

Stephen N. Shulman Oral History Interview—JFK #2, 4/16/1970
Administrative Information

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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 Goldberg's role in mediating labor disputes, Shulman's involvement with the Plans for Progress program, and the effectiveness of the President's Committee on Equal Employment Opportunity, among other issues.

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Second Oral History Interview

with

STEPHEN N. SHULMAN

April 16, 1970
Washington, D. C.

By W. W. Moss

For the John F. Kennedy Library

MOSS: Mr. Shulman let me ask you today, after talking with you the last time, if you remember anything more on the railroad work rules dispute that might be significant and worth putting down for somebody, someday.

SHULMAN: I still can't remember more about the dispute than Judge [Simon H.] Rifkind . . .

MOSS: All right, let me put it this way. The chief issue was the featherbedding question, the question of the company responsibility towards people who were going to be laid off either through technological innovations or through mergers of railways. This was the whole business of the nationwide transportation problem and the railways being pushed out by the bus lines and airlines, and their needing to merge in order to save their skins and this kind of thing, was beginning to hurt workers. Do you recall discussion of this at the secretary's level?

SHULMAN: I have a recollection that the Interstate Commerce Act has a provision specifically requiring the protection of workers in the face of a merger. I seem to have a recollection of Secretary [Arthur J.] Goldberg talking about how this protection existed in the case of mergers, but didn't exist in the case of technological change. I do recall, as I indicated last time, his general view that companies ought to take care of the workers who are displaced by technological change. I seem to have a recollection of somebody within the Labor Department, not Secretary Goldberg but somebody else, talking about the "need" for firemen to shovel wood into the oil burning diesel

engines, indicating that there was a serious technological change problem.

MOSS: Yes. O.K. Let me move on down to each of the major dispute situations then. One of the major ones, of course, was the missile sites labor disputes in which a non-strike, no-lockout agreement was reached. Do you recall any of the significant developments here?

SHULMAN: Yes, I have some recollections there. The Missile Sites Labor Commission was created by an executive order of the president, I believe, and before that executive order was issued, Secretary Goldberg held four meetings: one with representatives of the manufacturing industry, one with representatives of the industrial unions, one with representatives of the construction industry, and one with the representatives of the building and construction trades unions. The obtaining of the no-strike, no-lockout pledge was a rather ticklish proposition which Secretary Goldberg set out to do.

MOSS: He had this in mind from the beginning, did he?

SHULMAN: From the outset the purpose was to obtain a no-strike, no-lockout pledge. The no-lockout pledge actually was no problem at all. That was just a way of creating apparent mutuality. But the no-strike pledge was a difficult task which he from the outset purported to get. The vehicle that he used, as I recall, was this. He explained how Senator [John L.] McClellan was holding hearings into the strikes at missile sites, and how there was a great deal of adverse feeling generating within the Congress about that. He put it to the representatives that he met with on the basis that, unless the executive took some action, legislation would be passed which would be most repressive. He obtained the no-strike pledge, I think from George Meany, largely in response to a very strenuous presentation on his part of how much worse it would be if legislation with its inflexibility were enacted, as opposed to an executive order setting up something like the commission.

Now, the commission was named the Missile Sites Labor Commission and the name was itself the result of a substantial amount of previous negotiation. The concept to begin with was to try to bring about labor peace. The issue of labor peace involved the industrial unions as well as the construction unions. So, the no-strike pledge question took on an atmosphere of affecting not only what happened at the missile sites but what happened at the plants where the missiles were being produced.

You see, much of the difficulty was jurisdictional disputes between industrial unions who would make a missile and then be sent with the missile to the site, and construction unions who felt they should take over the wiring of the missile to the gantry. Much of the jurisdictional disputes

the argument that an agency shop was not desirable. The great complicating factor in this was that these aerospace companies had plants in right-to-work states, as well as in other states. In some states they could agree to an agency shop and in some states they couldn't. Actually, in the states where they couldn't they didn't have strikes, and the states where they could, they did. It was more complicated than it had to be by reason of that.

I also remember that the cases were settled by there being a vote specifically on the agency shop issue. The companies felt that the employees, as opposed to the union representatives, didn't really care about an agency shop. They viewed an agency shop as being simply a way for the union to swell its coffers and not something wanted by the people. I can't recall whether they agreed to adopt an agency shop if the vote favored it, or if they agreed simply to have a vote and reconsider in light of the vote. My recollection on that is dim. I also can't remember what the vote was except I remember that it was lopsided but I don't remember which side. . . .

MOSS: Well, this will be in a record somewhere if somebody wants to find out the specifics. I was more interested in the kind of attitude and spirit of each of the parties as you recall them.

Moving on to another area, the jurisdictional dispute between the flight engineers and the pilots association which was early in the game, in the spring of 1961.

SHULMAN: I have one personal recollection of the flight engineers dispute which may conceivably be interesting with regard to Secretary Goldberg. I think I came to work either the day the flight engineers' strike started or the day before it started. Certainly I had not been there more than three or four days when it started. I remember him coming up to me and saying, "Call the vice presidents of industrial relations of the airlines and see what you can do." I had no idea in the world what that instruction meant.

MOSS: What did it mean when you tried to execute it?

SHULMAN: Well, I called and asked what their positions were. I took it as an information gathering task. And my recollection literally goes no farther than to recall as I sit here how completely unequipped I felt to carry out that instruction at the time. The flight engineers dispute was something like the railroad dispute.

MOSS: The work rules kind of thing, as well as a jurisdictional one?

SHULMAN: Yes. It began really from a work rules kind of vantage point.

protection for the members was the most that could be hoped for.

Now subsequently, there was some activity involved in regard to the merger of the flight engineers and the airline pilots. I have recollections of the representative of the pilots being present but I'm really vague on that.

One other recollection that I have of the flight engineers dispute was the enormous desire of the secretary to have Western Airlines participate in the discussions and negotiations, and the abject refusal of the president of Western Airlines to do so. I can remember the sense of frustration that Secretary Goldberg had about the fact that there just didn't seem to be any way to get Western to agree. And Western Airlines never did participate in these discussions. I don't recall what solution eventually took place on Western Airlines.

MOSS: O.K. In another area somewhat, in the spring of 1962 you had the steel wage negotiations in which the line was pretty well held on wages and then the steel price rise that followed almost immediately. What do you recall of this situation, first on the wage negotiations and the efforts of Secretary Goldberg to hold the line on the wage rise?

SHULMAN: I have no recollection with regard to the negotiations as opposed to the aftermath of the negotiations, except for the fact that the secretary was very pleased with the result that a settlement had been reached that did not involve wage gains in excess of productivity increases. Very, very pleased. And the extent of the pleasure probably explains the extent of the enormous displeasure when the prices were raised.

MOSS: Do you recall the circumstances under which you and the secretary first heard of the [Roger M.] Blough memorandum?

SHULMAN: No, I don't recall how we first heard about it.

MOSS: According to [Theodore C.] Sorensen, I believe, the president called, or had received notice earlier in the day, that Blough had asked for an appointment and had asked Secretary Goldberg to stand by. Then while Blough was with the president, the president called the secretary and asked him to come over.

SHULMAN: I think that's right, now that I think back on it. Somehow President Kennedy had been involved in the settlement, and I can't remember how he was involved in the settlement, but somehow he had been. The whole understanding that President Kennedy and Secretary Goldberg had was that the settlement was within the range of productivity increases, which meant that the settlement would not require a price increase. The total understanding and the total satisfaction existed solely by reason of that. Now, I recall something along the lines that when Roger Blough told President Kennedy--and I was not

the jawboning business that's talked about a good deal. Who is it? I think [Walter W.] Heller supposedly originated the jawboning term. What do you recall of the arguments, pro and con, on this whole business of wage-price guidelines? On productivity, for instance, whether it should be industry by industry, or nationwide, there's a good deal of argument on this.

SHULMAN: My recollection on the productivity increase point is that Secretary Goldberg felt that productivity should be nationwide in the sense that, all wage increases when averaged out should come to the nationwide productivity factor, which I tend to recall as 2.5 to 3 percent. But that within any given industry there might be greater productivity rises than the national average just as within any given industry there might be less. And that within those former industries, wage increases larger than the national average but within the industrial productivity gain were acceptable, because theoretically they would still all balance out to the national average. I have, for a fleeting moment, the thought that he also had a notion of the possibility to correct inequities within the productivity guideline, but I'm not certain about that. I do definitely recall that he favored increases geared to the experience in the particular industry, but he did so in a context of anticipating a national average.

MOSS: Now, it's my understanding that there was a good deal of misunderstanding about this whole thing, that often labor unions would take the 3 percent guideline as their floor, and say that they were entitled to at least 3 percent. Companies would come around and say that this was a ceiling and say, "You're certainly not getting any more than 3 percent." And that this was one of the defects of the idea of this kind of guideline. Do you recall discussions of this?

SHULMAN: Well, that was definitely what happened, there's no question whatsoever that that happened. But that would happen whenever you had any sort of a guideline, because labor wants the max that's allowable to it and industry, of course, wants to give as little as it has to. I don't recall anybody being particularly surprised or indeed chagrined that the floor-ceiling issue developed.

MOSS: Okay. In another strike situation, in the [International] longshoremens' [Association] dispute in New York, east coast and Gulf, this occurred just as secretaries were changing. It occurred over that summer and that fall. In what way did Secretary Goldberg turnover this kind of thing to Secretary Wirtz? Or was he already so heavily involved that it wasn't necessary to do this kind of handing over and briefing and that sort of thing.

SHULMAN: You know, I remember the press conference at which Secretary Wirtz was introduced as the incoming secretary by Secretary Goldberg, as the outgoing secretary. Secretary Goldberg

commented at some length about Secretary Wirtz's qualifications to be secretary and how pleased he was with his replacing him. And then Secretary Wirtz stood in front of the reporters and the reporters said, "Secretary Wirtz, what do you consider your greatest problem to be, your single greatest problem as you take over the reins of the Labor Department?" And Secretary Wirtz said, "Arthur Goldberg." In fact, that's all he said. And I think that that was probably more due to the labor disputes aspect of the job than anything else, because Secretary Goldberg had so much personalized the style of mediating, and what have you, that a different person, no matter who he was, would not be able to handle disputes in the same manner.

Now my recollection of the longshore strike was that that was ultimately resolved by one of the special presidential boards that had no statutory base, with Wayne Morse as chairman. It's my recollection that Wayne Morse was chosen by Secretary Goldberg but actually went into office, if that's the right word for the commission, under Secretary Wirtz. So there must have been some sort of continuing conversation between Arthur Goldberg and Bill Wirtz during that period, but I wasn't part of it.

MOSS: O.K., let me move to the question of discrimination in labor and the president's Committee on Equal Employment Opportunity. This, of course, grew out of the former administration's committee on government contracts. Let me ask first of all how this change came about. Why did the new administration, in effect, broaden the scope of the old committee and change its character?

SHULMAN: In the interest of history, I'm going to say something with regard to my impressions on this and it's quite possible that I'm wrong. I want to preface it by saying that. The reason that I think I might be wrong is because my recollection is that this issue came up relatively soon after I started working at the Labor Department and so I might not have known all that happened before. But I recall reading the executive order before it was issued for the first time at Arthur Goldberg's house. I had ridden home with him in the car in order to get an opportunity to talk to him, and I seem to recall being in his house and his showing me the order and his saying that the president wanted him to be vice chairman of the committee, and my impression was that he had not participated in the drafting of the order. In fact, my impression was the order was drafted by Abe Fortas, which was an impression that I got, I think, from [Richard N.] Dick Goodwin. The general impression that I had was that this all took place in the White House, the drafting of the order and the decisions about how much to enlarge the commission. I have the impression that Secretary Goldberg was not involved in that, but I hasten to add that could well reflect the fact that I simply had not been involved previously myself.

MOSS: You mentioned Fortas. Do you recall if there was any initiative on the part of Vice President Johnson in pushing this kind of thing?

SHULMAN: No.

MOSS: Okay. Now what do you recall that the new committee was expected to accomplish? There's a note that I have here reflected in the New York Times that they came on pretty strong in the initial announcements, saying that they were going to cancel contracts where there was bias and this kind of thing. Did it really intend to come on that strong or was it more open-minded to begin with?

SHULMAN: My recollection is that the administration started out with a very strong intention to have a vigorously enforced executive order, and one that contrasted from the mildness of its predecessor. There were two aspects of the new order that the administration was particularly taken with as demonstrating this. One was the requirement of affirmative action. Those words I recall as being purposefully felt to show that there was going to be more than simply nondiscrimination. I guess I'm now talking about the feeling that I understand existed in the White House. The second aspect was the cancellation of contracts. There was indeed a feeling that contracts would be cancelled.

In fact, I think that one of the first involvements I had with the executive order on the committee was going over to the General Accounting Office and having a visit with the general counsel of the General Accounting Office. Two of us went over, myself and [Nicholas de B.] Nick Katzenbach who was then assistant attorney general for the Office of Legal Counsel. There was some question whether or not the General Accounting Office would accept the executive order, would accept the validity of it, both from the vantage point of cancelling a contract where there was noncompliance, and from the vantage point of not allowing somebody to be considered for a contract. I recall our meeting over there, and our going rather strenuously on the premise that people were not going to be dealing with the government who were engaged in discrimination. And the General Accounting Office agreed with our position, accepted that position, but I recall that it took some argument, and that would certainly show that people were serious about it. The intention was, in fact, that contractors might not do business with the government.

MOSS: On the side, there was beginning to be a lot of static from people like Secretary [Herbert] Hill of the NAACP [National Association for the Advancement of Colored People] and Philip Randolph, who were really calling for strong action on the labor side. Randolph, at one point, called for a total end of all

discrimination in all labor unions by the end of six months, simply a fiat kind of thing, I suppose. What sort of reaction was there to this kind of thing?

SHULMAN: My recollection on this point was that the government felt it had no power to get at the unions. The executive order was written to require contractors to seek out their unions. Agreements would embody nondiscrimination clauses, but proceeding directly against the unions was felt to be not possible. Though I might say in this regard, that I don't think that the committee got started because of a determination on the part of President Kennedy or anyone else in the administration that people who engaged in discrimination should not deal with the government. I don't mean by that to say there was a determination that people who engage in discrimination should deal with the government. I don't think that was the purpose of it. My recollection is that it all came about because it was felt that was the only way to get at discrimination.

Now as we talk, I'm beginning to remember more about it than I thought I knew when I first started talking. I seem now to remember that there was a judgment made that legislation to ban discrimination in employment was not possible to obtain; that President Kennedy felt that they had to do as much as could possibly be done toward that end, and the procurement function was the means chosen because it was the only way that the government could get at it. So that the increase in scope and the increase in penalty that this order envisioned was designed as a way of thrusting the government as far out as could be done. It was for that reason--the reason of the felt inability to get a nondiscrimination in employment bill itself--that the unhappiness existed with regard to doing something on the unions, who it was felt could be reached only through forcing the contractors to try to get clauses in their agreements.

MOSS: In another aspect of the same thing, what about the attempts to get local and state employment services and federal regional employment services to themselves desegregate, and to process and encourage hiring of minority group people? There was some talk of withholding funds. As a matter of fact, Adam Clayton Powell introduced a bill at one point that would require the withholding of federal funds from any office that practiced discrimination.

SHULMAN: Yes. Well, this eventually, as you know, became Title VI of the Civil Rights Act of 1964, and eventually the state employment services also were covered by the Equal Employment Opportunity Commission. I can recall worrying about that question when I was chairman of the EEOC [Equal Employment Opportunity Commission] and Bill Wirtz was Secretary of Labor. But at the time of the executive order, back in 1961, the only thing that I can recall with regard to the

state employment services is that the secretary hired a fellow named Arthur Chapin to work in that area, in the area of nondiscrimination with employment services. But I can recall nothing more than that.

MOSS: Okay. The whole question of voluntary compliance versus compulsion, at least as it came out in the papers, reportedly split the committee on occasion and reportedly cost [Robert B., Jr.] Troutman his job as well. What do you recall of that situation?

SHULMAN: I have very extensive recollections on this point. Let me start by giving you a piece of history that I am told was the start of it all, and then I can move into my actual, personal involvement in it. I understand as a matter of history that the voluntarism-compliance split really started over a case involving the Lockheed [Aircraft Corporation] company plant in Atlanta, Georgia, and that what happened was that John Feild, who was the executive director of the Equal Employment Opportunity Committee, was going to that plant to discuss a complaint, I guess, that the committee had received against the plant in a compliance posture. Bobby Troutman who was a member of the committee and who lived in Atlanta and was therefore familiar with the plant personnel went along. Somehow out of that meeting an agreement came forth in which the Lockheed company undertook broadly to engage in nondiscrimination and to engage in affirmative action to bring about employment opportunities for minorities. That agreement became the first plan for progress which sprung Bobby Troutman on his route towards developing the Plans for Progress program and tended to create the separation from the compliance program. Now this, what I've just told you, is what I am informed in history and don't know personally, but I would certainly believe that it was true and that it came about that way.

Now, subsequently, what happened was that Bobby Troutman started pushing Plans for Progress. Troutman was in a relatively unique position on the committee. He had been President Kennedy's older brother's roommate in law school, [Joseph P., Jr.] Joe Kennedy, Jr.'s roommate. Bobby had, as I understand, run the southern campaign for President Kennedy. He started developing Plans for Progress. *Kennedy and he was very close to President*

The vice president at that time was very concerned about the committee doing a good job, doing a right job. He paid a lot of attention to the committee. John Feild, the executive director, tended to view Plans for Progress as a competitor to the compliance program and I think he saw it as threat. So that right from the start the notion of Plans for Progress, which Bobby Troutman saw as a voluntary program and which he sold voluntarily to companies, was seen as a competitor, judged as a competitor against the compliance program although, in fact, as I indicated I understand, the first Plan for Progress was born out of compliance endeavor.

relevant because these Plans for Progress were signed finally by the president of the company and by the vice president of the United States, tended to suggest in the slightest way that if the company was in Plans for Progress, it would look better to the compliance program people than it would if it weren't in Plans for Progress. He never suggested for a moment that if you signed up for Plans for Progress, you had nothing to worry about with regard to complaints to come out of the committee, but he did indicate that there was a relationship between the two.

I think that the combination of these two factors, the fact that the initial pitch had racial overtones, and that the relationship with the committee could be interpreted in a way that it was somehow a manner of gaining some sort of favor, greatly reinforced the feeling that Plans for Progress and voluntarism was a way to defeat the compliance program, and that Bobby Troutman's purpose was not to build Plans for Progress but rather to destroy the compliance program of the Committee on Equal Employment Opportunity.

MOSS: You're choosing your words very carefully here on this pitch that Troutman makes to the companies. Do you feel that they were getting the idea that they were going to have some kind of immunity from compliance, in the generic sense, not in the terms of the split within the committee, the two different ways?

SHULMAN: No, the reason for the care that I'm exercising in choosing my words is because I am trying to explain to you how it was that ^{what} Bobby Troutman said would enable the John Feilds of the committee to feel what they felt, and yet also to let you know that he didn't really say that.

MOSS: Okay.

SHULMAN: I think that's very important. He did not say that they would get immunity from compliance, and he did not say that this was a way of keeping Negroes quiet and off your back. But his pitch did have certain racial overtones like that, and he did say that there was a relationship with the Committee on Equal Employment Opportunity. So that there was a nugget there that the compliance oriented people could pick up.

Finally, I can recall meetings with companies where Bobby would get up and say that he wasn't concerned with social problems like water fountains, which of course was anathema to anybody who was concerned with compliance. I would get up at that very same meeting and say that Bobby might not be concerned about water fountains but the committee was, and that there would not be any Plans for Progress executed that he didn't call for desegregation of facilities. But I'm getting ahead of myself, because that was at a time when I was acting executive vice

Herbert Hill's criticisms from his position as NAACP labor secretary in specific, [Theodore W.] Ted Kheel was brought in to try and solve the problem. Kheel got into the picture because he was an old friend of Arthur Goldberg's and he^{was} a man with great mediating skills, great arbitration skills, and he'd also been president of the [National] Urban League. So he was a natural for this assignment. He came in and looked at the program and the fellow, interestingly enough, who was his associate at the time who helped him do the Kheel Report and named [Charles B.] Charlie Markham, then went on to become eventually the director of research at the Equal Employment Opportunity Commission.

BEGIN SIDE II TAPE II

MOSS: You were talking about Ted Kheel's coming off.

SHULMAN: The Kheel report basically said that both programs could coexist. I remember the Kheel report very well because Ted Kheel drafted the report, Charlie Markham worked on it and then George Reedy and I worked on it. It was really Ted Kheel's report, but there had been a lot of inputs in it.

Now, sometime following the Kheel report the Billie Sol Estes scandal took place. Jerry Holleman [Jerry R. Holleman] had been executive vice-chairman of the committee. He had some involvement with Billie Sol Estes and resigned his position as assistant secretary of labor. So a vacancy arose in the position of executive vice chairman of the committee. The theory was that executive vice chairman was the highest ranking operational figure, that the chairman, the vice president, and the vice chairman, the secretary of labor, were not really operational figures. The executive vice chairman was to be the top operational figure. The executive director was the top full-time official. There was some question whether that was a desirable arrangement or not, to have a part-time executive vice chairman. As I recall, the Kheel report spoke to that issue but I can't remember what it said. In any event, when Jerry Holleman resigned, the executive vice-chairman post became vacant and the problem of filling it was a most difficult one indeed, John Feild wanted to become executive vice chairman of the committee, and that was logical because he had been executive director and was running the committee in many ways, but of course John Feild was a key protagonist in the Plans for Progress-compliance dispute. Hobart Taylor wanted to become executive vice chairman of the committee, and that was logical because he had been the close associate of the vice president and he was special counsel to the committee and fully aware of its affairs. The whole issue of who to make executive vice chairman was a very difficult one and a very ticklish one, and wrapped up in all kinds of concerns, political type concerns. So in any event, after all was said and done, I was made acting executive vice chairman of the committee. The reason for making me acting executive vice chairman was that I worked close to

but in 1962 that was actually the case. I suppose the best illustration of the change since is the fact that the last two chairmen of the Equal Employment Opportunity Commission are blacks. But at this time it seemed clearly the case that the white was always the chief and the black the deputy chief. I felt that it would be very nice to break that system right there and to have a black as the chief. I also felt that if anything like that was ever to be done, this was precisely the time to do it because Hobart Taylor had such good relations with the vice president, who was the chairman of the committee. I mentioned the idea to Ted Kheel. My recollection now of Ted Kheel's reaction was how I initially started thinking that I must already have been acting executive vice chairman before the report came out. Ted thought it was a great idea; he was very enthusiastic about it. I mentioned it to Secretary Goldberg and he was in favor of it. I mentioned it to George Reedy to take it up with the vice president, and the vice president was initially reluctant about it; for some reason he wasn't sure whether that was a good idea. In any event, eventually the vice president decided that the appointment of Hobart Taylor would be a good idea, and it went through. Hobart Taylor was made executive vice chairman. Between the times that Hobart Taylor was made executive vice chairman and the time that the recommendation was originally made to the vice president, and originally viewed negatively, or at least cautiously, by the vice president, Secretary Goldberg was appointed to the Supreme Court.

I remember an article written by Ward Just that came out in a magazine like the Saturday Review or something like that, which pointed out how Lyndon Johnson was consolidating his control position of the Equal Employment Opportunity Committee, because as soon as Secretary Goldberg went to the Court and vacated the vice chairman position, and Bill Wirtz stepped in as the secretary of labor, Johnson immediately got rid of me, Goldberg's man, as executive vice chairman and replaced me with Hobart Taylor, his man. It was just so incredibly inaccurate because it had been precisely the opposite, that I had been the one to start the whole idea of Hobart becoming executive vice chairman.

In a way, that typifies what went on with the committee at that time. Everybody was so suspicious of everybody else. There was this terrible sensation that any person who did anything was doing it for some reason other than the merits. It just seemed to pervade the whole atmosphere.

My experience subsequently proved to be that this kind of thing is not uncommon in fields as sensitive as racial discrimination. But particularly in a context of a new committee, particularly in a context of the very highly political nature of people who were involved, political offices as high as vice president of the United States, and personalities as much involved in the game of politics as Bobby Troutman, exacerbated all of this up to the point where there could indeed have been a very

responsible reporter writing a story of that sort which was totally inaccurate. I think that contains virtually all of my recollections on it.

MOSS: O.K. Let me ask you another question. Looking back on it, how successful do you think the committee as a whole was and how do you weigh the effectiveness of each of the two methods?

SHULMAN: Looking back on it, I think the committee wasn't very successful at all. The committee never cancelled a contract. I don't think a government contract has ever been cancelled. It's possible that one or two may have been in the last two years. This is changing now, and now that the committee is the Office of Federal Contracts Compliance, more and more the contract compliance program is becoming a seriously meaningful thing.

But in the beginning there were two problems. One was that the penalty was so great that one would be hesitant to invoke it. Cancellation of a contract is as large a penalty as you can possibly have. The second was that the procurement process does not lend itself to being a vehicle for social change. The procurement process, for one thing, is very much based on competition. Contracting officers are used to trying to get the lowest possible price, and they're not used to trying to encourage people to engage in nondiscrimination or any other particular type of behavior. When I said social before I didn't mean social in the sense of people visiting one another, I meant social in terms of socio-economic problems. To the extent that contracts were not so much wrapped up with competition, contracting officers, and indeed procurement agencies, couldn't really be expected seriously to think in terms of cancellation.

Just take for example the Lockheed Company, which was the first case of, as I indicated, mixed compliance and Plans for Progress. Lockheed makes the Polaris missile. In making the Polaris missile it has 50 or 100 subcontractors all of whom supply parts to Lockheed, which Lockheed puts together in its final assembly into a Polaris missile. Now if Lockheed were to engage in an act of discrimination, a contracting officer would be hard put to want to cancel that contract because the replacement of Lockheed would be an exceedingly difficult problem.

So it takes a long time before a program with a penalty so large can become a viable program, because you have to work it into the very fabric of the system. It has to get to the point where the contractors don't get into the process unless they engage in nondiscrimination or affirmative action of the type we want. It has to become so much a standard practice that most companies are doing it. Quite a bit of time has to go by, and quite a bit of time has gone by, and I think that the OFCC [Office of Federal Contracts Compliance] is having more impact now than it had earlier. Now as for Plans for Progress, I think Plans

for Progress didn't live up to its expectations. It's interesting, by the way, that eventually Vice President Johnson--I guess it eventually took place while he was still vice president but certainly took place after he was president--became quite pleased with the Plans for Progress program. In fact, everybody became quite pleased with the Plans for Progress program. By 1963 Plans for Progress had 300 or more members. It had really caught on. It had captured people's imagination. It was running conferences, it was running job fairs. It was doing things and it was exciting. Plans for Progress held great promise.

But what happened is that I think that Plans for Progress became more qualitative in its orientation and less quantitative. I think it began to focus more on, how do you go about getting blacks into positions of responsibility, how do you compensate for the absence of high school educations and college educations? How do you do this and that program? Certainly Plans for Progress served to provide more job opportunities for black college graduates than any other single vehicle. The competition between members of Plans for Progress to hire black college graduates was so intense as to be hilarious. These fellows were bumping into each other at every predominately Negro college in the country. But that's not really the kind of thing that makes a great immediate dent in the social problem that the nation faces. So, as Plans for Progress became more and more qualitative I think it tended not to reach the promise that it had.

Then, I guess, the expected happened when the National Alliance of Businessmen and the JOBS [Job Opportunities in the Business Sector] program got under way which really was designed to provide quantitative results in the labor market, where the heavy black unemployment exists. As that became more and more prominent, the role of Plans for Progress as a qualitative phenomenon became more and more sensible. The JOBS program would tend to take in the masses of the unemployed or underemployed blacks, and the Plans for Progress program could concentrate on the problems of uplifting and skill creating. Now, finally, I think Plans for Progress has become part of the National Alliance of Businessmen. I'm not exactly clear on what's happening precisely, but I gather that Plans for Progress as an entity really doesn't have much of an existence any more, if any. It's part of the NAB [National Alliance of Businessmen] program.

At the same time the compliance program is now very much in the ascendancy, with, as you know the Philadelphia Plan and Order Number 4 which requires the contractors in industry to set goals. So each of these programs has its--I hate to use a word like moment of glory--but, in effect, they each have their time period. The Plans for Progress did play a role, it did capture the interests of the leading companies in the country. It launched a lot of opportunities for educated Negroes and it contributed to a lot of affirmative thinking on the subject.

MOSS: There's still, some of that residual kind of thing. I think for instance of the situation at the Newport News shipyard down here, where the white supervisors are beginning to feel as though they're getting pushed around and pushed out by the government forcing them to accept black supervisors and, of course, this is an odd situation because you've almost got a company union down there, too. Are there exceptions to this? You're making a generalization, I think.

SHULMAN: Even then, they're not really getting up and complaining about equal employment opportunity. What they're doing is, they are complaining that they are not getting an equal employment opportunity. They're complaining about affirmative action, which is really a remedy type problem as opposed to an evil type problem. The standard feeling, I think, throughout the country is that racial discrimination is a clear evil, and that everybody is against it, which helps a lot in exercising the muscle of the procurement arm.

MOSS: Did you get into this sort of thing much later in your Defense Department experience?

SHULMAN: No, I think that I was in charge of Equal Employment Opportunity in the Defense Department for about a week. When I went over there, I was a Deputy Assistant Secretary of Defense for Civilian Personnel and Industrial Relations, which certainly would be relevant fields to equal employment opportunity, since industrial relations was meant to be the labor relations of defense contractors. But the Equal Employment Opportunity Program was run separately by a director of equal employment opportunity, a fellow named Ralph Horton, [Jr.] who was actually President Kennedy's roommate in prep school, Choate. I wasn't anxious to be involved in the equal employment opportunity of the Defense Department and was pleased that that was the case.

Subsequently, there was a position created, the Deputy Assistant Secretary for Civil Rights, who was to be concerned with equal opportunity in the armed forces. That came about as a result of the report of the President's Committee on Equal Opportunity in the Armed Forces under [Gerhard A.] Gerry Gesell. At the time that that deputy assistant secretary job was created, it was filled by a fellow named [Alfred B.] Al Fitt. Equal employment opportunity was placed under me for the purpose of creating a sense of balance with a deputy assistant secretary in each equal employment opportunity field. But within a matter of weeks it was removed from me again when personality problems developed in terms of having the director of equal employment opportunity, who had so long been acting on his own, being required to report to a deputy assistant secretary. Finally to cap the whole thing, the deputy assistant secretary for civil rights became general counsel of the army and the civil rights job was added to my responsibilities.

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Stephen N. Shulman

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