

Stephen N. Shulman Oral History Interview—JFK #3, 4/30/1970
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Biographical Note

Stephen N. Shulman (1933 - 2011) served as the Executive Assistant to the Secretary of Labor between 1961 and 1962; as Deputy Assistant to the Secretary of Defense between 1962 and 1965; and as General Counsel of the United States Air Force between 1965 and 1966. This interview focuses on Shulman's experiences in the Departments of Labor and Defense, Secretary Goldberg's accomplishments as Secretary of Labor, and various issues and controversies within the Labor Department, among other issues.

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Third Oral History Interview

with

STEPHEN N. SHULMAN

April 30, 1970
Washington, D.C.

By W. W. Moss

For the John F. Kennedy Library

MOSS: Mr. Shulman, today I want to follow on one or two things from last time. Last time we were talking in some detail about the Equal Employment Opportunity program and the Plans for Progress and so on. I notice a memorandum in December, 1963, after you had left the department and gone over to [the] Defense [Department], a memorandum from Duane Evans to Thompson Powers in which he was doing an evaluation of the Plans for Progress. The gist of the thing was that there had been some progress in a few companies, but the majority of companies had done practically nothing at all as far as substantial improvement in the integration posture is concerned. Do you have any feel for whether that criticism was valid or not, at least at the time that you were familiar with the situation?

SHULMAN: It's easier for me to answer that question by referring to a later point in time, which was in 1966 or '67 when I was chairman of the Equal Employment Opportunity Commission. I made a speech to a Plans for Progress meeting, and as part of that I asked the research department to work up for me what the changes in Plans for Progress companies had been. I thought that it would be interesting to present those figures to the assembled companies. I can't recall what they were except to say that a good proportion of the companies showed a quite small change in minority employment. My recollection is that perhaps as many as 25 percent of those who showed small change had actually been among the first hundred companies in Plans for Progress, so that I would be inclined to guess that the comment made by Evans was accurate. I think I may have mentioned last time, it's hard to remember, but the

impression that I had was that Plans for Progress started moving out of the numbers area and into the area of qualitative considerations after its first two or three years. They got much more concerned with finding responsible level jobs for blacks and were concentrating on problems of upgrading more than concentrating on increasing numbers of minority employees. But my impression is that such a criticism would probably be valid.

MOSS: Okay, fine, I just wanted to nail that down since I'd run across it.

I'd like to move on to the Executive Order 10988, the Employee-Management Relations in the Federal Service. Did you get into this early in the game when they were setting up a task force, or did your work with this come later, after it had gone into effect?

SHULMAN: I had a very small amount of participation in the early stages. [Daniel P.] Pat Moynihan, who was a special assistant to Secretary [Arthur J.] Goldberg, really carried the whole task of Executive Order 10988. My participation was quite a bit at the outside. I did get involved in it after the draft order was prepared, before it was issued, in discussing legal problems associated with it. I represented the secretary at the Justice Department where they had some difficulties with the order.

MOSS: What particular difficulties?

SHULMAN: You know I was trying to think of what they were, just as you asked me, because I knew you were going to ask me. It must have been in the area of reaching agreements. Of course the order did call for advisory arbitration, and the verbalization of that aspect of it, as I recall, was something that we talked about. But I think the Justice Department had some concern about reaching agreements with the employee organizations. But now that I think about it, I think that perhaps the greatest concern was that the order be drafted in such a way that it create responsibilities on the part of government but not necessarily rights on the part of employees. I think they were concerned that the order not be drafted in a way that an individual employee might end up suing the government for noncompliance with the order, something like that.

MOSS: Okay, now in the implementation of the thing, what sort of resistance was there, both on a practical level and on a more abstract level, to the idea of an employee union being able to push management around in the federal service? I think of my own experience in the Defense Department, for instance, where you're looked upon as sort of a soldier in civilian clothes, and on call twenty-four hours a day, and this kind of thing.

SHULMAN: It's interesting, actually, because the greatest experience that I had with the executive order was in the Defense Department. But taking it in stages and trying to recall when I was still in the Labor Department, my impression was that there was quite a bit of resistance to it, that personnel officials in all government departments were disinclined to provide the kind of rights . . . (INTERRUPTION] The personnel officials were really not in tune with the order, to begin with. I had the impression that more effort was generated toward trying to restrict its force than to apply it.

MOSS: You say personnel. Do you mean [Edward J.] McVeigh particularly?

SHULMAN: Well, I meant personnel people in all of the government agencies; I didn't really mean McVeigh particularly. What I meant was that my impression from the Department of Labor vantage point was that government-wide there was an initial stubbornness.

MOSS: What about within the department?

SHULMAN: I have no recollections about it within the department itself.

MOSS: Okay, and then building on that?

SHULMAN: Moving to the Defense Department, I found that the military departments had their difficulties with the order. I would say that all of them were reluctant to give the kinds of liberal consideration to the order that its spirit intended, and they grew to it through a road of experience that varied with each department, actually. After things got started, the army was the most liberal of the three services. The air force just refused to accept the trend that the arbitration decisions tended to show. Oh, I said the air force, now I think about it maybe it was really the navy. It was not the air force; it was the navy. They kept litigating one case after another before an arbitrator--what was the appropriate unit?--when it was pretty clear that the cases were going to be lost. And now that I've said navy, now I really can't remember whether it was the navy or the air force but it was one of them, maybe it was both of them. Whereas the army, once the handwriting got on the wall, as it were, took a tack of trying to run with the order rather than to hold it back. There was a lot of activity by unions in the Defense Department, most of it being in the shipyards so that the navy did have a special interest in that regard, and it did have a different kind of problem since there were so many blue collar employees.

In any event, the Department of Defense, as the largest single employer was a member of the temporary advisory committee which consisted,

during the time that I was at the Department of Defense, of John Macy [John W. Macy, Jr.] as chairman; [Richard J.] Dick Murphy, who was the assistant post master general for personnel; myself, although I think that technically the assistant secretary of defense for manpower was the member, but as a practical matter I, his deputy for civilian personnel and; industrial relations, was invariably the one who attended it; [James J.] Jim Reynolds, who was the assistant secretary of labor for labor-management relations, and then there would be one or two people from the Civil Service Commission staff present: [Wilfred V.] Vern Gill, who was then a special assistant to John Macy--but I think subsequently took a job in which employee-management cooperation was part of the title--was there regularly; and off and on a fellow named O. Glenn Stahl was present. We would meet periodically for the purpose of sharing experience and trying to discuss where the order was going, where the program was going, and what ought to be done. If any one of us had a problem, he would throw it out for consideration by the others, or if an agency had a problem, that agency would bring it to the attention of this temporary committee.

This temporary committee went on for quite a long period of time. It was on, as I recall, the entire time that I was in manpower, which was three years; that brought it up to the fall of 1965, and I think it continued after that. In any event, this committee reflected in its operation concerns that I remember Secretary Goldberg having at the outset with the order, and that was the relative role of the Civil Service Commission versus the Labor Department.

The Civil Service Commission took a very conservative position with regard to employee-management cooperation in the federal service. I always found it quite fascinating that John Macy, who was reputed to be and indeed was the most liberal chairman the Civil Service Commission had ever know, was taking relatively conservative positions when it came to this particular subject. The Labor Department, in contrast, was taking very liberal positions. There was almost a polarity between the positions of the Labor Department and the positions of the Civil Service Commission.

I think Secretary Goldberg anticipated this because I remember he felt that he had to have the Civil Service Commission on a task force because it, after all, was the ultimate personnel agency in the government. And yet, at the same time, he really wanted to have the Labor Department running the program because he felt that the Labor Department would be the one that had the kind of experience and value orientation role that would make the program work. I think that's why the unit determinations and the advisory arbitrations were all structured within the Labor Department and not within the Civil Service Commission.

In any event, these meetings almost invariably had the Labor Department on one side, the Civil Service Commission on the other. And

I would inquire about getting a job at the Army, and I did. I was turned down immediately, and that was the only time I ever tried. All these other things just happened to me. I've sort of stood around and things happened.

The Defense Department happened in this way. When I went to the Defense Department, Roswell Gilpatric was deputy secretary of defense. Roswell Gilpatric had been one of the senior partners at Cravath, Swaine and Moore. One of the things that two or three senior partners of Cravath, Swaine and Moore, one of whom was Gilpatric, did was to go to the Yale Law School and take out to lunch the editors of the Yale Law Journal and try to interest them in going to work at Cravath, Swaine and Moore. One of those years I was editor-in-chief of the Yale Law Journal, so that I had that connection with Gilpatric. When Goldberg was getting ready to go to court, he called up Gilpatric, quite apart from this, and told him that he ought to get a hold of me to do something. Of course Gilpatric remembered me from this other event, and that led to the offer to be a deputy assistant secretary of defense. Goldberg felt rather strongly that the executive order and the whole field of labor relations with defense contractors was treated badly by the Defense Department, and that somebody ought to go in there and work in those two fields which are the two fields that I went into.

Now at that same time, I also had an offer to be special assistant to the secretary of state, and coordinator of labor affairs, which came about by reason of the fact that the deputy under secretary for administration for the State Department who asked me to do that was a fellow named [William H., Jr.] Bill Orrick, who had been assistant attorney general for the civil division, who was the fellow who would bring the Taft-Hartley injunction suits in the labor disputes that weren't settled. Secretary Goldberg used me as the vehicle to deal with the Department of Justice for those suits. So that I had those two governmental opportunities, and just to complete it, for what it's worth, I was thinking of going in to private practice with [Theodore W.] Teddy Kheel [Laughter]--just to complete the incest of the whole arrangement.

About that time, the Cuban missile crisis took place. Being unable to make a decision on any rational ground, I decided that if one were offered a substantial position in the Department of Defense at a time such as that, he should take it. Of course, the position that I was offered had nothing whatsoever to do with military significance and nothing that I ever did had anything to do with it, but on that basis anyway I decided to go to the Defense Department.

MOSS: Okay, when you got over there, what did they tell you they wanted you to do? What understandings did you have about the way they wanted the job handled, and who talked to you about it?

SHULMAN: Isn't it a very interesting thing that the major interviewing and job structuring took place in conversations between Norman Paul [Norman S. Paul], who was the assistant secretary of defense for manpower, and me. There were two aspects of the job. One was the overview of civilian personnel. There was at that time an office of civilian personnel within the assistant secretary of defense for manpower's office. It was headed by a director. As to that, we just talked a little bit mainly about the subject of what the executive order's significance might be. The other office which also had a director at that time was called industrial relations, and that involved the labor relations of defense contractors. We spent all of our time talking about that. In regard to that, I was full of notions about what ought to be done. I had the same kinds of notions that Secretary Goldberg had at that point in time, which came about by reason of a couple of task forces that we had tried to get off the ground to look into the procurement process, which basically were that the government of the United States ought not be dealing with employers who were regressive in their labor relations, and trying to find ways and means of encouraging employers to have forward looking labor relations. It's interesting; it's exactly the same thing in the labor relations field as the other executive order was dealing with in the race field.

So we talked about that at great length, and I was full of notions that we would do something about that. Three years later when I left the position as deputy assistant secretary of defense, I could look back on having spent almost all my time on civilian personnel and the executive order which we barely discussed, and very little of it on the labor relations. We talked earlier about the Polaris missile and Lockheed, and you quickly recognized that the procurement process gets so wrapped up with people that it's very difficult to shift contracts from one place to another. The labor relations function, as far as the contractors were concerned, became more an information gathering function and the subtlest of suasive influence in dispute situations.

I did spend quite a bit of time with the Missile Sites Labor Commission, in that context representing the Department of Defense. I must say that my view of the decisions of the Missile Sites Labor Commission was less generous from the vantage point of the Department of Defense than from the vantage point of the Department of Labor, because the commission would decide such questions as whether or not certain costs were reasonable, to the end of bringing about labor peace. When I was representing the department that was paying those costs, my inclinations were somewhat different from when I was representing the department that was concerned about just bringing about the peace almost at any cost.

MOSS: Let me jump on that just a minute, this business about bringing about the labor peace at any cost. [Herbert R.] Northrup, in his book, is very critical of government

intervention because he says the public interest is in preventing a strike at any cost, and it tends to be this way in the inflated emergency situation in the newspapers and so on, and that this is a bad thing for the health of collective bargaining. Do you feel that that's so?

SHULMAN: I'm inclined to disagree with that, I think. I don't think there's much question that the government interest is in achieving labor peace. While I myself just used the words "at any cost," I was using them in the very, very specialized context of the reasonableness of specific labor costs and cost reimbursement contracts. Even then I probably used them a touch hastily. I think government is interested in achieving labor peace at almost any cost, maybe would be a better way of saying it. And while I would agree with Northrup that that has the government work to the end of promoting a settlement that might be, shall we say for want of a better word, inflationary, it's also true that if the government did not get involved at all the dispute might last longer. If a dispute lasted long enough and labor was powerful enough, the settlement would probably be more expensive, although it would be preceded by a certain amount of economic injury which might discount the economic effect of the expense.

I'm not sure, in other words, that you can conclude that intervention increases the level of the settlements. I think you can quite reasonably take the position that the government focuses much more on achieving a settlement than it does on the cost of a settlement. I think that's a fair criticism. But I'm not sure that the result flows necessarily from that, that the settlement is higher than it would have been if the government had not been involved. I don't have any idea, by the way, how you would prove out that thesis.

MOSS: You've mentioned one way in which your perspective changed somewhat in the shift from labor to defense. Are there any other ways in which you found defense different from labor as a place to work?

SHULMAN: Yes, defense is just so much different from labor as a place to work. First of all, the Labor Department is in a real sense an unrepresentative government agency, and it was particularly unrepresentative at the time that I was there. First of all, it's very small. When I was with the Labor Department, I think it had six or seven thousand employees; at that same time, the Department of Defense had more than a million. I don't think any other cabinet agency had less than seventy-five thousand; most of them were on the order of a hundred thousand or more. Labor was a tiny little agency. Second, and certainly at that time, labor had relatively insignificant economic stature. This has tended to be not true now; the training contracts, for example, involve lots and lots of money. But at the time, labor had a relatively small budget. Most of its budget was wrapped up with financing the state

employment agencies which were basically run by the states although supervised by the Department of Labor. In fact, one of the remarkable things about Secretary Goldberg's role as secretary of labor, where he was so visible and so significant within the administration, was that he was doing it from such a small springboard.

Well, aside from smallness which has obvious significance in suggesting uniqueness in a bureaucracy, the Labor Department also has an unusual unanimity of interest among the people who work there. People will go to work for the Labor Department because they're interesting in such things as promoting employment, doing something about unemployment problems, and worrying about the difficulties that face the working man, these kind of questions, certainly in 1961, were not the kind of things that attracted very much attention at a cocktail party. They were the kinds of things that people were interested in and they were interested in for genuine reasons. They weren't going to achieve any particular prestige in any particular group by having it. So you had then a very small agency, peopled by a staff of employees who widely felt the same way about most issues. I think, by the way, that you could probably go through Republican administration after Democratic administration and vice versa and find that the kinds of people even who come into the political positions don't change all that much.

Now, when you move from that over to the Department of Defense, you move from the smallest to the largest. The bureaucracy is not only a reflection of size, but there are three subdepartments; within each of those there is a substructure of both the military and civilian. Each of the military departments, as you doubtless know since you've had relations with the Defense Department, has itself two distinct bureaucracies: one military and one civilian. Whenever you're dealing with a million people, you're obviously going to find people who have tremendously divergent views on all subjects. Within the Defense Department were people who ranged the full gamut from liberalism to conservatism and reactionism to who knows. So there's a great difference just in that, to begin with.

Then the Defense Department is a fascinating experience depending upon where you are. If you work in OSD, the Office of the Secretary of Defense, where I first worked, your vantage point is much different from what it is if you work in a military department, where I subsequently worked with the air force. The civilian is viewed with quite a bit of suspicion in the Defense Department, I guess no matter where he works. But if he works within a military department, there is a tendency to try to become members of the same team because, after all, you have the same basic concern which is try to convince [Robert S.] McNamara. But if you're in OSD as a civilian, you encounter enormous suspicion from all of the military departments, military types as well as civilian types.

In addition, when I was there I became a deputy assistant secretary of Defense at twenty-nine, and age was certainly not one of my credentials. Of course, I always felt aware of that. I don't think I ever experienced any difficulties by reason of that, but I felt much more sensitive about it in the Defense Department. I think another reason that I probably felt sensitive about it is that when you're talking to a civilian, you don't really know what his rank is. You don't know if he's a GS-18 or a GS-14 or a 12 or whatever.

MOSS: Of if you do, you suspect that the equivalence is somehow specious and suspect.

SHULMAN: Yes, right. But when you're talking to a military man and he's got a star on his shoulder, you know he's a general. You have to know that he has gone through a lot of years that you haven't, and you wonder what he's thinking.

Well, anyway, I went into the Defense Department with a high suspicion of military personnel, I think probably with a bias that they would be rigid or this or that. I came out with a great respect for military personnel. I've told several people that they really ought to spend some time working in the Defense Department before they complete their government experience, because it's a most extraordinary place to be. And there's no comparison with the Labor Department where everything sort of sails along.

Now one final difference--and I think this probably is the single most significant point--and that is the Defense Department doesn't really have a sense of humor. If you think about it, you can understand why. The Defense Department is in the process of waging war, and that's not funny business. You can't really make fun of weapons systems problems, force level problems. All of the problems of the Defense Department are heavy. The result is that there's a much greater sensation, I would say, of stress. Stress isn't the right word. You don't feel as lighthearted working in the Defense Department, perhaps even for the same goal, as you do in the Labor Department.

MOSS: I'm reminded of the Defense Department definition of an expert: a former drip under pressure. The constant pressure. No matter whether you're qualified or not, you're pushed up there and meant to do.

SHULMAN: And it's the nature of the subject. It's just very hard to rake light of it, and properly. So you get quite a different feeling. I will say this, that I thought both departments had excellent career people. I should go on to say that I probably went into the Labor Department with a sensation of bias against civilian employees. You keep thinking when you're on the outside that people who are working on the public payroll have something wrong with them. Actually I found them

to be an exceedingly able group of people in both departments and found that to be true quickly.

MOSS: Do you think you could make a comparison between Goldberg and McNamara, their operating styles?

SHULMAN: I can try, but I have to say at the outset that the possibility for its being erroneous is enormous because I really didn't do that much work with McNamara. My relationships with McNamara were relatively limited, and so I've got to compare one man that I knew quite well with one man that I knew perhaps more by reputation. But let me say this, that at the personal level I found them to be very much alike. McNamara was an exceedingly charming, pleasant fellow to be with. That was perhaps my greatest shock when I went to the Defense Department. Everybody was terrified of him at the Defense Department, just terrified of him. People were reluctant to go in there to talk to him about something. It was quite extraordinary how far-ranging and, really, almost awe-inspiring his reign was. But I always found him very pleasant. So I would say that they started similarly in that regard.

Goldberg would have been more of a hip shooter, for one reason, because the kinds of subjects that he was called upon to make decisions on were subjects that he'd been dealing with all his life. He knew them, and he knew them very, very well. He didn't need elaborate proofs to come to a decision; he could come to a decision instantly. McNamara, on the other hand, proceeded with enormous care. His decisions, which, of course, nobody spends a lifetime making, were made after incredibly painstaking analysis. As you know, the whole systems analysis field really came to being by reason of McNamara's emphasis on quantitative analysis. And he would attempt to quantify everything.

Goldberg had a lot of heart in his decisions, if you will. He wanted to do things because they were good things to do. McNamara's effort was to try to get heart out, not because he was heartless but because he wanted to quantify the decision-making process. And once again, the distinction between making a decision in the defense context and in a labor context is quite different.

But you would not go in to see Secretary McNamara on any subject to ask any decision unless you were very well prepared. You wanted to be confident that you knew what you were asking for and what the alternatives were. With Secretary Goldberg, you might go in with a lesser degree of preparation, and you also wouldn't feel the need to go in with alternatives. The McNamara style was to have issues presented in sort of a multiple choice fashion. It wasn't a true-false type fashion. You wouldn't go in and say that you wanted x to be done and have no alternative in the event that he didn't agree that x should be done, which you would with Secretary Goldberg. McNamara, you had to have four or five different alternatives,

and your point was to try to sell him on the one that you favored.

McNamara used to have these things called snowflakes which would be subject issues that would circulate around the Defense Department at budget time. Each person whose field was involved would get a crack at it. One of the things that was a little upsetting was that the comptroller got the last crack. He finally described each of the alternatives. I always felt if I were able to verbalize the alternatives, some of them would be made more favorable to my side.

The other thing that might be worth pointing out to compare the two men is that I was very much involved in the process of trying to find jobs for people who were affected by base closures. Remember Secretary McNamara started the base closure program. He told me one day that we had to guarantee a job for everybody that was affected by a base closure, a job opportunity. He didn't feel that they had to actually have a job, they had to have an offer for a job. If they turned it down, that was their business. I remember saying to him, "Mr. Secretary, it's really not possible for us to do that." And he said, "Do it!" He said, "I am making a personal guarantee that every one of these people gets a job opportunity, and you see that it happens." So, that was quite interesting. I think that Secretary Goldberg would have felt much more heartfully that everybody should have had a job opportunity, but he probably would have listened to the possibility that it couldn't be done; whereas Secretary McNamara felt if he was going to close bases, the right way to close bases was to take care of the people. He insisted. I guess when it all gets said and done, Goldberg would have insisted, too. But the nature of the thing was just so fascinating to me. I don't think Secretary McNamara was moved by the idea that people ought to have jobs, as much as moved by the idea that was the proper way to close bases.

MOSS: Let me turn to a different subject entirely now. That's the subject of White House relations between labor and the White House. First of all, were you involved with the cabinet assistants' group that [Frederick G.] Dutton set up?

SHULMAN: Yes, I was the cabinet assistant for the Labor Department.

MOSS: Okay, now how did this work and how useful was it as a vehicle?

SHULMAN: It was a strange group. I'm not sure that one could say it worked. It actually was a carry on from what had gone on in the previous administration. In the previous administration, the cabinet assistants would meet following a cabinet meeting and be debriefed by the presidential assistant responsible for the cabinet about what took place at the cabinet meeting. The theory was that

the cabinet assistants would then go back to the cabinet departments and be in a position to see that the follow-through took place in case the cabinet secretary for one reason or another wasn't able to turn immediately to administering what took place in the cabinet meeting.

Now the same concept underlay the creation of the cabinet assistants group in the Kennedy administration. But President Kennedy didn't have cabinet meetings. So this group would be meeting without the essential reference point to start it off. My recollection of the group was that it was used as a way to get the Kennedy style into government. I can remember Fred Dutton saying something like, "We want this kind of subject covered in some of the speeches. Refer to President Kennedy in this way." The public utterances. I can't really put my finger on what it was, but I have recollections of the group's functioning to try to emphasize the style question within the department.

I also have a recollection--and now I'm really getting vague--that the significance of the group dwindled as time went on. For one thing, Fred Dutton stopped doing it. He was replaced by [Timothy J., Jr.] Ted Reardon, who was an entirely different type fellow, a lower key fellow. The group got to do such things as the advertising council would come to the White House and tell the president or his aides that they wanted to make so much time available on TV for public purpose advertising, and Reardon would take up with the group what would be the best way for us to use this time. If there had been a cabinet meeting, there would have been cabinet assignments that would come out; and we would go back to see that specific assignments were carried out. Otherwise, we really didn't do much. I think we served as contact points for Fred Dutton to call. If somebody had a problem with a department and it got to the White House, it would go to Dutton, and Dutton would in turn call the cabinet assistant. If there was a problem in another department, one cabinet assistant might call another. It tended to give you a focal point for where to direct your inquiries. We were responsible for seeing that anything that involved the White House got taken care of with appropriate dispatch. But as far as the actual meetings of the group were concerned, my feeling is that they became less and less significant as time went on.

MOSS: Was Dutton, then, your principal contact in the White House on substantive matters, or did somebody else like, say [Myer (Mike)] Feldman or [Lee C.] White take a large share of them?

SHULMAN: Well, Fred was the principal point procedurally, not substantively.

MOSS: Okay, what about on substantive matters?

SHULMAN: I have the impression that that was not a problem at all. I have the impression that they understood quite well. You see, actually, the Labor Department was carrying a very large oar on the domestic program--key Kennedy bills, the Temporary Extended Unemployment Compensation [Act of 1961] or the Manpower Development and Training Act of 1962. The Area Redevelopment Act of 1961, the Labor Department carried quite a role in although it was a Commerce Department bill.

MOSS: Did you ever get crossways with Commerce on this?

SHULMAN: Yes, I think that there were times when there was a touch of friction with Commerce because Secretary Goldberg was exceedingly vigorous and would run as fast as anybody would let him, faster if he could. President Kennedy seemed inclined to want him to run. Secretary [Luther H.] Hodges was an older man and less vigorous. Of course, the Commerce Department was larger, and Commerce has quite a little bureaucracy for itself that has to be united behind an action. A small department like the Labor Department headed by a vigorous man can really get going. I think possibly more in the legislative field than anyplace else there might have been that feeling.

MOSS: Why did ARA [Area Redevelopment Act] wind up in Commerce, then, instead of Labor?

SHULMAN: We never could understand that. [Laughter] I actually do have a recollection of feeling cheated that the ARA went into Commerce, but I really can't remember why.

MOSS: Okay. Before we started, I said I was going to ask you about the Jerry Holleman [Jerry R. Holleman] situation. What do you recall of his involvement with Billie Sol Estes and why he resigned and so on?

SHULMAN: That was really an enormously tragic event that hit us all in the Labor Department very hard. It was a total shock. I think it hit Secretary Goldberg just the hardest of all. Gosh, it was a real body blow for him. If there was any single thing that Arthur Goldberg prided himself on, it was integrity; if there was any single thing that really mattered to him, it was that. Gee, he felt just awful.

What had happened was this: Jerry Holleman and Billie Sol Estes had apparently been members of the same church in Texas called Christ Church, a small Christian sect of some sort. Jerry, I gather, had known Estes quite some time. He took a thousand dollar loan from Billie Sol Estes, Jerry did. This is at least his explanation. He was having financial difficulty. He had a house in Texas which he had been unable to sell for quite a long time, and he was paying a very high rent. He was

living in Lake Barcroft [residential area in Falls Church, Va.], paying at that time a rent that I recall as being quite high. The combination of that and having to carry the other house which he hadn't rented and hadn't sold was beginning to be a problem, and he asked Billie Sol Estes to make him a loan. Apparently Estes said sure, and Holleman asked him to do it by check. Billie Sol was apparently ready to give him a thousand dollars in cash. Holleman said no, that he viewed this as an entirely proper thing and asked that Billie Sol Estes write him a check, which is, of course, how it ultimately got discovered.

Billie Sol Estes was in a position of a party, or like a party, before the Labor Department. He was a user in some way of braceros and Jerry Holleman was in charge of making decisions with regard to the use of braceros; so it was a very bad looking thing. In fact, my recollection is that Jerry Holleman made decisions on the subject matter of braceros that were exactly contrary to the interest of Billie Sol Estes. But in any event, when it came out, Billie Sol Estes was, to say the least, in disrepute and the issue was seen as one involving the fundamental integrity of, actually, the president.

I recall that Arthur Goldberg, who took this as a great body blow to himself and his own personal integrity, viewed it in the foremost as what John F. Kennedy looked like because Holleman was a Kennedy appointee. That's actually, when I look back on it, a bit strained because, after all, the president of the United States can't really be responsible for every one of his appointees. He can hardly be expected to know them, much less be responsible for them. But it was viewed that way, and there was never any question that Jerry Holleman had to be out. I'm not sure that the decision that he resign was made by him. He didn't fight it. But it was just felt impossible that John F. Kennedy could have on his team a man who had taken money, who was in a relevant position to somebody like Billie Sol Estes. And so Jerry Holleman resigned. It was a very, very tragic thing.

I have a recollection of the secretary asking [William Willard] Bill Wirtz to make an inquiry into what actually happened, and I have a vaguer recollection of participating in it. That's strange that I would recall more clearly that Wirtz was asked than that I participated. I'm almost certain that the conclusion was that there was no impropriety that could be identified that had taken place in terms of Jerry Holleman's decision making as an assistant secretary. But there was also no doubt that he had to leave. Everybody was just as clear on that as a bell.

MOSS: You don't recall what happened to the materials of that investigation, the actual paperwork on it?

SHULMAN: I don't know if there were any papers. There were an awful lot of quiet discussions. I can remember Holleman being in there with Wirtz at great length. I don't really know if

Well, here was Jack Henning right at hand, who had just been through the approval process. Everything was all lined up, and moreover he had an AFL background to boot. I don't think Bill Wirtz ever got a chance even to have a view. Now, Bill Wirtz is a sensitive type of fellow to begin with, but any kind of fellow is going to have at least a passing interest in who's going to be his undersecretary. I don't know for sure, but I'm personally positive that it couldn't have mattered to anybody what Bill Wirtz thought. By anybody I mean it couldn't have mattered to the appointing power what Bill Wirtz thought about that. It had to be John Henning. Then, as it turned out, they didn't get on at all. It was a disaster. Later there was a very unpleasant period where Wirtz tried to remove Henning. It ultimately ended up with Henning becoming ambassador to Australia and Jim Reynolds taking over the undersecretary spot.

Now, Jim Reynolds was very popular with George Meany and was his choice for undersecretary, I understand. But it would be inconceivable that Jim Reynolds could have been undersecretary immediately upon Goldberg's departure because he came from management. It was just not politically possible for George Meany to accept anything like that that soon in the game. Later on, when Jim Reynolds' credentials, qualities became more established, it was all right.

I don't know when the personal dispute between Jack Henning and Bill Wirtz started. I don't know if it preceded his actual appointment as undersecretary. I would be inclined to guess that it developed after he became undersecretary. It really stemmed from the fact that neither of them probably was a willing actor with regard to that. I assume that Henning wanted to be undersecretary, but I'm not sure he could have gone into an assistant secretary slot at that time.

MOSS: What does a guy like Millard Cass do while all this jockeying is oing on around him?

SHULMAN: Millard Cass is a career man par excellence. I guess that what he does from the vantage point of personal fortitude is land on his feet. He's really quite a fellow. I like Millard Cass quite a bit. He's able to go from one undersecretary to the other, and to perform in a loyal manner as a deputy, and he did through this. Of course, he knew what was going on. Obviously he knew because he's a smart fellow.

The only difference between what was going on in the Henning-Wirtz dispute and what goes on in any number of instances with political appointments is that it was all so darn public, and that tended, I guess, to make it worse. I suppose Henning couldn't very well say, Well, if that's the way you feel about ~~it~~, I'm going to leave." Of course, the other problem was Henning. Henning had a very big family apparently. Henning had something like seven children. And as I recall Bill Wirtz just wanted to fire him

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