannon and--?

G: I knew Bill; he worked more closely with Alice, because she handled our education stuff. He was a tough fellow, interesting. You interviewed him?

K: Over the phone for my own research, but not as part of this program.

G: He had a lot of insight into what was going on; always struck me as very able. But he was like one of the mandarins of the OMB, BOB; the old group. He had been there a long time, was very senior, and had a lot of power. He was feared by people in the education department.

K: What did prompt you to go to the Urban Institute when the offer came along? First, I should ask a little about that, but I--

G: It was a task force set up, again by Joe, in which I sat in for Gardner again, on whether or not we should create a new domestic think-tank. [Inaudible] none [inaudible]. And I sat in on this task force.

K: Do you remember who headed it, or what--?

G: Joe headed it. And maybe Bob [Robert C.] Wood from HUD [Housing and Urban Development] actually chaired it. And then Roger Noll from the Council of Economic Advisers. Anyway, we'd go to report to the President, who was generally favorable to our community at this stage [?]. And we thought it should be outside of government; it should be outside [inaudible].

K: Why was that?

G: We just felt that it would be too narrowly conceived, and too constricted, and it wouldn't be able to perform the way they intended, if it were in government. And if it were in HUD, it would be even less so. I dissented from the report; I felt that they could do much of this work in government, as I had a very successful experience in government; I was allowed to hire people who were very good. Anyway, and maybe it was my negative view about it all, but I was interviewed then about if I had it, what would I do with it?

K: Who interviewed you, do you recall?

G: Yes, it was task force people, outside, made up of Richard Neustadt from Harvard; Kermit Gordon, head of Brookings; Arjay Miller--or Erwin Miller [Arjay is correct], and I think McNamara.

K: These people--

G: Were brought together by Joe--the outside founders committee. And then they interviewed a few people, and then they recommended to Joe, and I guess he was president; he offered to set it up, sort of very heavy stuff. The department was very constricted then, it was--and then John had moved on; I was working with Wilbur.

K: Did that make a difference in what you did or what you were able to do?

G: Well, not really, although Wilbur was less interested in learning anything; he thought he had all the answers to the things he cared about.

K: I think in a memo that Califano sent to LBJ seconding the founders' recommendation of you as the first president, he said that you felt that PPBS' future at HEW was fairly secure, that the groundwork had been laid and that--

G: Yes, there was no question that I felt that way.

K: Did you feel at that point that it was a good time to leave, that you had accomplished what you had--

G: Oh, I--the main thing I did was, I brought together the kinds of people that had never been there before, and they were in a very solid position. In fact, that office grew tremendously after I left it, and it got to be three hundred people. I hired about twelve people, and then I inherited about ten, and so my office was about twenty-two people. And we did all that work, and we did much more than [inaudible]--it was a very productive few years. We worked long hours. We loved it. So I felt good about the office; I felt good about the people who would be left behind. I knew Alice--I recommended that Alice succeed me.

K: How was the early institute funded?

G: There was a HUD appropriation, which called for the creation of an institute for urban development. That whole appropriation was about ten million. They took about six of that, and they gave us a contract. That followed after the Ford Foundation put up a million in start money. And then by the end of the year, we had six million of HUD money and about a million from [the Department of] Transportation; we had about nine and a half million committed. And it was very good we had it, because it gave us about

two years of running room, because when the Republicans came in; they were very suspicious and tried to undermine it.

K: Because of its close ties to the former administration?

G: Right. And yet, after two years, they began--it did all of its growth under the Republicans; between Nixon and Ford.

K: Did it continue to get government money?

G: Yeah, it was all government. And by the time Reagan came in, we had been getting about three million a year from HEW and HUD, all Republican money, actually. The money began to decline with Carter.

K: Were the first projects--you showed me one of them on evaluation--but were the first projects that the Urban Institute did, did they reflect LBJ's concerns?

G: Oh, sure.

K: What were they, do you recall?

G: It was a full range of urban and general problems. We worked at housing, on transportation, on health, crime in the cities.

K: Were your reports sort of aimed back at government agencies, maybe at the state or federal level?

G: Yes.

K: Sort of action recommendations?

G: Sometimes yes and sometimes they weren't; sometimes they were just expositions of trying to understand how things worked, sort of beginning points.

K: And is the institute now doing research that is intended for the same audience, essentially?

G: It is, of course it's half private now, half privately funded. But the work is still publicly oriented, even though half the funding is from private organizations.

K: I want to ask one last question, and that is for you to take the long view and tell me what you think were the strengths and weaknesses of the Great Society programs that you worked with or you reviewed.

G: The strengths, of course, were energy and attention to serious problems of society, and focusing on them and saying that these are things that should get our attention, get our interest, and we should overcome them. I think it might have been overly zealous in terms of the expectation that something could be done quickly. The other side of the strengths were the weaknesses, which is the political requirement to get things through the system required oversimplification of what was required to overcome the problems. That set in motion false expectations, all at a time when it was clear that the initial funds for most of these things were very, very low, and they really couldn't do very much, even if they were right. I mean, nobody was sure they were right.

I think in the end, Vietnam just defeated the Great Society more than anything else; it never really had a chance, a lot of it, in my judgement. And then some of it was misdirected. And then some of it was overzealous, overly simplistic. I think the agenda probably was expanded too quickly, too many things provided. Hardly a robin fell but that a new program wasn't invented. And it's too hard for a government to take on so many challenges at the same time, especially when top-level attention very quickly was diverted into other affairs.

K: I did forget to ask you about one thing I had in mind--

G: I think that's why one of the strengths of the Reagan Administration, is that they had very few targets. It's very wise not to try to do too many things.

K: Yet at the same time they're criticized for not doing more.

G: Well, that's quite so.

K: You said, in the comments you just made, that things were expanded too quickly, too many issues on the table, and attempts to deal with too many problems. What about the issue, if you can recall in any detail, of giving institutions of higher education direct grants to offset the instructional operating costs? This was a proposal that had come out of one of the White House task forces in 1967--1966 or 1967. And there was great enthusiasm on the part of [James] Gaither and Califano to put this through as the capstone of the President's education program. This was the way that it was presented to LBJ; that this would be the only thing that hasn't been done so far by your administration in the field of education and, I quote from a memo that Califano sent to LBJ, he said, "With this program in place, your record in education will be unparalleled in human history." So there was a great deal of enthusiasm; my impression that is that they viewed it as possibly a centerpiece that domestic legislation for next year--

G: These institutional grants?

K: I believe the first year alone, the estimate for the program was over a billion dollars in a four-year program, running around five billion dollars. And there was a lot of resistance to it in HEW. Do you recall any of the details on that at all?

G: I don't, but I certainly would have been against it.

K: (Laughter). I do recall seeing, in my travels through the archives, a memo that you sent to Gardner on this subject, and I believe you copied it to Gaither, in which you said that it

was an unwise use of money; that to spend it didn't mean that we were going to save any institutions of higher education, it wouldn't have made the difference for most of them, that student aid programs that were already enacted were underfunded, that there was still a lot that needed to be done along the lines of equalizing education opportunities.

G: That's the point; that's the point. Embarking on a large subsidy, across-the-board subsidies for higher education--it was a bad idea.

K: I know that the Carnegie commission on higher education also studied this issue within a year or so of the time that you all were discussing it and came to the same conclusion, essentially. It didn't rule it out completely, because some of the commission members, including William Friday, who had chaired this task force, were very much in favor of it.

G: Naturally.

K: (Laughter). But I did find it really curious that Alice Rivlin's task force, which was appointed to study the whole issue of financing for higher education, including Sue Day [?]--I think she did the study right after you left--would take up the issue, that the White House would even go along with the idea of having it rehashed, when HEW had opposed it so strongly. Wasn't it sort of a foregone conclusion that Alice's task force would say "Thumbs down?"

G: Yes, it probably was. Maybe then--I don't know. There was a limit to the control that people could exercise, especially over intellectuals. I can imagine Alice saying, "Why do it, if we're not going to be able to study this question?"

End of Tape 1 of 1 and Interview I

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