

**Stephen N. Shulman Oral History Interview—JFK #1, 4/9/1970**  
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 Shulman's role as executive assistant to Secretary Arthur Goldberg, Goldberg's efforts to reduce unemployment, and Secretary Goldberg's relationships with President Kennedy and the Cabinet, among other issues.

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Oral History Interview

with

STEPHEN N. SHULMAN

April 9, 1970  
Washington, D. C.

By W. W. Moss

For the John F. Kennedy Library

MOSS: Let me ask you first, Mr. Shulman, how did you come to be the executive assistant to Secretary (Arthur J.) Goldberg? Do you recall the circumstances?

SHULMAN: Yes, I recall the circumstances very well. I had two routes which came together to become executive assistant to Secretary Goldberg. (Interruption) The most immediate route took place in the following way. I remember it very well. I was an assistant United States attorney in the District of Columbia and I had just finished a jury trial which I had won. I had come back to my office feeling flushed with victory and happy, and the phone rang. It was a fellow named Richard Goodwin who said to me out of the clear blue sky, "How would you like to be chief assistant to the secretary of labor?" I said, "Sure." There followed several interviews with Secretary Goldberg, after which he hired me.

I might point out that the Goodwin episode was explained by the fact that Goodwin had clerked for Justice (Felix) Frankfurter at the same time that I clerked for Justice (John M.) Harlan, and we had become friendly in that context. In fact, we had also known each other a little bit before because he had been president of the Harvard Law Review at the same time that I was editor-in-chief of the Yale Law Journal. We had had some discussions about not preempting one another by premature publication of a note that we might both be working on. That was one route. Goodwin, as you know, was very important as a speech writer in the campaign of President (John F.) Kennedy and was an assistant special counsel in the first days of the White House.

The other route was that I had known Goldberg a little previous to this. He and my father had been friends. My father had been an arbitrator in the labor field. At one time when I was working here in Washington and was wondering about switching jobs--indeed, at the time that I was thinking of going into the U. S. attorney's office--I wanted very much to consult with somebody. My father was dead and I turned to Goldberg as someone whom I knew, with whom I had no professional connection, and so would get completely disinterested advice. We had one session at his house where we discussed what kinds of things I was interested in as a matter of career and of life. And later on he told me that that discussion had played some role in his decision to hire me.

MOSS: Now you came aboard somewhat after the inauguration, didn't you? A month or two afterwards.

SHULMAN: Yes, I came aboard, I think, exactly a month. My recollection is I came aboard February 20th. Just as an aside, the interview process with Goldberg was unusual because it mostly took place in his automobile. As he would be driven from one meeting to another, he would interview me in the car.

MOSS: What sort of things was he asking you? What did he expect of you as an executive assistant?

SHULMAN: I really don't recall that. My recollection is only of the circumstances but not the content. I just can't recall what it was that the interview indicated he was looking for, or what it was that I was trying to project.

MOSS: All right. Aside from that particular conversation in the car, when you came aboard, what sort of things did he indicate to you would be your responsibility, and why did he need you to do these things?

SHULMAN: Well, if I take that question instead in a more general sense in terms of what was the general role that he saw, I think that, in fact, now that I start thinking about it, it comes back to me a little bit. He had talked to me about the possibility of being with a special assistant or executive assistant, and he defined the difference as being that his executive assistant would be involved in some way in virtually everything that he did but not terribly deeply involved, whereas a special assistant might become very deeply involved in a limited number of projects. I felt that I would prefer the executive assistant role, which was basically to "try and keep things moving" as far as the secretary's office was

concerned.

As it developed, Secretary Goldberg was the kind of fellow who never gave very much in the way of instructions. He was somewhat like the swimming coach who teaches you to swim by dropping you in the swimming pool. The impression that I had was that his interest was that an unimportant problem not get to him, that a problem get solved before it got to him. If you succeeded in solving problems before they got to him, you were doing very well. If you didn't and they got to him, then he would come up with a solution, but they would require time and effort on his part and he was spread very thin in the early days.

MOSS: O.K. You've talked a little bit about this in what you just said, but how would you characterize his administrative style across the board with other people, with the assistant secretaries, and so on?

SHULMAN: He had a strange style, I would say. It was quite clear that he considered the Department of Labor his province. He wanted to have his stamp, basically, on anything significant that the department did. The result of that was the assistant secretaries were frequently coming in to the secretary's office in person or by telephone looking for guidance as to how he would like to handle something. The great difficulty with that approach was that he was most frequently not available. He spent a very great amount of time in labor disputes, as an example. He was out of the office a great period of time. One of the roles of the executive assistant, at least in the early days, was to try to answer some of these questions simply on the basis of default, not on the basis of being particularly equipped to answer them or on the basis of being justified to answer them, just because the question came in such a way that they had to be answered out of the secretary's office. When the secretary wasn't there, somebody had to say something. So, I found, I think in the beginning, my greatest surprise was to discover that I was making a number of decisions that at the time I thought were desperately important. I look back at them now and recognize they weren't terribly important at all. But in any event, that I was making decisions that I really didn't feel particularly able to make.

MOSS: What sort of things?

SHULMAN: Well, I'm not sure that I can come up with a good illustration on that or not. I really can't think of a specific instance. I can remember more the way the problems sort of came up. They were something like what position should we take with

regard to this issue. Then there would be three, let us say, positions, each of which was very close to the other. The effort was to try to take the one that was most consistent with the Arthur Goldberg or the John Kennedy style.

MOSS: What did you use for guidance?

SHULMAN: That's the part that I felt so strange about, because in the beginning there was no guidance whatsoever. Later on, one became very, very confident of what at least the secretary would want. I felt, let's say, after six months on the job that I knew exactly what Goldberg would want on virtually any question, which just came about by reason of the fact that after any number of these decisions might have been made, I would at some point get together with him and run through them so that there would be, if you will, a ratification taking place. I would see the secretary, I would say, on the average of an hour a day, and if you see somebody an hour a day for a few months and you talk constantly about issues and specific issues and how you decided them or how he would decide them or how you should handle them, you begin to get very, very familiar with a man's approach.

MOSS: O.K. Well, what sort of policies then began to emerge out of this almost trial and error process?

SHULMAN: Well, I think that the thing that Secretary Goldberg was most interested in at the time was reducing the unemployment rate. I think he felt more serious about that than any other single issue that he faced. He was unhappy with the words "labor surplus." That used to be the way areas were characterized: areas of substantial and persistent labor surplus, or of substantial labor surplus. He caused those words to be changed to areas of substantial unemployment or areas of substantial and persistent unemployment. I think, by the way, those words may have changed back since, but he could not accept the idea of a human being being surplus. His great concentration was on trying to do something for people who didn't have work.

The first Kennedy legislative victory was the temporary extended unemployment compensation bill, and Goldberg felt very, very strongly about that. He was very strong behind the Manpower Development and Training Act to try to provide skills so people could find work.

He talked quite a bit about whether public works might be a desirable course to produce work for people. But it was clear that that alternative was not a politically viable one right at the outset.



MOSS: O.K., why?

SHULMAN: I don't know why. It was clear to him. I guess he felt that the Congress was not about to go for a public works bill.

You know, while we're chatting here and have mentioned the temporary extended unemployment compensation law, I happen to have a piece of memorabilia on that which is kind of fun. In fact, it's right on my wall here. This is a statement that was written out long-hand by Secretary Goldberg in Senator (Michael J.) Mansfield's office just after the bill was passed. If you'd like I'll explain to you a certain part where he was crossing it out and trying to find what to say.

The statement says, "The administration is gratified that the Senate has rejected the Byrd amendment." That was an amendment that allegedly related to financing, but actually would have defeated the bill. "This clears the way for speedy adoption by the Congress of the administration bill to extend unemployment compensation benefits." I guess the victory was actually the defeat of the Byrd amendment. It says, "The Department of Labor has already completed preliminary work to speed payments to hundreds of thousands of workers who have exhausted their state benefits." Now at this point he had been talking as he was writing, and he spoke and wrote the words, "Checks for these workers will be available within two weeks." He wrote through the word "available," then he struck that out and said, "That's not enough, I want to say that payments will be made within two weeks," and he wrote the word "payments." Then the man who was going to be in charge of the program said, "Mr. Secretary, we can't possibly get payments to these workers within two weeks." So he struck off "payments" and he wrote, "Benefits will be payable two weeks after the signing of the bill." He considered it essential that it happened within two weeks. So he moved from "checks will be available" to "payments will be made" to "benefits will be payable."

That has some greater significance in describing the kind of fellow that Goldberg was. He was a fellow who had a great sense of impatience. I remember him in fact using those words, that a sense of impatience was necessary for progress. He wanted to get things done, done, done!

MOSS: O.K., so how did a man such as this who is impatient and compassionate, and so on, react to the whole haggling over unemployment statistics, for instance, that went on. The Wall Street Journal coming down hard on the figuring of unemployment statistics, and the idea that there was a labor demand side as well

as a labor surplus side?

SHULMAN: That whole area seemed not to bother him at all. To my recollection, he didn't react much at all to the haggling about his statistics. He was prepared to recognize that statistics might be better than they were; he did comment once or twice that he was not terribly happy with the way the Bureau of Labor Statistics operated. But he was satisfied there was a serious unemployment problem, that that was all that mattered to him, whether it was described with precise accuracy at 6 percent, or should have been 5.5 or 6.5 didn't really matter. What did matter was it was too much. I don't recall his having had a serious problem with regard to criticism about the accuracy of the statistics.

MOSS: All right, now you've said that this was one of his primary interests the business of lowering the unemployment rate. At the same time, he was heavily involved in strike mediation business, both at the same time. Now how did the man divide his work up and make it possible to do both?

SHULMAN: Well, with regard to the strikes, the secretary always said that he didn't like being involved in the strikes, that he thought he shouldn't be spending the kind of time that he was spending with the strikes. I must say that I always had a lingering wonder as to the total veracity of that. I'm sure that he consciously felt that the strikes and the time that they took were a diversion of energy that he should spend better in working towards improving the employment picture. But I have a feeling that subconsciously he enjoyed being in the strike situations because he was literally without peer at that activity. He had a simply marvelous way of being able to sense what it was that someone wanted. Once he had that, he was in a good position to put together something that people could settle for.

I think he got involved in the strikes to the extent that he did because he felt that the strikes were unacceptable. For example, the first day that I started working for him was the day that the flight engineers went on strike, and he felt that we just couldn't have a situation where the airlines weren't flying. Previous to that, he had been up to New York with regard to tug boats. Later on it was some other significant industry. Transportation seems historically to be the one that gets most involved. But he felt that these situations were absolutely unacceptable to the economy and all the other ways for settling the strikes did not result in settlements. So, naturally people came knocking on the door of the secretary of labor. Actually, what happens is they knock on the door of the president first, and

then through the president they get to the secretary of labor.

People, for example, in the longshore strikes, people who have goods rotting on ships complain. They want help. The secretary wanted very badly to get the strikes stopped, and he wanted very badly not to do it by injunctive processes, which I'm sure comes out of the fact that he had been a lawyer on the labor side. In fact, he had carried the constitutional challenge to the Taft-Hartley injunction when he was representing the steel workers. So, it was important to him to get these strikes settled as opposed to restrained.

Then there was, of course, that one famous case of the Metropolitan Opera (Association) which I gather was a case where Mrs. (Jacqueline B.) Kennedy caused the president to cause the secretary to get into the case. He did not want to get involved in the Metropolitan Opera case, and he didn't want to arbitrate it.

MOSS: You don't know the details of this, do you?

SHULMAN: I don't know the details of the role of Mrs. Kennedy, no. But I was present when the possibility of arbitration was discussed as a way of solving the strike. I remember it was the Metropolitan Opera Association, the company, that suggested that they would accept arbitration but only if the secretary was the arbitrator. I remember he was very unhappy about that. He didn't want to be the arbitrator at all, and that's not surprising. That wasn't a position that was likely to be a very happy one. But he did agree to do it and I have a recollection--I can't really put my finger on where it came from--of talking within the Labor Department about why did we get involved in that case in the first place, and being informed that Mrs. Kennedy was actually the basis for it. Of course, that has a high potential credibility; you know her interest in the arts.

MOSS: Secretary Goldberg has been criticized in some quarters for, in effect, making himself too available. The whole idea of preventive mediation and so on, getting the federal government into the act too early, too readily, so that the parties involved do not settle the disputes at the earlier stage. They simply wait, or escalate very quickly. How do you react to that criticism?

SHULMAN: Well, I think that reflects two factors. One factor is the initial judgment about what the proper role of government is in these areas, and the other factor is the judgment as to what is the best timing for the entrance of the mediator.

Now certainly there is a school, and I suppose that the present secretary of labor belongs to that school more than or as much as anyone, which holds that government should stay out of labor disputes as much as possible, perhaps stay out entirely, to the end that the parties themselves can resolve their own problems.

As you know from the newspapers, Secretary (George P.) Shultz is finding himself drawn into these disputes probably much more than he wants. Secretary Goldberg, in contrast, would agree that as a matter of principle it wasn't desirable for the Cabinet officer or for the president to be involved. But he would also feel as a matter of principle that it wasn't acceptable for the strikes to be unresolved. If you will, it's very much like the activist philosophy of judges. As a judge he had the same type of view.

So once he was prepared to recognize that it might be necessary for government to be involved, then the question of when he would get in was dictated not by the consideration of how he'd best stay out, but by the consideration of at what point are you most likely to be successful in mediation. One of the reasons that he was as successful as he was, was his very good sense of timing, of when he should get in. He exercised that sense of timing in two ways. One way was with regard to when his office should get in. People would be summoned to his office, but the actual mediation work would be done at one time by me, at another time by the undersecretary, at another time by assistant secretary (James J.) Reynolds. Secretary Goldberg would be present in the office but not necessarily at the table. He would pop in and out, or be available to be called, at the right time.

I can recall, for example, all night sessions at the labor department at which the secretary was in his office, up like everyone else, but not personally present, because his sense of timing told him that while it might be a good time for the government to be in, it was not a good time for him personally.

I should say one other word with regard to this intervention. The secretary felt very strongly that government intervention was part of the process of collective bargaining because he would cite the illustration of the Federal Mediation and Conciliation Service. He would say, here by law was a requirement that the government inject itself. He would point out that the Federal Mediation and Conciliation Service went in irrespective of the desires of the parties. Their jurisdiction was not a responsive one to an invitation but it was a demand of a statute. So, the question for him was whether or not the secretary of labor, or the president of the United States, should be involved in the collective bargaining process, not whether

or not the government should be involved. He was clear that the government should be involved by reason of the Taft-Hartley Act provisions on the mediation service.

MOSS: O.K. Within the government complex itself you have several agencies that get involved in the process. You've mentioned the Federal Mediation and Conciliation Service; you have the National Mediation Board; you have the emergency boards and commissions that the president creates by executive order and so on. How do these mesh and where does the secretary fit into all this?

SHULMAN: That was another interesting illustration, actually, now that you've got me thinking about the Goldberg personality. He clearly acted as though the director of the Federal Mediation and Conciliation Service worked for him. He oversaw the activities of (William E.) Bill Simkin in that role. Bill Simkin would come in to discuss with him what the best procedures were to try and solve this or that matter. This would be before he had intervened. This would be before there was any indication whatsoever that the secretary of labor was involved. Yet, in fact, or rather in law, the Federal Mediation and Conciliation Service is not part of the Department of Labor. Indeed, I have the impression--now, I'm not sure of this--but my impression is that it once was part of the Department of Labor and it was removed from the department by the Taft-Hartley Act. So that, in theory, the secretary of labor has no greater interest in labor disputes than the secretary of commerce. Theoretically, the secretary of labor would understand the labor problems and the secretary of commerce would understand the industry problems. But that theory never found any expression in the days of the Kennedy administration. It was clear that Secretary Goldberg was the man with regard to labor disputes, and the clarity of that was felt by Bill Simkin, the director of the Federal Mediation and Conciliation Service, so that he would to a great extent report to the secretary.

Now, subsequently, when the secretary was involved in the creation of the (President's) Advisory Committee on Labor-Management Policy, he was very careful to see that the secretary of commerce was brought in. But I'll get to that in a minute.

Let me go back and complete the answer with regard to the National Mediation Board and the emergency boards. The National Mediation Board exists with regard to specific industries, notably, the railroads. The Taft-Hartley Act exists with regard to the other industries. Theoretically, the National Mediation Board performs in its industry the same function as far as mediation is concerned, as the mediation service does in its industries. Now, in the railroad industry, the Mediation Board procedure is to have an emergency board established

when a strike takes place that gets out of control. In the other industries, under the Taft-Hartley Act, the procedure is to have a presidential fact-finding board appointed as part of the injunctive processes. But the appointment of an emergency board for railroads is the equivalent of an injunction proceeding under the Taft-Hartley act. The difference is that the mere appointment gives the issuance of the injunction. Strange that nobody really talks about the appointment of an emergency board as being an intervention. Yet they get very upset with the seeking of an injunction under the Taft-Hartley Act. Both acts are done by the president, and they're both done in a context where the strike has not been resolved. One holds the status quo for 60 days, that's the National Mediation Board procedures, and the other holds it for 80 days.

Now, beyond that, there was this tactic that the Kennedy Administration used which was the creation of ad hoc boards or commissions or committees which had dubious legal base. I can remember when we would be working on the executive orders that would create these committees. We weren't sure what to cite as the authority for doing it, and we relied quite heavily on the "by virtue of the authority vested in me as President of the United States," general expression. These committees worked not so much because they had power, but because they had visibility. They became almost an accepted phenomenon, certainly in the longshore area, the idea of the appointment of a special presidential committee. They worked to some extent, but they were a creature of the imagination, I think, of Secretary Goldberg and of the readiness of President Kennedy to try to bring an end to a strike. They certainly were not authorized by any specific legislation. They were executive action pure and simple.

MOSS: How do you evaluate them with hindsight?

SHULMAN: Well, I don't really know. It's very difficult to evaluate any of these acts because it's almost impossible to have a meaningful notion of what would have happened if a contrary course had been followed. The problem of all of these subsequent evaluations is that you are left with the events as they took place. Had some of these committees not been appointed, it's possible that strikes that were settled wouldn't have been settled. It's also possible that they would have been settled. It's just hard to know.

The thing that is wrong with these commissions--the thing that, I think, the secretary was most concerned about being wrong with these commissions--was the risk that they would become part of the collective bargaining plan. That's why the Taft-Hartley Act, for example,

was unsatisfactory, or the emergency boards and the Mediation Board proceedings, because the parties knew at the outset that they would be going through this whole system. Their strategy would have as a premise the fact that they would go through these restraining procedures, and it would be only after they were finished that they could get down to real bargaining.

Now, if the fact that the president would appoint one of these special ad hoc committees became such a matter of course that the parties could plan on it, then it too would become part of a pre-arranged procedure and couldn't contribute to the solution. I think that bothered the secretary a lot. I have the impression that this is the kind of thing that's bothering Secretary Shultz. It was this thing that made the arsenal of weapons theory for national emergencies groups such an attractive possibility, the arsenal of weapons being a buzzword to mean that the president could do any of a number of courses of action not because it was necessary that the president be able to cater the particular solution to the particular problem, but rather that it be impossible for the parties to predict what he would do, so they couldn't put it into their strategy. The secretary, at one point, was trying to develop a national emergency disputes proposal for the administration. My recollection is that the president said he would send up such a bill, and we were never able to come up with one.

But I remember so well a meeting that took place where the secretary met with representatives of management, and subsequently with representatives of labor, to get their views on what national emergency legislation might look like, or national emergency disputes legislation. The views expressed by the people were completely a reflection of the impact of the legislation on them. The people who represented airlines thought that we needed some new national emergency disputes legislation because you can't do an inventory of airline trips when there's a strike against the airlines; it really has impact on the airlines. People who represented some other industries who were quite powerful in comparison to their unions, thought that their present situation was quite satisfactory. That was something that Secretary Goldberg was very, very much aware of, that the law while written in terms that apply the same to everybody, in fact, applied quite differently to people depending upon what their particular power, vis-a-vis the other side of their labor-management dispute, was.

MOSS: You mentioned this arsenal of weapons metaphor. I was struck by it when I was going through some of the material because there's a parallel in the Defense Department in

the graduated response and conventional warfare thing. I wondered if this was a conscious analogy.

SHULMAN: That's very interesting, isn't it? I never thought of that until you just mentioned it. I think that they are not analogous, that Secretary (Robert S.) McNamara, whom I later worked for, used to talk all the time about preserving options. I think that his point in doing that was to try to enable a president, a nation to take any number of a range of actions that would keep it from being thrust into an ultimate confrontation, whereas the arsenal of weapons for the labor-management disputes area was designed, I think, really not so much for the purpose of providing flexibility, but really for the purpose of confusing the parties. The one thing that people seemed to be--by people I mean the secretary or the people who were talking with the secretary about labor disputes--the one thing that they seemed most concerned with was that the parties would take the governmental action as part of their bargaining posture because they knew what it would be, so that they could work it into their original strategy. I don't think the arsenal of weapons approach sincerely cared about flexibility, although, of course, those words were used to describe it. I think what it sincerely cared about was keeping the parties from knowing what was coming.

MOSS: I'm also curious about the use of a military metaphor. You got this same thing later in the war on poverty with target areas and this kind of thing, you know, that were straight out of the D.O.D. (Department of Defense) vocabulary.

SHULMAN: Isn't that interesting? That too is something I never thought about until you just mentioned it. Yet, I would suppose that today when everybody is as conscious of the undesirability of the military situation as they are, that the likelihood that the military words will be used in social programs is very remote.

MOSS: Yes.

SHULMAN: The arsenal of weapons was actually a word that had come into the lexicon quite a bit before the Defense Department, or, rather, the McNamara influence on the Defense Department, but I wouldn't be surprised at all if the military vocabulary that came into social programs reflected the success that Secretary McNamara was having in the early days with getting a hold of the department. For example, the word parameters, which is misused



by at least 50 percent of the people who use it, who use it to mean perimeter, started being used in the Pentagon. After a while everybody in the Pentagon used that word, and then after a while you could hardly have a conversation in government in which it was not used.

MOSS: Scenario was another one.

SHULMAN: Scenario was another one. Where they just caught on.

MOSS: Yes.

SHULMAN: But I suppose they did appear, now that I think about it, they certainly did appear in the civilian agencies and in the social agencies.

MOSS: Who would you say among the other Cabinet officers and so on were most congenial to Secretary Goldberg's style, personality, policies, this kind of thing? Who did he find it best to work with?

SHULMAN: I just have no recollection at all of his finding it difficult to work with any of them. As a result, I have no recollection of his having thought it particularly good to work with any of them. He seemed to have exceedingly good relations with all of the other members of the Cabinet. In fact, the extraordinary thing about Arthur Goldberg was that he had exceedingly good relations with the most unusual cross-section of people. He was very close with Barry Goldwater, as an example; they liked each other personally very much. Certainly you couldn't find a man more far apart politically. I can remember once they debated each other and it was just a very friendly event although the substance wasn't. He did have quite a bit of respect for Secretary McNamara, although he was unhappy about the fact that the Defense Department would contract with companies that had bad labor relations problems, which is an exercise that I got involved in, both in the Department of Labor and the Department of Defense. It comes up, I suppose, in every Democratic (Party) administration, and it comes up in any administration where there's a specific problem. There's always somebody who doesn't want some particular company to be able to participate in the procurement process because of its activities in other areas.

But he was, in any event, quite taken with Secretary McNamara, and he was very aware of the importance of the attorney general. He was most anxious to be cooperative with the attorney general, and he

respected him, too.

MOSS: You were mentioning a minute ago a point on the Labor-Management Policy Committee, I don't know whether you recall it now.

SHULMAN: Oh, yes.

MOSS: (Can you) Go back to it?

SHULMAN: He was very pleased with the Labor-Management Advisory Committee. It was the Advisory Committee on Labor-Management Policy, that's what it was.

MOSS: Right, right.

SHULMAN: And the reason I stopped to try to come up with those words is because they were part of the whole process, the finding of the right name for that committee was exceedingly important. He felt that labor-management relations could not succeed as the subject of a committee of that sort. Men might be willing to talk about policy, but they wouldn't be willing to talk about relations. And it was Secretary Goldberg's brainchild to have such a committee appointed by the president. He was very proud the day that the committee was announced. I can remember quite well what he said the day after the committee held its first meeting, at which I was not present. But he came back from the first meeting and I said to him, "How did it go?" And he said, "Do you realize that this meeting actually took place and it concluded and nobody walked out of it?" He was just as proud as he could have been that the committee did in fact meet. As you know, the committee went on to meet quite a bit, issued several reports and became an instrument of perhaps the development of policy in this area. He was very, very excited about the formation of that committee.

One of the interesting things about that committee, and I guess the one that showed most one of the reasons why he got along so well with his other Cabinet members, was that it called for an alternating chairmanship between the secretary of labor and the secretary of commerce, and that was his idea. He did choose to be the chairman the first year. Then it went over to the Commerce Department the second year. He felt quite clearly that the matter of policy was equally within the scope of the Labor Department and the Commerce Department although he also felt, as I indicated to you earlier, that when it came to the subject of labor disputes, he was the one who should be mediating the disputes. He never had any interest in having the Commerce Department engage in mediating disputes. But I ought to

quickly say, I'm quite sure that Secretary (Luther H.) Hodges never had any interest in having the Commerce Department get involved in the disputes either.

MOSS: Back to the unemployment thing for a minute, do you recall his reaction, attitude, towards the hassle between those who talked about structural unemployment and those who talked about simply getting the economy moving so that there would be more employment? Who stood where on the issues?

SHULMAN: I'm not exactly sure that I know what you mean by structural unemployment.

MOSS: Well, I think, the things like automation, and so on, that were endemic to the situation.

SHULMAN: Oh, yes. I think that he felt that the best way to solve the problem of unemployment was to create more jobs. I think that he viewed increased unemployment compensation, indeed, as a way of doing that, as well as a way of keeping people from starving to death. He felt that if you created additional buying power, that that would make itself felt in additional production needs. So, he would have sided, I think initially, on the side that you needed to get the economy moving to have more jobs.

But he also was terribly aware of the problem of automation. The tack that they used to take in those days was that automation created as many jobs as it displaced. For example, somebody has to make the machines that do the work, or somebody has to program the machines. The great problem was that the jobs that are created bore no resemblance whatsoever to the jobs that were displaced. So, for that reason, he focused very much on the question of retraining in order to try to provide a way (Interruption)

Getting back to this question of training and automation, he didn't really think that the people that were going to get the training out of this Manpower Development and Training Act would be trained to do the jobs that automation created. But, I guess he really felt that there would be a domino type effect, or the reverse of that, a series of uplifts at each successive layer involved in the replacement of jobs by automation.

To show the relationship that he saw between automation and training, he created an office called the Office of Manpower Automation and Training, OMAT, which was subsequently abolished. But he

definitely saw automation and training as being related to each other. But I don't think that he viewed automation as much of a problem as he viewed the need to create jobs as a necessary solution. Automation was certainly a problem and training was certainly something that could help to alleviate it, but in the final analysis there had to be more jobs for people to have.

MOSS: Well, on the broader scale that's certainly true, but you get the--I suppose, technological advances rather than automation is the proper word--you get the situation in the railroad business with the work rules, where technology was such that you didn't need as many men to run the locomotive, and the unions were very sensitive to the whole job security question. So, as a practical thing, this does have a consideration.

SHULMAN: Now with regard to that he did feel that we should be-- by we, I mean the administration--should be in favor of automation, should be in favor of technological advance, should be in favor of all of the improvements that could be made in the economy. But he also felt quite clearly that we should not do that at the expense of the worker who was to be displaced. He felt that the proper way for the automation issue to be met would be that the company that would introduce automation would do so in an agreement with its union. It would call for the introduction of the automation, and it would also call for the protection of the workers who were being affected by the automation. He thought that unions that struck to try to prevent companies from introducing automation were being short-sighted, and he thought companies that tried to introduce automation with no protection for the workers were being shortsighted. He felt that each of them should try to find agreement with the other so that the automation and technological advance could take place, but so that the employees could also not suffer.

MOSS: You ran into this in the longshore business too with mechanical loading and gang sizes, and this sort of thing.

SHULMAN: Yes, this took place in the longshore, and I have a feeling that he used to cite the Pacific maritime association contract where they had made some sort of agreement which involved introducing labor saving devices but also involved protecting labor. He considered that quite a good thing.

MOSS: We've been talking sort of around the railroads' work rules dispute. Of course, this was a holdover from the previous administration; it had started earlier. Do you

recall how it first manifested itself to the new administration, the circumstances?

SHULMAN: I can't recall.

MOSS: O.K. (Interruption) It was shortly after you joined the Labor Department that (James P.) Mitchell resigned as the commissioner, the head of the Railway Commission and was replaced by Judge (Simon H.) Rifkind. Do you recall the circumstances of this? How Rifkind was chosen? There were some other names involved: Russell Smith, John Dunlop, Francis Robertson, Charles Myers-- all who were possibilities for the job, and Rifkind was finally chosen to replace Mitchell. Mitchell had resigned because he was running for governor of New Jersey.

SHULMAN: My recollection on this is quite hazy, but I do recall this to some extent because I can remember worrying with Judge Rifkind about the question of how this would affect his ability to represent clients in his law practice. He had problems involving the government, and was worried about certain conflict of interest statutes. And I can remember talking with (Nicholas de B.) Nick Katzenbach, who was then the assistant attorney general for the Office of Legal Counsel about this. My recollection of the event is that Judge Rifkind was chosen by Secretary Goldberg, or selected by Secretary Goldberg and chosen, I guess, by the president, on the basis of his being an exceedingly able man, and one who did not carry into the post any previously identifiable position. But I'm just very hazy.

MOSS: O.K. Do you recall the Supreme Court decision in the Erie-Lackawanna (Railroad Co.) case, in which they held the union argument that the railroads must protect jobs of employees upon merger was thrown out, and the reaction in the Labor Department to that?

SHULMAN: Nope.

MOSS: O.K. To what extent in the time that you were in the department was the question of compulsory arbitration in the railroad dispute considered?

SHULMAN: Can you tell me when it was that the Railroad Commission filed its report?

MOSS: The commission was set up in November of 1960 and the report came through in February, 1962. The recommendations

were accepted by the carriers, even though they said they didn't really like it, they said they could live with it. The employees, the unions rejected it, and this was followed by Emergency Board Number 154 that was set up in April of 1963, sometime later. Then the whole legislation business with Public Law 88108 followed in August of 1963.

SHULMAN: I think that the question of compulsory arbitration meaningfully arose after the emergency board failed or at around that time which would be in 1963, and by that time Secretary Goldberg was already on the (Supreme) Court. I have a recollection of having talked about the railroad legislation with him when he was a justice and I was in the Defense Department; I mean, just as a matter of a social visit. But I can't recall his position on it then, and I have no recollection of having been involved with this in the Labor Department.

MOSS: Of course, it was considered at one time that he might be the arbiter.

SHULMAN: Yes.

MOSS: He was suggested as a possible arbiter.

SHULMAN: This was when he was a justice?

MOSS: Yes, this was when he was a justice.

SHULMAN: I seem to have a recollection of his thinking that that was exceedingly improper.

MOSS: Certainly Chief Justice (Earl) Warren did. He happened to be in Holland at the time and was contacted, and said he didn't think it was a good idea.

SHULMAN: I have that recollection now, that Justice Goldberg thought it would be clearly improper for him to be the arbitrator, but I'm just completely vague on this.

MOSS: O.K. I'll tell you what. I'm going to have to get this thing back to the office, we're almost at the end of a reel here.