

HOSPITAL
ADMINISTRATION
ORAL HISTORY
COLLECTION

Lewis E. Weeks Series

Wilbur D. Mills

WILBUR D. MILLS

In First Person: An Oral History

Lewis E. Weeks
Editor

HOSPITAL ADMINISTRATION ORAL HISTORY COLLECTION
Lewis E. Weeks Series

Produced in cooperation with
Library of the American Hospital Association
Asa S. Bacon Memorial

Sponsored by
American Hospital Association
and
Hospital Research and Educational Trust
Chicago, Illinois

Copyright (c) 1983 by Lewis E. Weeks. All rights reserved.
Manufactured in the United States of America

Lewis E. Weeks
2601 Hawthorn Road
Ann Arbor, Michigan 48104
(313) 662-4298



W1bur D. M11s

CHRONOLOGY

- 1909 Born at Kensett, Arkansas May 24
- 1926-1930 Hendrix College
- 1930-1933 Harvard Law School
- 1933 Admitted to Arkansas Bar
 Began practice in Searcy, Arkansas
- 1934-1938 Bank in Kensett, Cashier
- 1934-1938 White County, county and probate judge
- 1939-1976 U.S. Representative from Arkansas
- 1958-1976 Committee on Ways and Means, House of
 Representatives, Chairman
- 1977- Shea & Gould, tax counsel

MILLS:

I was born May the 24th in 1909, in a little town in Arkansas named Kensett. My father came there as superintendent of the schools, and left that job shortly after he married to take over a business that he had bought a half interest in for \$500--money that my mother allegedly had when they married. Later on he bought the other half of the business, but mother began to work in the store in March--about March the 15th, I think, of 1907. He completed his school year; she had to work to represent him in the partnership until he could get through with his school sometime in the month of May. He took off from that point and was very successful in a financial way during his lifetime. I grew up in this small town. I went to high school in the county seat because our school was not accredited; the Searcy High School was accredited and I wanted to go to college. On graduation from high school, I went to Hendrix College and upon graduation went to law school at Harvard.

In 1933 I came home from Harvard Law School in the midst of a depression and my father met me at the train about 7 o'clock on Monday morning and handed me the keys to the bank and told me that I had to open the bank, that the cashier of the bank had quit on Saturday--the Saturday before--that I had to go and take over the bank; I could practice law after I got my license and all

but in the meantime I had to run the bank. So, I stayed there until, I think it was January 1 of 1936. In the meantime I took my bar examination in July and was notified that I had passed it and was admitted to the bar in November of 1933.

I came home with the idea of getting into politics. In fact, from the time I was eight or nine years of age, I had one ambition in life and that was to go to Congress and be on the Ways and Means Committee. Perhaps, in time, if I lived longer than anyone else, maybe I could get to be chairman of the committee--if my constituents left me there, of course. Everything I did, really, was preliminary for running for Congress, was to prepare myself to serve in Congress. Anyway, I ran for an office, County and Probate Judge it was then called, in 1934. I was elected. I ran against a man who had been in office I think sixteen years; no one had ever come close to him. I organized all the young people, and got the mothers for me and people who wanted to see their sons do something in life; made quite an appeal to them and won by some 400 votes out of 16,000 votes cast. It was a very close race. Then I had no opposition for the second term in 1936.

My predecessor in the House ran to succeed Senator Robinson in 1937, after Robinson's death in July of that year. So, a vacancy was created. I tried to get the Governor to call a special election and he would not do it; Carl Bailey was then the Governor. I had offended him. I had supported my predecessor, who was elected to the Senate, John Miller, who later on was appointed a Federal District Judge in Ft. Smith, Arkansas. The Governor was determined not to accommodate me, so he refused to call a special election.

My district was without a representative in the Congress from about November 1937 until I took my seat January 3 in 1939. I ran in the regular

primary and in the general election in 1938 and succeeded in winning. I ran against a man who had run against my predecessor in 1936 and who came close to beating him and everyone thought, of course, he would win. I was the underdog and, again, organized a lot of the young people, the mothers, and people like that for me and succeeded in winning.

I had an opponent in 1942 who had been in World War I and belabored the point that I was not in service, criticized me for not being in and so on. But, I carried his home county and he didn't get very far in the campaign. Then, in 1944 I had a very strong individual running against me--a member of the judiciary in our state--a circuit judge. He probably could have been elected had he run in 1930 when my predecessor ran upon the death of Congressman Bill Oldfield. He didn't do it then. He waited too long. We had another individual from his own county--a man named Bill Thompson who was a lawyer--who also ran. He didn't take a very active part in it; made no real effort. So, it was between Judge Bone and me. Judge Bone carried his own county and a couple of other counties out of the twelve, but we succeeded in winning again. Then I ran without opposition until 1966. I had an opponent who was a psychiatrist, he was a young fellow; really didn't amount to too much as a politician or as an opponent. But, very astutely, they put a person in the campaign, who had been a member of the city council in Little Rock by my same last name--Mills--no relation, but a fine fellow. That was done to confuse the voters, but it turned out that the people who knew my last name, practically without exception, knew my first name. I had gotten myself well known, apparently, after a short period of time. Anybody who knew the name Mills associated the name Wilbur with it; only 1% didn't. I was worried about

the confusion it might cause, but after this survey was made we relaxed a little bit and had no difficulty in being re-elected.

Then I ran until 1974 without an opponent, that election I had a woman as an opponent, a Republican, of course. But that was after I had begun to have some troubles. So, I had very little opposition while I was in Congress. It gave me the opportunity to devote more time than otherwise would have been the case to the work of the committee.

Now, when I arrived in Congress, I came, of course, with the desire to be on the Ways and Means Committee. I didn't know how to go about getting on it. I didn't know I was supposed to talk to Sam Rayburn and John McCormack, the Speaker and Majority Leader, but I did know that I had to have Northern votes. So, I worked an arrangement with a New York City Democrat and also to get a northern member to run, Walter Lanch. So he and I ran together. I was to deliver votes from the South to him and he was to deliver votes in the North to me. That was my idea of the way you get elected. But, I didn't know the Speaker and the Majority Leader would have a ticket of their own. So, we really ran against their ticket and were both defeated, of course.

After the caucus, at which I was defeated, Mr. Rayburn came to me and said, "Why didn't you tell me you wanted on the committee? I would have put you on my list." Just that simple. And he promised me that next vacancy on the committee. I turned down the next vacancy because that resulted from the death of a Pennsylvania member who was also Majority Whip at the time. I thought Pennsylvania was entitled to the spot; they had more Democrats. So I stood aside; he told me I could have it but I stood aside and Mr. McGranery was elected. He was later the Attorney General under President Harry Truman. Mr. Healy, of Massachusetts, resigned later to take a position as federal

district judge in Massachusetts, appointed by President Roosevelt. Then John McCormack told me that I shouldn't turn that one down, that I could represent Massachusetts as well as Arkansas. It was his old spot. He had been on the Ways and Means Committee himself. So, I did tell the Speaker that I would take that spot and I was put on the Committee then without any opposition. That was in October of '42; I've forgotten the exact date. Around the fifteenth I think.

I was told by everyone in those days that my job was to learn the jurisdiction of the committee, and that took a lot of work. So, I undertook to memorize the Internal Revenue Code, and almost did, I guess. I spent an awful lot of time studying it, and Social Security legislation, reciprocal trade legislation, debt legislation, welfare programs, unemployment compensation, all these matters that were within the jurisdiction of the Ways and Means Committee. I was told that if I was to have any influence in the House, it would depend upon the members feeling that I had knowledge of the subject matter superior to their knowledge, that my judgment was sound and so on. If I developed that kind of reputation, then people would follow me in my presentation of legislation. So, I endeavored to try to do that. I think that still works. Too often members nowadays are so busy on other matters, the matters that are required of them by their constituents, like being the secretary of every Chamber of Commerce of every little community in your district, doing the things they would have you do here, to have very little time any more to study legislation. That's to be regretted. The primary purpose is to legislate and to vote on legislation, pass judgment on it. In those days we had less demands on us and I had more opportunity really to study than members today have.

Finally, I got elected chairman of the committee on January 3 of 1958. Jere Cooper became chairman as the Democrats took over in the Congress previous to that. Let's see, that would have been in the election of 1954. He became chairman January 3, '55 and died in December of '57. We were not in session. So, when we came back I was elected chairman of the committee. Mr. Cooper served almost three years as chairman. Jere was a great fellow, a tremendous influence on me over the years along with Mr. Doughton and Mr. Reid and Mr. Knutson who were chairmen. I always tried to observe what they were doing. If what they did succeeded, I tried to emulate it and make it my own method of procedure. If they failed, I didn't want to try it. I didn't want to use it. So, what I had done over the years was to follow the actions of the chairmen that preceded me, as much as really studying the legislation and jurisdiction of the committees. It worked out all right.

The very first bill I had on the floor as chairman had to do with the extension of the unemployment compensation program--for the federal government to pay an additional amount. Employers would pay back then over the year the amounts that we had spent out of the fund. It was self-supporting, but there was a delay, of course, in the return of the money to the Treasury. At any rate, this was a program that President Eisenhower had recommended when he found himself in a downturn in business beginning in the fall of '57 and extending into '58. His party members on the floor were adamantly opposed to it. I didn't think I could pass it. I knew I couldn't in a straight frontal approach. So, we included it in a separate title that had to do with the granting of unemployment compensation to people who were not a part of the workforce even, who had not received anything under the state programs. So, when I went to the Rules committee--I'll never forget Judge Smith who was

chairman of the Rules Committee--he belabored me greatly for advocating the British dole system. Really, I wasn't at heart for the program at all, but I was trying to get the attention of the membership off of the thing I wanted on to something that we didn't want, so I suggested to the Rules Committee that they provide a rule that would permit this title to be stricken and they did. And Sid Herlong offered the amendment--a Democrat--to strike it. I got concerned when we had our record vote because for a long time the nays were running ahead of the ayes. It looked like the House was going to adopt it. I had quite an argument for it. I had to. I'll never forget Mr. Rayburn and Mr. McCormack were both absent and they told that they purposely left because they didn't want to see me slaughtered. I've forgotten what the vote was on it. You can check that, but it wasn't as one-sided as they had suspected maybe it would be.

I know I wasn't for it. In talking to a member I said, "Maybe your district would have you vote 'aye' on this amendment to strike this provision."

I got a little bit concerned that it might carry at one point, and I didn't really want it to carry. We passed the program then--overwhelmingly. The record would show that the first bill I brought up was amended.

The only bill that I ever lost, that I can recall, was a debt ceiling bill; Henry Fowler was the Secretary of the Treasury, and he wanted a debt ceiling of 365 billion. Johnson was the President. I didn't think the House would take an amount like that and I told him that I didn't think we could win on it. But, he asked me to try. I thought so much of Henry that I didn't argue with him about it, I just went ahead. I didn't even check the House. We got beat by a few votes. And the next week we brought the debt ceiling proposal our for 358 billion permanent, 7 billion temporary. We started the

temporary arrangement. The House took that. It's a strange thing about legislation. Depends largely upon the way you address such matters as to whether the House will take it or not, and timing was always very important. It wasn't necessarily a question of timing here, it was just that they didn't want 365 billion dollars of permanent debt ceiling attached to their record--of having supported it.

The next, really important matter that came up had to do with a program that President Kennedy sent us in 1962 providing for the investment tax credit and some modifications of the law, some changes within the structure of the law. It had nothing to do with the tax bill that came later--the big tax cut. But we passed that in '62 and we passed the Social Security Bill, I mean, the Congress did in '62. We also passed a trade agreement bill. I'll never forget that. I met with President Kennedy sometime early in January--I guess it was around the first of January '62. He outlined to me--he'd had me flown up from Arkansas so we could meet--and I'll never forget some of the magazines referred to his treatment of me as though I was a foreign potentate. They couldn't understand why he was showing that degree of cooperation and interest in me. At any rate, he was going over what he proposed to call on the Congress to do in the way of a program. He said that he would have included in his program a recommendation for the continuation of his authority to negotiate further reductions in duties but that one of the members of his cabinet had told him that Congress would not pass such a program in an election year.

I said, "Well, Mr. President, what authority do you want?" He outlined the authority that he wanted. I said, "I think the House would pass it, Mr. President. If you will send it up there, I think I can guarantee that the

House will pass it. We may not pass it in the same detail that you want, but we can give you by-and-large the authority you are talking about. We may dress it up a little differently, do something that is not really basic to what you want. We may have to make some changes, but I think the House will pass it... I don't know what the Senate would do."

He said, "Well, if the House would pass it and pass it by a good enough vote, maybe the Senate would pass it."

So, anyway, he included his request for continuation of reciprocal trade agreements following that conversation. We did pass it that year by the largest vote that the program had ever received, as I recall. I think I'm right on that. You remember Cordell Hull was Secretary of State, Roosevelt was President, when they started the program. I voted first for it in 1939 when I first came--not yet a member of the committee. I was always for it. What we did that helped to get those votes was to create, under the President, the Office of Special Trade Representative. The person who occupied that position was to be given the rank of ambassador, the status of ambassador.

We were trying to get away from the idea that the State Department should run it. The feeling in the Congress was that the State Department would trade economic advantages here for political advantages abroad--that we were not getting economic equivalence in our trade, in other words. This was the feeling, whether it was right or wrong, in the Congress. They also had the feeling that Roosevelt had more or less let the State Department do it, that he had not really watched it as closely as he should. He was busy on other things. We wanted a person who was directly responsible to the President, who would have to report directly to the President, who the President would be conferring with enough to keep up with and know what was going on. Well, this

was really, I think, the key to the success of the passage of it. Then the Senate took it up and passed it as well.

So, in that one year we did three things that were major within the jurisdiction of our committee. Succeeded in passing all three of them within the course of twelve months. Never before had it happened, and hasn't happened since. When President Kennedy was assassinated I think he would have said before he died that most of his legislation that he did get out of the Congress originated in the Ways and Means Committee. Now, I had a great respect for the fellow. He was one of the most humble persons I've ever known in my life. When you talked to him he would accept your recommendations, he would go along with your thoughts and he was not the kind of a person who had to have his way all the time. He was a great person.

WEEKS:

He had a great respect for your ability.

MILLS:

It was really a great privilege to work with him. We were very close, in fact. Not socially, but we were close in our work... I was down there an awful lot, practically every afternoon, talking to him about something.

The next really big thing was the tax reduction bill that we passed finally in '64. You remember the House passed it in September of '63. He and I went to Arkansas around the first of October to dedicate a dam in Arkansas and to stop in Little Rock. It was on that occasion that he asked if I wanted him to sing "Down by the Old Mill Stream." You remember that song probably. But he also--this is a part that had not been said or known anywhere--when he accepted the invitation, he said, "Well, let's make more than just one

appearance down there. If I'm going to be there, can't you arrange something in Little Rock where I can speak at Little Rock as well?"

He didn't think he would have many people out there at the dam, I guess. But we had a big crowd at both places. A bigger crowd in Little Rock. They were very receptive. We landed at the Little Rock Air Force Base. Of course, all of us had to change our shirts. We were hot in Arkansas in early October. We had to change our shirts before we landed in Little Rock. He made a powerful impression there.

I forgot where I was. Oh, talking about the big tax cut. It's interesting about that--how it developed. Kennedy had run on the platform of getting the economy moving, you know. He was convinced that the burdens of taxation when you're going uphill sometimes have to be reduced in order to enable you to get uphill. So, he wanted really staggering amount of tax cut--both for business and individuals, but primarily for individuals. Dillon was the Secretary of the Treasury. Doug and I were not for it. We were concerned about just a straight cut; the effect that it would have. And we suggested to the President--Doug did, I guess, somebody did--in the Oval Office one day after we had a meeting in the cabinet room with all these economists from all over the country, from the schools, from the business community, the labor community and from government, where they were unanimously advocating this tax cut. They came to Doug and asked Doug if he thought he ought to do it. Doug said, "No."

The President asked me about it and I said, "Mr. President, I wouldn't undertake to pass it." We,, he adjourned the meeting and said, "Let's come back in 30 days."

This was in July, as I remember of '62. Someway or other it came up that we'd better--I forgot who brought it up but somebody suggested to him--we'd better find out what the reaction of European bankers would be to a tax cut that would do nothing more than create a deficit. So he selected Mr. Hayes, who was then the president of the New York Federal Reserve Board, to make that survey for him. He came back very quickly with what Doug and I were concerned would have been the case. The European bankers said they viewed it as nothing in the world but an effort to create a greater deficit. It would scare them and they'd be nervous about it, and it might cause a run on our gold.

Then he said, "What will we do? We've got to do something."

I said, "Mr. President, why don't you come out for tax reform? One of the basic ingredients of tax reform is reduction in rates. You pick up some revenue but you don't make it all up."

He said, "Well, that may be. It was said by Doug or me, "Why don't you get Mr. Hayes to go to Europe and find out what they'd think about a tax reform?"

Mr. Hayes went back. This was the reception he got: "Well, we've wondered all along why you wouldn't reform your tax laws. They need reforming. We go along with that."

"Even though there is deficit?"

"Oh, yes, but if you do it in the nature of a reform we will accept it."

During this time the President spoke at the Economic Club in New York in December and he asked me to come to Washington. I was at home and I came back to Washington to help with his speech on that occasion. Sorensen was writing this speech and I think perhaps disagreed with me on some of the things I said, but the President took my suggestions and included these things in his

speech. It went over big, you know. He was going to recommend to the Congress tax reform and used some of the words that I had suggested that one of the things about tax reform was to adjust the rate structure. He was including that. The bill that he proposed would lose 11-12 billion dollars. Well, that was a staggering amount when you think about spending less than 100 billion. The gross national product was much less than it is now. We had our hearings on it. Finally passed it towards the end of September in 1963. I had a little preliminary statement about the purpose of the bill, if you remember. First time a bill had ever had that. I thought that was good, but I thought I'd have to sell it. It went over big. Then after we passed it in the House, the President was concerned about the Senate. He'd been a member of the Senate....

WEEKS:

He asked you to talk to Senator Byrd?

MILLS:

Yes. I did talk to Senator Byrd. I found him not adverse to the idea, but he didn't like deficits, you know, and this would create a deficit. He had a question, not about the willingness to hold down on spending as Kennedy has promised he would do, but of his ability to do it. He didn't move forward with it that fall. Then, of course, the President was assassinated in November, Johnson took over and Johnson succeeded in getting the finance committee finally to consider it and report it out and the Senate to pass it in February, as I remember, in '64. I believe it was February. It became a law anyway when he signed it. I knew Senator Byrd...I talked to him several times about it and of course, we talked in conference about it.

WEEKS:

He was chairman of the Senate Finance Committee?

MILLS:

He was chairman of the Senate Finance Committee at the time, Senator Byrd of Virginia. He still did not believe that it would be possible for us to--for Johnson, or maybe Johnson wouldn't be willing to carry out Kennedy's commitment to all of us. What Kennedy had promised was that he would submit a budget for the upcoming fiscal year when Congress reconvened of not more than 98 billion dollars. The idea that we had was that if we would hold the line on spending, that line on the chart remaining level, our revenues, if our economy grew as we anticipated, would increase so that some time or other the two lines would cross and we'd have a balanced budget. We predicted we'd have the balanced budget in fiscal year '67. This was fiscal year '64 that we were thinking about the 98 billion budget. Anyway, after Kennedy died, President Johnson took over. Johnson was calling me from Washington, I was at home. He was telling me it was utterly impossible to bring the budget down to 98 billion. Could get it down to 106 1/2, would that satisfy?

I said, "No, it would mean you wouldn't get a tax bill, Mr. President."

He called me back, he had gotten it down to 103 1/2, to 101 1/2, and finally he called me with his usual introductory remarks of S.O.B. "I've outdone ya."

I said, "What have you done?"

He said, "I will submit a budget of 97.9."

Well, that year we actually spent about 96.

A remarkable thing happened in Johnson's administration and very few people remember. We had a deficit in one year of 30 billion dollars and a

surplus the next year of 2 1/2 billion. That came later on. People have overlooked that... In fact, it was our last year with a surplus. At any rate, the economy did take off as a result of the tax cut. Johnson ran in '64, was re-elected in his own right. Then he announced to the Congress his desire to pass everything that Kennedy had advocated. Had Kennedy lived, I don't think his would have passed. I don't think Kennedy would have pushed it like Johnson did. They were two different kinds of people. Not that Kennedy wasn't for it, it was just that Johnson was far more tenacious about things like that.

WEEKS:

Wasn't there a tremendous wave of sympathy there too?

MILLS:

There was a tremendous wave of sympathy that helped to pass it, of course. Here Johnson had been elected as his own man and swept into the Congress with a two to one majority. Many things were passed that wouldn't of otherwise passed so quickly, including Medicare/Medicaid. The education program that Kennedy had espoused we passed without any trouble.

Our spending in September of '65, therefore, was way, way over the level of '64--September of '64. I've often said that's when inflation really started. It took a long time for it to amount to anything. But this was a tremendous increase in a short period. On top of all of that began the Vietnam war that none of us knew really was happening. We certainly had no idea of what the cost would be in human life or in dollars. The war prevented the balancing of the budget that otherwise would have occurred, that actually would have occurred in fiscal year '66. That was two fiscal years down the road. But it didn't happen. Later on Johnson was advocating a 10% across the

board income tax surcharge. We wouldn't give it to him because we were convinced, on the basis of his record and everything else about him, that if we gave him that additional money he would just spend it. He would not reduce the size of the deficit anyway. So we tried to elicit from him a commitment such as Kennedy had given us, that if we gave him this additional revenue he'd hold the line on the budget. He couldn't figure how he could do it. So, we finally passed legislation that required him to do it. Here again, we required him to reduce, under the predicted level of spending, about 6 billion dollars. He reduced it by 8.2 billion. That's the year that we ended up, finally, with a balanced budget. And it was due primarily to the fact that he did cut back on his anticipated rate of spending. The revenue wouldn't have done it. But, we did have a surge in the economy; we had a lot more revenue than we initially thought we were going to get because of the increase in economic activity.

Strange thing, just how little we used to know about the effect upon the economy of either increases in taxes or decreases in taxes. You can't have adjustments of any size within your tax structure without having some effect, one way or another, on your economy. Used to be they never thought of that.

I remember the story they used to tell about Secretary Andrew Mellon; he was Secretary of the Treasury about eight years in the 1920s, you remember. They wanted to retire about a billion dollars of World War I debt each year--not more than that--so as the revenues would exceed it he would recommend to the Congress a tax reduction. Congress would enact it. Each succeeding year, with lower rates, the country got more revenue. Mellon couldn't understand what was happening. I know I had many people that worked with him tell me that fact when I first came to Congress.

They said, "Now we know, but then we didn't realize the impact of the tax structure."

We know it now, but one of the things that I had found over the years is the desire to use the tax structure, not for just economic purposes but for so many social purposes. We have so many provisions in the law today that tend to complicate the law a great deal. Not for any purpose of revenue raising or reducing revenue but for purposes of social....

WEEKS:

Transfer money, you mean?

MILLS:

Oh, all these kind of things. Well, it's a social matter really, to encourage people to own homes, you know. So we provide for the deduction of the interest from income tax in the payment of a home. Many, many things like that, we've written in that have more to do with a social desire than with the economic, or desire to raise revenues. All of these things have happened and they've resulted in a material complication alone.

I think I've talked long enough. Maybe you've got some things you want to.....

WEEKS:

You know, we people who are in the health business naturally always think that health is the only thing...health legislation is the only thing that's...

MILLS:

I haven't discussed that yet.

WEEKS:

But, I think many people don't realize all the things.... Well, we know but we don't articulate it in our own minds, I guess, the fact that health legislature was only a minor part of the job you had down here.

MILLS:

Well, it was a major part. I would say it was a major part. Just one part. We had many, many parts in our total responsibilities.

WEEKS:

May I go back as far as when you came to Congress in the days of Franklin Roosevelt? I've heard many stories about how Roosevelt would have liked to have included health insurance in the original Social Security but he thought it wouldn't pass if...

MILLS:

That happened before I came here. I've heard the same thing. I can't verify that.

WEEKS:

Somewhere I ran across the fact that before he died, in '44, I think in his state of the Union speech, he made an appeal for some kind of health legislation...

MILLS:

Died in '45, you mean.

WEEKS:

Yes. It must have been shortly after his election or about the...

MILLS:

Let me tell you this now about Roosevelt. Roosevelt was considered to be a wild-eyed spender, you know. One of the first times I ever had a conversation with him I was called to the White House from a conference that I was in. I was not entitled to have been in it. Mr. Doughton got some other Democrats to step aside so I could serve on the conference. That was in 1943. Now, I'd been to the White House and talked to him on other matters

before that, but this was the first time I was ever called on legislation. The call resulted from the fact that I had offered a compromise in the conference. He had advocated a variable grant for welfare. Senate wouldn't take it. Taft said it was contrary to his principles. Others in the Senate felt the same way about it. They wanted to do nothing more in the Senate than to increase the total dollar amount of federal participation--\$20 to \$25, something like that, whatever it was in the way of federal money--that didn't help. I suggested that we pay \$10 of the first \$15 in this compromise. I was called to the White House about it. The President was quite irate at my suggestion. He asked me if I realized what I was doing. He said that I was beginning a course of action that would ultimately lead to federal bankruptcy. He went on to explain it and said if it's \$10 out of the first \$15 this year, next year it would be \$15 out of the first \$20 and so on, and the next thing you know we'd take it over. Whenever we do, we'll not be able to finance the government if we have to shoulder the entire cost of welfare. He asked me if I wouldn't withdraw it.

I said, "Mr. President, I can't. It's up to the Senate. If the Senate accepts it..." I mean the House had already accepted it. I said, "If the Senate accepts it, I've got nothing to say about it, it's their move."

"Well," he says, "there's nothing that's impossible."

Anyway, we got back in conference the next morning and before I could open my mouth, Senator George said, "We slept on this and we're willing to accept it." So, it went into law.

Roosevelt was right about it because then Senator McCarran of Arizona got to offering this increase every two years. We went to \$10 of the first \$15, to \$15 of the first \$20 and finally got it up to where we were paying \$34 out

of the first \$40. Roosevelt was so right about the precedent creating the problem later on. We were shouldering too much of the welfare costs, many of us thought. If you eliminate local people from the responsibility of the cost and still let them run it, they're not going to be quite as accurate and careful in what they do as if their entity of government is having to pay for it. At any rate, he never talked to me the many times I was there with the chairman, never talked to me about health insurance at all. Never did.

Truman did. After Truman became president he was very strong for a national health insurance program. He and Claude Pepper. When Claude was in the Senate, you know, and Murray of Montana, as Senators introduced it, as I recall.

WEEKS:

Yes, Murray and Dingell.

MILLS:

Dingell was in the House. John was on the Ways and Means Committee.

WEEKS:

He was on the Ways and Means Committee?

MILLS:

Yes, he was on the Ways and Means Committee when I first went on. That was why when Johnson wanted to sign the Medicaid/Medicare bill, he wanted to do it with Truman...

WEEKS:

Yes, I remember. He went off to Independence...

MILLS:

He went off to Independence to the library. I was way back in the back. There is an interesting sidelight of that. Pictures that were made show it.

I was standing with Humphrey, Hubert Humphrey--Hubert was Vice President--and Mike Manfield in the back of the stage. Well, Johnson wanted to give Truman the first pen then he wanted to give me the second pen. I didn't hear the President calling for me. Finally Truman reached over, got my hand, led me up and he says, "Now, when the President calls on you, you come forward right quick." We all laughed. They took a picture of all that. I was talking myself and wasn't paying any attention.

WEEKS:

I. S. Falk and Wilbur Cohen were both in on those early Wagner-Murray-Dingell...would you like to talk a little bit about those two men? I've got to talk to I. S. Falk yet. We've agreed, but we haven't...

MILLS:

I never knew him quite as well, of course, as I knew Wilbur, but I can talk about Wilbur Cohen. Wilbur Cohen was one of the most astute individuals I'd ever known in the government, and one of the most helpful to us all the way through. He was always very honest with me in answering questions. I'll never forget--he was Secretary, I guess, at the time--and I said, "Mr. Secretary,"--we were in a meeting with the committee--I said, "When will, in your opinion, the Department of HEW's budget exceed that of the Department of Defense?"

"Fiscal year '74."

Well, the members almost jumped out of their chairs, you know. No department of government will ever exceed the Department of Defense. HEW, that includes Social Security and all. We talked about it. I just wanted the committee to realize just where we were going. He was always very frank with us. He had a great deal to do with things, I think, in Wisconsin, way back of that...

WEEKS:

Yes, he came from Wisconsin.

MILLS:

Wisconsin was the pioneer state in health, in the development of a program there. The initial--what was his name--the initial director of Social Security? You know who I'm talking about. He was from Wisconsin, he had it for years.

WEEKS:

Altmeyer?

MILLS:

Altmeyer. He and Altmeyer were very close and he was always one of Altmeyer's brains.

WEEKS:

I think Altmeyer brought him to...

MILLS:

Altmeyer brought him to Washington. I think that's right. Now, Altmeyer had directed the program in Wisconsin, I think. I think he had before he came to Washington. Well, anyway, they were in on and helped to draft the initial Social Security legislation. Now when you look at the initial program, it amounts to practically nothing. It only provided for the retirement for those who were employees. That's what we had when I went on the committee--after I went on the committee the Social Security program was extended to take care of the spouse and the children in case of death. Later we had this awful fight of getting disability into it, of extending it beyond employees, to self-employed, the farmers and others. All of these things happened while I was on the committee. Not after I became chairman, but some of it after I

became chairman. But after I became chairman, the emphasis was on the health part. The health of these people. We started off with what was known as the Kerr-Mills program, which addressed itself to the medical problems and the health care of those on welfare. We passed that. That program cost us a lot more than we thought it was going to cost. The department was always estimating on the low side. Not purposely, but there was no way to figure any better way.

WEEKS:

And all the states really had not gone into it.

MILLS:

No, all the states had not gone into it. They just couldn't do it because they had to share in the cost, they couldn't do it. Some states like New York did.

WEEKS:

Now, at that time was that the same proportion for each state? I mean the sharing or...

MILLS:

In the beginning it was but we were still picking up under the formula, you know--whatever the formula was at the time--it started with my suggestion of that \$10 of the first \$15. We'd gotten away from the 50/50 at that time on all of it. My state, for instance, got about 82¢ out of every dollar it spent from the federal government. Later on under the "Ability-to-Pay" formula, it was not anything like that. When we did write in that "Ability-to-Pay" formula no state would get less than 50/50. But some states, based on the ability to finance the programs, got as high as 82%. That applies to your medical part as well. But, the Kerr-Mills program later...I've forgotten just

later...I've forgotten just when we passed it, it seems to me like it was '60. It operated maybe for five years or so.

Then we supplanted Kerr-Mills with Medicaid and nobody at the time paying any attention to Medicaid adoption. Everybody's eyes were on Medicare, which was the program for the people under Railroad Retirement and Social Security. I know I asked the Department to tell me what the difference in the cost was likely to be between Medicaid and the Kerr-Mills program, because we were extending...Really what it was, was the Kerr-Mills program was being extended to people in like economic circumstances who might not be on welfare. We put a provision in...I was not aware really at the time of what it would do...I know later on Nelson Rockefeller and other governors told me that it required them to enlarge their program that they operated under Kerr-Mills. Anyway, they told us that it would probably cost nationwide \$250 million more under Medicaid than under Kerr-Mills the first year. Well, it cost that much in New York State alone.

WEEKS:

New York State also...

MILLS:

Had 47% of the people eligible for...

WEEKS:

Yes, they had such high standards.

MILLS:

They did. They went too high but they always said it was the responsibility of the legislation. I never quite agreed with it. Certainly we never intended it, but there was a provision in there that raised a question.

WEEKS:

When the AMA, in '65, came up with their Elder Care...

MILLS:

You can go back to that. The AMA showered down on Kerr-Mills. That was socialized medicine. They weren't going to participate. I remember quite definitely that Dr. Alford, who was an eye doctor, a surgeon, in Little Rock, was in Congress and he just happened to be at home one weekend and attended this meeting of the medical society; either the Pulaski County or State, I've forgotten which. Here they had a resolution that they were almost ready to unanimously endorse condemning this whole program and saying that they would not participate in it.

WEEKS:

Sort of a strike?

MILLS:

Oh yes. Well, he talked to them a few minutes, changed their mind about it. They were also condemning me, a lot of the times as a result of these various programs that we espoused, but they didn't do enough to hurt me.

WEEKS:

All through this succession of bills that worked up to Medicare, the Wagner-Murray-Dingell and the Forand and the...

MILLS:

Forand's bill was actually Medicare. Labor came to me and asked me to introduce it and I said no I didn't want to do it, go talk to Aime Forand who was next to me on the committee, and Aime did introduce it. Aime used to bring it up and get one vote--his vote in the committee was all he could get. There was no interest in it and no support for it for years. Its time came in

1965--it was a question of timing--it was advocated by Johnson in his campaign and we had two-thirds majority in the House. What Johnson recommended in the way of Medicare was nothing compared to what we passed. Plan B was added in the committee, and provided for these things that were not in the program initially.

WEEKS:

I think this was probably one of the...probably your biggest achievement in the health field at least. I've heard it referred to as a three-layer cake. Was that your expression?

MILLS:

Yes, I think so.

WEEKS:

The fact that you had your Republican colleague Representative Byrnes with his bill...

MILLS:

Byrnes advocated...it came about, his motion was really one that was developed within the committee. We kept talking--I did, and others--about the fact that Johnson's program would only take care of about a fourth of the total cost. People thought it was going to take care of all. If we did no more than that, and then they found out we were only taking care of a fourth, all of us would be in trouble. We had to find some way to take care of more of the cost. We knew the doctors did not want to be paid out of a payroll system and we talked about this and finally John Byrnes offered it. It was good that he would do it. I was hoping John would because that meant it brought in Republican support. He brought them all with him. He brought them all in when he did it. John is entitled to an awful lot of credit in connec-

tion with the establishment of Medicare. No doubt about that, and we gave it to him--Wilbur and I both did out there before the Pepper committee the other day. He should have been invited along with us. He wasn't. Today, now, I found out that at least at this hearing it is not taking care of anything like the total cost that we thought it would. The great weakness of our approach was that we were thinking solely in terms of people who were already sick. People who needed hospitalization, needed care, because they were then sick. We were not thinking in terms of preventive medicine. Had we thought in terms of preventive medicine, the whole program, I think, would have been geared to where it would have cost a lot less. If there's ever a national health insurance program and it's geared along the same basis that Medicare is geared, I don't know how we'll ever finance it. We can finance a national health insurance program that emphasizes precare, prehospital care, presick care, all these things. Preventive in other words. We can finance that.

WEEKS:

Well, the very fact that Part B cost--the beneficiary's cost--has gone from \$3 a month to what, \$9.70 a month now?

MILLS:

I think it's something like that.

WEEKS:

The federal government is no longer matching--they're more than matching--and it's... Also we can look at the hospital industry and we find that the ratio of employees per patient has changed. I worked on a study back in '62 where our rule-of-the-thumb was that there would be two employees--the equivalent of two employees--to each patient. Now it runs three and a half.

MILLS:

Three and a half for each patient?

WEEKS:

Not only that, the wages, of course, have gone up a great deal and not only gone up in gross dollars, but relatively...

MILLS:

We knew we were doing that when we included the people who were connected with hospitals in minimum wage. Added over three billion dollars of cost right quick.

WEEKS:

Well, of course, a lot of these people are underpaid.

MILLS:

Oh, I know they were. I don't say we shouldn't have done it, but we had to face the reality of its cost and that it was affecting our programs that we were paying for.

WEEKS:

Could we go back to this three-layer cake? I think this is something that most people don't know, and just how this all happened. Could you take a few minutes and explain what happened back there in July of '65 when all at once you astounded everybody by coming up with this idea? As I remember, it was prefaced by having Wilbur Cohen come in and give a resume' of all the plans that were before the committee.

MILLS:

Wilbur felt, as I did, that the program the administration espoused had to be improved. Johnson was of the same opinion. He recommended what labor had really come up with in the way of a health program. I don't know what to add

to what I've already said about it; maybe you have some question that...

WEEKS:

I was just wondering. Did this idea come up out of the blue or...

MILLS:

Oh, no. No idea ever came out of the blue.

WEEKS:

What I have read about you and what I have observed about you, I don't think you operate that way, do you?

MILLS:

No, I say not the Ways and Means Committee. Never during time I was chairman, I don't think, anything ever did come out of the blue. It was always planned. Not by me necessarily. I'm talking about the committee as a whole. And don't overlook the fact that members of the committee all made their contribution. Everyone of them did, and they're all entitled to the credit. But I started off with the basic thought in mind that the American people feel we trapped--mislead them--and they'd be highly resentful if we did nothing more than just what Johnson had recommended. And I talked to the President about it and he agreed with it. He didn't take time to develop ideas himself but we had at our disposal all the ability of the members of the committee, together, in other words, to develop what was later called "the three-layer approach." We wanted to take care of the medical relief, fully, of those who were on welfare--everything, and we wanted to take care of the major portion of the needs of people on Social Security and Railroad Retirement. We finally worked out Plan B. John Byrnes offered it. It was modified as he offered it as a motion; it was added to by us in the committee after further discussion. The basic thing was how to pay these doctors. The

way he worked it out in his motions, that they (the beneficiaries) be charged so much a month and the federal government put up a like amount. The departmental people came up with their estimates of what that premium should be and we tested it and found general acceptance of it. Now, the departmental people were largely responsible, I would say, for the things that went into it in the way of services. They would have known more about the need for health care, various types of programs, than we would have. The people who were in the field of health over there were working with us also. The whole program was certainly the result of the thinking of a lot of people and an exchange of ideas by a lot of us on the committee and in the department. I don't know of anything else I can add.

WEEKS:

You sort of took the wind out of the AMA too, didn't you, by...

MILLS:

No, they still opposed it. They were very mild in it, but they didn't like the idea. They met, they weren't going to participate, and some of the doctors didn't participate; they didn't want to get any payment from any source that had anything like the meaning of socialized medicine. Now, I think they realize it's a gold mine. They can get things paid for that never would have been paid for without it. They would have rendered the services and not been paid.

WEEKS:

Financially they're better off under Medicare and Medicaid than they've ever been.

MILLS:

Much better off. There's no question about that. I think they would all

admit it. There's no such thing anymore, hardly, as charitable work like there used to be.

WEEKS:

When the House passed the bill and it went to the Senate, you ran into a little difficulty there, didn't you?

MILLS:

Oh, yes, I don't remember all the details of that. I would suggest that probably it would be a good idea for you to talk to John Martin who is chief counsel of the Ways and Means Committee who was right in the middle of all this. Much younger and whose memory probably would be much better. He's still there. You'll get him. I can call and arrange for you to see him. He can fill you in on dates from the record and all that too if you want it. I don't remember all of the details, but we did have some problems. Incidentally, we had lost Bob Courier, who was a great advocate of a lot of this. Russell Long was also very helpful. We had a committee over there that was sympathetic to what we'd done, to say the least, but they had their ideas, you know, about changes. We did have some problems.

WEEKS:

But then in the joint committee you got that all ironed out?

MILLS:

Yes, I always had very good luck with joint committees--usually being able to prevail upon them that we were right--when I could sit down and talk to them.

WEEKS:

Did you chair that committee?

MILLS:

I think so, I've forgotten. It may have been Senator Byrd. But, Bob Kerr and I used to--as long as he was on the committee, and in the Congress, and I was chairman--we would always go outside and settle these matters and come back in with an agreement, you see.

I'll never forget Russell Long got mad oae time--I know they didn't want us to think he was mad, but I know he was mad--he was staggered. Bob and I walked back in and said this is what we want now and Russell said, "I've always been for combines when I was a part of the combine, but I'm unalterably opposed to any combine when I'm not a part of it. I want you to know I'm not going along with it." He did finally, but I'll never forget that.

WEEKS:

You know, we mentioned Nelson Cruikshank's name...I think he came into the picture just about the time you became chairman.

MILLS:

Just about. He was still with labor people at that time when he joined the retirees and most of Nelson's activities had to do with the earlier development of the program that was introduced, and his advocacy of it. I know I talked to him a great deal, but I told him frankly that my constituents just weren't prepared for it and the committee wasn't prepared for it. We were moving too fast. We had to elect a Congress that would take it.

WEEKS:

Did he ever tell you--I've read this in some testimony he made--did he ever tell you that with respect to a situation that your constituents might not understand that they sent a group down to Arkansas to educate the people?

MILLS:

Yeah. I don't know whether it worked or not.

WEEKS:

At one time he has said that the union had considered trying to support somebody to oppose you and there were three reasons why they didn't do it. One, they didn't have the money; two was that word came down from the White House to lay off; and three, I don't think he wanted to anyway because I think he thought too much of you.

MILLS:

He did? Well, really they didn't find anybody. For a lot of money they could have bought somebody. Among the lawyers there was a relationship that existed that was ideal. I had developed a relationship with lawyers generally in the district that made them want to be for me. And it was hard to find somebody, really, during that twenty-two years to run against me.

WEEKS:

But you did have one year where you might have had a little trouble when you were redistricted.

MILLS:

I could of had but I didn't. It worked out where Alford ran for governor, I don't think he would have run against me anyway. He always said he wouldn't. But he ran for governor and I got elected without an opponent, you know. The district changed in '65...

WEEKS:

In '65?

MILLS:

Well, it was changed in '61 first. It was when I got a whole district plus my district. But the court ruled that the districts were too uneven. Oren Harris and I had taken--we had six districts, we were reduced to

four--Oren took a district, added it to his, I took a district and added it to mine. The other two districts were almost unaffected. So, the court then in '65 decided that the legislature had to do a better job and they did. In the process, I lost practically all my district. I ended up with only three counties of the original twelve that I had had. It was all gone, you see. And I could of had, if I had any substantial opponent in '66, I could have had some trouble probably. I would have had to work. I don't think they would have defeated me, because I was pretty well known. The state papers had always been rather favorable to me and very seldom did they ever write anything critical. I was about as well known over the state as I was in my own district. I spoke a lot over the state; I was always very active in presidential campaigns and things like that, and I had been chairman of the state convention for years in a row and I knew the leadership at least over the state.

WEEKS:

May I tell you another story that I heard from Nelson Cruikshank? He said that he sat in your office many times and that he believed you had a phone--one phone--that was direct to Arkansas.

MILLS:

I did.

WEEKS:

Because he said when that phone would ring he could tell you were really talking to somebody back home.

MILLS:

I did get an awful lot of calls there after prosperity came to us.

WEEKS:

You were always accessible.

MILLS:

I used to tell the story that I would keep these ambassadors from foreign countries out there waiting in the outer office while I took care of some fellows with a pair of overalls on from down home. Well, they were voting for me. Time magazine used to say that they couldn't understand anybody campaigning all the time. I campaigned whether I had an opponent or not. I campaigned in even years harder than I did in the odd number years. Russell Long does that now and he says he got it from me, but he got it from his daddy. Anybody who was successful in politics did that. I was doing what the old timers in the House were telling me to do.

WEEKS:

May I ask you a few more questions? How is our time?

MILLS:

I don't have anything 'til 12 o'clock.

WEEKS:

As I said, there are so many things that are written about you that I believe are not first-hand that are...

MILLS:

Professor Manley of your...he's from Michigan, isn't he?

WEEKS:

I don't happen to know him.

MILLS:

He wrote a book about the Ways and Means Committee and devoted much of it to me. I don't disagree with a lot of what he said. He never talked to me, as I recall. He talked to Wilbur Cohen and got most of his information about

me from Wilbur, I think.

WEEKS:

Well, Wilbur speaks very highly of you...

MILLS:

We were very close. Always were.

WEEKS:

I would like to sound off just two or three things that I think are true. One, that when you considered legislation, first you were concerned if a bill were reported out of the committee, that it would be likely to pass the House.

MILLS:

I wouldn't waste my time reporting anything that I didn't think would pass because that was just a waste of time. The whole purpose of the committee is to develop legislation, carrying out some objective that is sought, that the House will pass. There's no virtue in the committee expressing itself. It doesn't mean anything. You try to get a committee that goes with you by an overwhelming vote, you're always pretty secure in the House accepting it. They always said I was a consensus man. The whole purpose of the committee to me was to develop the idea in a way, dress it up in such a way, that it would be attractive to a majority of the members of the House. Otherwise, why waste your time?

WEEKS:

Another thing that I'm sure is true, is that you were always concerned with the fiscal soundness of...

MILLS:

Absolutely...

WEEKS:

Is this one of the reasons that it took so long for a formula for health legislation, health insurance, to work out or...

MILLS:

Yes, in part.

WEEKS:

You were sort of a watch dog for Social Security, weren't you?

MILLS:

I always believed that we should take in as much in Social Security trust funds each year as we spent. Since we had the power to tax we didn't have to have this big buildup of reserve that was initially considered necessary. I always felt like, so long as we took in a dollar more each year than we spent each year, that we were on sound grounds. I still believe that. I did always want that to happen and to that extent it was fiscally sound if that approach was fiscally sound. We did protect that. We did strive to attain that goal. There were times when I was maybe motivated a little too much by political consideration. I know, the time Nixon was in office, Nixon was about ready, I had been told, I don't know if it was true or not, to recommend a 20% across the board increase in Social Security because of the gain in revenues. Nixon was about ready to recommend the 20% across the board increase in 1972, I think it was. I was told that by a person who was then employed in the government. I knew we had a surplus at the time. I knew we could do it without a tax increase on the basis of what looked like very sound analysis of the fund and all-actuarial analysis. I jumped out with it. That was politically motivated. I didn't want Nixon to get the credit for the increase. I wanted the Democratic Congress to get it. As I look back on it--see we did it without any increase in tax. As I look back on it, I'm a

little concerned as to whether or not we were actually doing it on an actuarially sound basis. Everybody said we were, but the Social Security fund has been in trouble, not as a result of that they say, but since then we may have broken the barrier--that we always set up for the increases--that each increase be accompanied by some tax increase. This was the thing that I always harped on. But here I didn't do it on that occasion. Even if it had been better to have done it. Because, since then, you know, it's been harder to get Congress to...I don't say harder, but it's not always been possible to get Congress to provide for the tax increase when it's been necessary. Then when they do it they get ashamed of what they've done.

WEEKS:

Well, I sometimes...I draw my Social Security checks and I sometimes wonder how I deserve as much as I'm getting. Although I paid from the beginning.

MILLS:

But you haven't paid for it.

WEEKS:

No.

MILLS:

None of us ever pay for it.

WEEKS:

Here, I don't really need all that. I can get along with less than that and I sometimes wonder why I should be getting it.

MILLS:

My father never cashed a Social Security check from the time he was 72, and he died a week before he was 76. We found them all in his desk drawer.

He never understood the government sending him a check. He never understood that it was done because he's supposed to have paid for it. But he never would cash them. Had them absolutely in order. Every month's check was right after the month before.

WEEKS:

He must have been an unusual man.

MILLS:

He was an unusual person. He said, "There are people that need it, I don't need it, why do you send me a check?" I tried to explain it. He died shortly after, in April, after I became chairman in January.

WEEKS:

He must of been very proud of you.

MILLS:

No, he never...well, he was towards the end, I guess. He was always greatly disappointed in me. Said I had the ability to be a business man. The only people in his opinion that amounted to anything were people who provided payrolls. You had to provide a payroll, in his opinion, to be a success. He wanted me to be a business man, and he said I could have been. Offered me a bank. He was going to buy a bank for me over at Searcy. I'd been a multimillionaire now if I'd have taken it--have let him given it to me. Anybody could have operated a bank from then on. He would have bought it for \$65,000; you couldn't buy it now for \$10 million, probably.

WEEKS:

I'd like to ask you a little about--maybe jump ahead a bit so we don't miss something. I've been interested in your career after '65. We look at this '65 as sort of a peak. But, it wasn't long after that that Walter

Reuther was around with his plan for health insurance and later...

MILLS:

Walter Reuther was an impressive person. I don't remember one other witness that could make the impression before our committee that Walter could. There was a lawyer in town who used to speak for the Chamber of Commerce, a man by the name of Mr. Alvard, that could get up and talk to us for two hours without a note and answer any question the committee would ask in a way that satisfied the committee. Walter Reuther was great like that, too.

WEEKS:

Well, now we have this development of UAW and AFL/CIO both having plans coming to Congress, and we have them united under Senator Edward Kennedy and Martha Griffiths.

MILLS:

Ted Kennedy and I worked together, you know, and developed a compromise in 1972 that we went before the platform committee of the Democratic party in behalf of, and the committee, as I remember, adopted our programs, forgotten what it was. But, anyway, labor fell out with Ted about that, they thought he'd given in too much to me. My friends fell out with me because they thought I'd given in too much to Ted. But, what we were trying to do was to work out a program that we thought we could pass. Actually, the program that I think could have passed in 1974 had I been myself was one that Bill Fullerton and I worked up. You can still get a copy of the memorandum that was prepared--it became a committee print. I talked to President Ford about it. It's my recollection that President Ford would have bought it. I found myself in the committee just unable to bring the committee together, you know,

on anything. This was unusual because I'd always been able to in the past. My mind was badly affected at the time and I didn't know it. Had I been at myself I would have passed that program in '74, through the House at least. I think I could have passed it through the Congress. It would have been a program...it would have taken care of the needs and the cost would have been largely by the employer. The employer would have paid the cost of any illness up to \$6,000 a year and above that we would have had what we called a catastrophic type of illness coverage that would have been paid for by a payroll tax that would have been about two-tenths of one percent on each employer and employee. It would have been very cheap in those days. It was a tremendous burden and it would have been inflationary, there's no question about that. But, we were legislating a provision that could have been negotiated and was negotiated, I guess, by labor unions in the automobile industry, for instance.

I never could quite understand the position of the United Auto Workers. They had a wonderful program by negotiation and yet they were the leading, really, Walter Reuther at the time, was the leading proponent, as far as I was concerned, the most able proponent of the national health insurance program. And yet they had everything they could have wanted. I couldn't quite understand...I never got Walter to explain it to me. He tried, but he just never convinced me that it was better to do it by legislation than it was by bargaining.

WEEKS:

Well, I think...I never met Reuther but...

MILLS:

He said that it worked so successfully with them that he wanted everybody

to participate.

WEEKS:

I'd like to ask you about your...well, first before we leave the health insurance, present health insurance efforts. I listened to Teddy Kennedy last night, of course...

MILLS:

I didn't get to hear him.

WEEKS:

He had a very emotional speech. He, of course, had all his workers there who were really feeling very low and he was trying to raise them. But, one of the things he made a big pitch for, of course, was national health insurance. He got a big response from his workers.

MILLS:

Well, you get it from that crowd.

WEEKS:

The point that concerns me is the physicians. Now I know you, I believe, always made a point of saying you would not interfere with physicians or providers of any kind--hospitals or others.

MILLS:

Oh, yes. We are going to leave them as independent as they can be.

WEEKS:

But, it seems to me that Kennedy is talking about setting up either salaried doctors or doctors in HMOs. Is he ever going to get that through?

MILLS:

No, not his idea. Not in this Congress, and the Congress that comes in January of next year is going to be more conservative than this Congress.

Bound to be. I say his chances will be less in the upcoming Congress even than in this Congress.

WEEKS:

Well, I think he's probably right if it could be done, but I don't think it can be done.

MILLS:

Well, my idea is this. If you're going to have a national health insurance certainly you're going to need everybody presently engaged in rendering of any kind of service that involves health. You've got to have them. You've got to have insurance companies, you can't wipe them out. You've got to include them all. You're going to need more than you have today in place of less.

WEEKS:

This brings up another point. Is this one of the reasons for the fiscal intermediary?

MILLS:

Always, yes. That was a softening of the relationship between the doctor and the government. Get somebody in between the agency you deal with in the government. You get somebody in between that you deal with. A doctor's organization, primarily Blue Cross, you know, Blue Shield, something they set up themselves. That would be the intermediary.

WEEKS:

But also, wasn't it sort of a friendly hand to the insurance companies and Blue Cross also?

MILLS:

Oh, yes, yes, they could participate. The whole theory that we had was

the more services you make available, the more people you're going to need to provide those services. Don't want to rule any of them out nor wipe them out. Oh, no, this was not done as a sop to anybody, but in recognition of what we thought was a fact. They're all going to be needed. So you've got to work it out on the basis that they will participate. If they won't participate, you haven't got a program.

WEEKS:

I don't want to keep you, but there are a couple of things we haven't talked about. Wilbur Mills, as chairman of the Ways and Means Committee, was considered by many an obstruction to getting health legislation through and a couple of times they tried, what I would call in football parlance an "end run." They went to the Senate...

MILLS:

Oh sure, they went to the Senate. They tried to go, they tried to get catastrophic insurance program passed--a catastrophic program.

WEEKS:

That was Long, wasn't it?

MILLS:

That was Long. Long was probably right at the time in thinking that was the pressing need. But I kept arguing with him all the time. I said, "Now, catastrophic to me is the roof. You're building a roof with no walls to put it on. It'll collapse." And they'd take the argument into conference and retreat from that position and lay it on to me, of course, and tell the public that I was the obstructionist.

If we ever had it, I wanted a full, complete program. But I didn't think the time was right. I didn't think we could pass such a thing. If you pass

the catastrophic, I always argued with them, you really undercut and undermine the passage of a general program.

WEEKS:

Wasn't this what he was trying to do...

MILLS:

I think Russell really had in his mind, perhaps, I don't know, the fact that this was the urgent need, without really considering whether or not it was going to impede or help or anything else, any other part of the program.

WEEKS:

Well, going back to President Kennedy. One of the high water marks was when they tried to pass the Anderson-Javits Amendment. That...

MILLS:

Yes, Clint Anderson was a very able person. Clint was a great friend of mine.

WEEKS:

I remember reading of President Kennedy going to Madison Square Garden in New York City and appearing before a meeting of the elderly people and putting on a real stump speech. A lot of people, the real politicians, said it was the worst speech of his career, that he had forgotten it was the people out there on television he should be selling because the people in front of him were all sold.

MILLS:

They were all sold but he didn't sell the people in front of television.
No.

WEEKS:

Is that the general consensus around Washington at that time?

MILLS:

Well, I don't remember. It was my feeling, I must say, that I thought he hadn't really sold it. I know we had a meeting here in town--I've forgotten what the purpose of it was--he introduced me, I was the one to speak...Oh, it was on the reciprocal trade agreements, I remember that. We had a big business group and I spoke. He introduced me, the President introduced me, and I spoke for his program. His argument was that he thought this crowd would receive me better than they would him.

WEEKS:

Perceived you as an expert?

MILLS:

No. Just that they might view him with suspicion or something coming from the viewpoint that he had on these things. In other words, he thought I could sell them maybe better than he could that's why he asked me to do it. I was all for the program anyway. But this was the only time I was ever introduced by the President to speak, you know. I was going to substitute for Johnson one time. He came into the meeting the last minute and said he found out I was going to substitute for him, but he didn't want me doing that so he broke his other appointment so he could come and speak to this crowd. He said it jokingly. We were down in San Antonio, Texas.

WEEKS:

You were mentioned as a presidential candidate a couple of times.

MILLS:

No, I had a group that kept setting themselves up as a draft committee--trying to draft me. I kept telling them there's no such thing as a draft for anybody for President. I didn't want it, knew too much about it,

and it cost too much money to even think about getting a nomination. If I had that kind of money, I wouldn't spend it for that purpose. And I kept telling them that. But, they had my name on the ticket in all the states in '72 but I didn't do any campaigning.

WEEKS:

Weren't you also entered in a primary in '68?

MILLS:

No. Not in '68. I was in '72 and everyone of the...where they require you to sign a statement that you won't take the nomination even if you're offered it. "Well," I said, "I can't do that. If my party wanted me, I would take it naturally. I'm not going to make any effort to get it, therefore, I won't get it. But, I'm not going to say under any circumstances that I wouldn't take it." So, they had my name on the ticket, in some twenty-seven states, but I didn't get any votes; I didn't campaign for it. I kept telling everybody I wasn't interested, anyhow.

WEEKS:

If I may say so, I think you would have made a good one. Although I can't understand why anybody would want to...

MILLS:

No. Not today. It was different somewhat then.

WEEKS:

You're so close to it, you've been so close to it all these years, you know.

Many things have been said about you. I don't want to embarrass you but I would like to repeat them. Many people said that you were the brains of the Ways and Means long before you were chairman. I think maybe this goes back to

your knowledge...

MILLS:

It goes back to my relationship with members of the committee. Mr. Doughton used to use me a lot to do things that he as chairman shouldn't be doing. I would check the membership on things ahead of time, twist some arms for him, and all of this. He was a great person with a tremendous mind and all and had tremendous influence in the committee. I don't know why he picked me up when I first went on the committee. Just like the time I was telling you, in '43 when I served on the conference--I had no right to be on it. But he went to the trouble of asking all Democrats ahead of me to step aside so he could have me on the committee. He wanted me on the committee to help him, he said. I was very devoted to him, very loyal to him. The fact is that I was considered, I guess, his "right arm," and the committee gave me the degree of prestige that I wouldn't have otherwise had. I could speak for him, normally, to committee members. I was always offering amendments and things like that--compromises. Here I was, in this first conference, in '43 when I offered that compromise, I felt like a fool. Speaking up here was...the Senate conference, George was the chairman of the committee, Barkley was the majority leader of the Senate, Tom Connally was chairman of Foreign Affairs Committee of the Senate, Walsh of Massachusetts, a very dignified, brilliant senator, who was not chairman of any committee at the time. On the other side was a senator from Michigan...

WEEKS:

McNamara?

MILLS:

No, the Republican.

WEEKS:

Vandenberg?

MILLS:

Vandenberg, yes, took such a part with Roosevelt, you know, doing away with isolationist thinking. When we got into World War II. LaFollette was senator from Wisconsin, and the Taft. Well, those seven men ran the Senate. They ran the Senate. And, here I had the audacity as a new member--hardly needed to shave in those days--offering a compromise.

Now, LaFollette and I were very close. We'd gotten that way just accidentally on a trip to Bankhead's funeral in September of 1940. I had this cutaway coat and striped pants and all. They told me to wear it. So I had to wear it. I bought it, and I never wore it again. But, anyway I bought the coat, I paid \$55 for the coat and \$27 for the pants, I think, and the vest, I've forgotten what it cost; but, anyway, less than \$100. I never wore the outfit again. But the sergeant-at-arms of the House said that I needed to dress up if I was going to the funeral. That's what he had on, but very few others had. Anyway, Bob and I were walking down the street--they had the streets roped off to where we walked in the street--some people were standing on the sidewalk all the way and once in a while a kid would run out and want me to autograph something. One called me Senator LaFollette. So, Bob walked in and said, "Come on, sign my name."

"No," I said, "This is the Senator."

"Don't kid me," he said, "you're dressed like a Senator, he's not."

Bob just had on an ordinary black business suit. He looked nice but he just had on an ordinary business suit. I was all dressed up, you know, like a Senator ought to. Bat wing collar and all. Couldn't fool the kid. So I

signed his name. We sat together; I'd not known him 'til up to then. And we rode back on the train together and from then on we were very good friends. I'd call him every so often, he'd call me every so often.

Going back to the conference committee, LaFollette and I were sitting off at the side--they had room at the table for ten. There were seven Senators and seven or nine members of the House, I've forgotten which. Anyway, there were too many to sit at the table and we were off at the side. And they'd argued for two days about this welfare thing. Finally, he said, "Wilbur, haven't you got a bill? I seem to remember that you have a bill that provides for \$10 of the first \$15."

I said, "Yes, I do have."

He says, "Now, if you offer that to Senator George from Georgia, he would have to take it. Senator Connally would have to take it. Barkley would have to take it. Walsh wouldn't care. And Taft and Vandenberg couldn't argue that it had violated any principle of theirs." They'd argued that about this variable grant deal. He says, "I think they'd all take it. I'll move at the proper time that we do take it. You offer it."

I finally got the attention of Senator George, he was the chairman of the conference. He didn't know me and thought I was part of the staff, I guess. I told him I was a member of the conference. I went through a little bit of preliminaries, to tell him who I was. I had a compromise. I offered it to the House just that quick.

Mr. Doughton says, "Does the House accept?" They held up their hands and they all accepted.

George says, "Well, let's adjourn over night and let's think about this and we'll tell you in the morning. Come back about 10 o'clock, getting late

now and we might as well adjourn." So they adjourned.

That's when I got the call from the White House to come to the White House. But anyway, I never would have thought to offer the amendment. LaFollette was the one who put the idea in my mind of offering it. Mr. Doughton was high in his praise of me from then on for my ability to compromise. So, I'd worked it out. My relationship with LaFollette was awfully close; he was like a daddy to me. He and Sam Rayburn; John McCormack as well. All the oldtimers, Carl Vinson. Carl Vinson was chairman of the old Naval Affairs Committee when I came to the House. When we consolidated the two he was chairman of the Armed Services Committee. He never served in the Congress with me except as chairman. He's had 54 years, you know, in the Congress. Still living, 97 or 98. He was going to live until the Carl Vinson cruiser was launched. They've named one after him. I think it's already been done. He's in awfully bad health. Bad physically. Has a hard time getting around. But all these oldtimers were great...I studied them, I lived with them. I wanted to emulate them.

WEEKS:

I can understand that. I've been trying to see Senator Hill; at first he agreed, but lately I think I heard his health is...

MILLS:

His health's in awfully bad shape. He was a very active opponent from a southern state. It was hard for me to understand how you can get by, by doing it. Mr. Hill was a great man. He had an assistant, his administrative assistant, who was a great fellow, now dead, who was a recovering alcoholic for many, many years. He was a brilliant fellow.

WEEKS:

George Bugbee, I don't know if you know him or not, he used to be the head of AHA, told me a story about--back to the Hill-Burton days--he was lobbying for Hill-Burton and, of course he knew Senator Burton and Burton got Hill and then they got Bob Taft, apparently, to enter into this too and...

MILLS:

That's right, Bob Taft was far more liberal than most people gave him credit for being. He was the one that offered the full employment bill, you know. All of that.

WEEKS:

Yes, I think he was a very capable man.

MILLS:

A tremendous mind. I never saw anybody like him. I'd start to say something and he knew what I was going to say before I opened my mouth. He had a tremendous ability. I always told him though he was smart until he made up his mind. His conclusions sometimes were not in keeping with my thinking.

WEEKS:

Well, I do just want to...

MILLS:

I got into it down there. I have to tell you a little story. I was for Bob Taft to get the Republican nomination--Democrat that I am and all that--but I loved the guy. Had great respect for him. He called me aside one day as I was going home and he says, "You can have a lot to do with the Republicans now. My leader in Arkansas tells me they all like you. If you go down there and suggest to them they ought to be for me at the convention, it's going to be helpful to me."

So I did. I had a little fellow named Elmer Webb, who was in my district,

a Republican who was going to be a delegate. He came storming into my office--I had an office in the post office building in Searcy, just one great big room and I was in the back with my secretary always right in front. Elmer never even paid any attention to her, he just charged right by her and came back to me pointing his finger and said, "Wilbur Mills, what are you doing messing with Republican politics? You're Democrat. You got no right to be telling us who to nominate."

I said, "Calm down, Elmer, and tell me what's the matter."

Well, he'd been to Little Rock and this lawyer down there who was Mr. Republican in Arkansas who was always a great friend of mine, he said, "He tells me that you're advocating Taft. You're saying Taft is the brainiest man in the party." He says, "You know he's not."

I said, "You're not for him?"

"No."

I said, "Who are you going to be for?"

"I'm going to be for Stassen."

I said, "Well, you go on and be for Stassen." And he did, he voted for Stassen. Of course, they later went for Eisenhower. But I always thought it was unfair to Taft for him not to get it. He was Mr. Republican, you know. Everybody referred to him as Mr. Republican.

WEEKS:

Well, if there hadn't been a war hero there I'm sure that he'd...

MILLS:

Oh, he'd have beaten anybody. Nobody could have defeated Eisenhower.

WEEKS:

George Bugbee told an amusing story about Taft though. Taft said that he

wanted to rewrite the Hill-Burton bill, he said, for two reasons: He needed a health bill if he was going to have presidential aspirations, and two, he wanted to be sure of something else. He said he wanted to be sure that the administration of the bill would be at state level and not federal level. It seems it went back to something that happened, some Social Security matter that had federal administration that affected Ohio, and Ohio, he believed, got short-changed. So he made up his mind that nothing like that would happen again.

MILLS:

I remember that, but I'd forgotten all facts, but I know he bellyached about it a lot. But he was basically a strong believer that the closer to the people you can get the administration to come out, the better off you were. The state, he thought, always was closer to the people, was right there where the people are. Let the decisions be made by the state. You get better administration. He'd argue about that, about everything, really. There's one that is fundamental.

WEEKS:

I wonder how Taft was on a one-to-one basis with the man-on-the-street, let us say...

MILLS:

I knew him quite well...

WEEKS:

Well, I was living in a little town in Michigan and we'd had a peach festival--we were in peach country--and we would invite the Governor to come to speak. This particular year, G. Mennen (Soapy) Williams came and he made a speech in the town square. People were grouped around. Down in front were a

couple of little girls, you know. He got down and put one of those little girls on his knee. All the time he was talking and saying, "Now you mothers out there, I can see you when you take your children and wash these little faces tonight and you think that maybe some day this little girl will grow up and be a Peach Queen." He had that whole crowd with him.

The next day we had the Republican nominee for governor, Freddy Alger, of the famous Alger family of the Spanish-American War days, you know. Freddy was a very nice person but he just didn't have that common touch. I can remember standing on the platform while Alger was speaking. Beside me was Mrs. Dudley Hay, a Republican National Committeewoman. She said, "God, if Freddy could only do what Soapy does." So, I think there's a whole lot of...

MILLS:

I often thought that he's very fortunate that he had that nickname; it was a very folksy, down-to-earth type of nickname.

WEEKS:

But he is a bright man.

MILLS:

He's still living too, isn't he?

WEEKS:

He's still living. He's in the Supreme Court in Michigan.

MILLS:

He's on the Supreme Court? I didn't know that.

WEEKS:

He's well-respected, but, of course, the younger generation probably doesn't remember now.

MILLS:

You get out of office like I have for four years and the younger generation passes you by, they don't know you.

WEEKS:

You can't get off the train and expect to...you've got to stay on and keep working. I'm crowding you for time. I do want to say that...I'll read a little statement that I've made about you. That you've been highly complimented in everything that I've read about you and everything that I've been told. I've talked with many persons who know you or know about you. I think that you should realize that you--maybe you're too modest--that you really have made a place for yourself in the United States history and you'll be long remembered. I hope that this will help, this oral history which will go in the American Hospital Association library, will help you be remembered. It's been a great pleasure, of course, for me to be here with you.

MILLS:

It has been for me to know you, Mr. Weeks. I appreciate your coming.

Interview in Washington, D.C.

August 13, 1980

INDEX

AFL/CIO 40
Alford, Dale 25,33
Alger, Frederick 54
Altmeyer, Arthur 22
American Hospital Association 51,56
American Medical Association 25
Anderson, Clinton 45
Anderson-Javits amendment 45
Arizona 19
Arkansas 5,8,10,11,34,52
Armed Services Committee 50
Bailey, Carl 2
Bankhead, William 49
Barkley, Alben 48,50
Blue Cross 43
Blue Shield 43
Bone, Judge 3
Bugbee, George 52,53
Burton, Harold 51
Byrd, Harry F. 13-14,32
Byrnes, John 26,29
Catastrophic insurance 41,44
Chamber of Commerce 5
Cohen, Wilbur 21,28,35,36
Congress 2,8,10,13,15,16,31,32,37,38,40,42,51
Congressional joint committee 31

Connally, Tom 48,50
Consensus man 36
Cooper, Jere 6
Courier, Robert 31
Cruikshank, Nelson 32,34
Debt legislation 5,7-8
Democratic Platform Committee 40
Dillon, Douglas 11
Dingell, John 20
Doughton, Robert 6,18,47,51
Economic Club, NYC 12
Education program 15
Eisenhower, Dwight D. 3,6,15
Elder Care 25
Employee-patient ratio 27
Falk, I. S. 21
Fiscal intermediary 43
Fiscal soundness 36
Forand, Aime 25
Forand bill 25
Ford, Gerald 40
Ft. Smith, AR 2
Fowler, Henry 7
Fullerton, William 40
George, Walter 19,50
Great Depression 1
Griffiths, Martha 40

Hay, Mrs. Dudley 54
Harris, Oren 33
Harvard Law School 1
Health insurance 18,20,36
Health legislation 17ff
Hendrix College 1
Herlong, Sid 7
Hill-Burton 51,54
Hill, Lister 51
HMO (Health Maintenance Organization) 42
Hull, Cordell 9
Humphrey, Hubert H. 20
Independence, MO 20
Inflation 15
Insurance companies 42-43
Internal Revenue Code 5
Johnson, Lyndon B. 7,13-16,20,21,26,28,29,46
Kennedy, Edward 40,41,42
Kennedy, John F. 8-9,10,11,12,13,14,15,16,33,45,46
Kensett, AR 1
Kerr, Robert 32
Kerr-Mills 23,24
 government cost sharing 23
LaFollette, Robert 48-50
Lanch, Walter 4
Little Rock, AR 3,10,25,52
Little Rock Air Force Base 11
Long, Russell 31,32

McCarran, Pat 19
McCormack, John 4,5,50
McNamara, Pat 48
Madison Square Garden 45
Mansfield, Mike 21
Massachusetts 5
Medicaid 15,20,24,30
Medicare 15,20,24,25,30
 Part B 26,27,29-30
Mellon, Andrew 16
Michigan 54,55
Miller, John 2
Minimum wage 28
Murray, James 20
National health insurance 20,39,41,42
Naval Affairs Committee 50
New York City 4,45
New York State 23,24
Nixon, Richard M. 37
Office of Special Trade Representative 9
Oldfield, William 3
Pennsylvania 4
Pepper, Claude 20
Presidential candidate 46-47
Preventive medicine 27
Providers 42-43
Pulaski County (AR) Medical Society 25

Railroad Retirement 24,29
Rayburn, Sam 7,50
Reciprocal trade 5,45
Reuther, Walter 39-40,41
Robinson, Joseph 2
Rockefeller, Nelson 24
Roosevelt, Franklin D. 9,18,19-20,48
San Antonio, TX 46
Searcy, AR 39,53
Socialized medicine 25
Social Security 5,8,18,21,22,24,29,36-38
Sorensen, Theodore 12
Spanish-American War 54
Stassen, Harold 53
Supreme Court of Michigan 55
Taft, Robert 19,48,50,51-54
Tax reduction 10,11,15,16-17
Tax reform 12-13
Thompson, William 3
Three-layer cake 28,29
Time magazine 35
Trade agreement bill 8
Transfer money 17
Truman, Harry S. 4,20,21
UAW (United Auto Worker's) 40,41
Unemployment compensation 5,6
U. S. Department of Defense 21

U. S. Department of Health, Education and Welfare 21

U. S. House of Representatives 7-9,13,19,31,36,49,50

 Rules Committee 6,7

 Ways and Means Committee 2,4,5,10,20,29,31,35,40,43,47

U. S. Senate 9,13,19,20,31,44,48

 Finance Committee 14

U. S. State Department 9

Vandenberg, Arthur 49,50

Vietnam War 15

Vinson, Carl 50-51

Wagner-Murray-Dingell bill 21

Walsh, David 48,50

Washington, DC 12,22,45

Webb, Elmer 52

Welfare program 5

Williams, G. Mennen (Soapy) 54-55

Wisconsin 21,22,48

World War I 16