The new President's words were matched with deeds, and his display of executive energy lifted the country's spirits. The early days of the New Deal saw the establishment of a number of agencies to combat the Depression. Among others, there was the Federal Emergency Relief Administration (FERA) ,[5] the Public Works Administration (PWA) , the Civil Works Administration (CWA) , the National Recovery Administration (NRA), and the Civilian Conservation Corps (CCC). Many of the New Deal agencies were stop-gap affairs designed only to deal with the immediate crisis. But even&rally more permanent reforms were planned which represented a significant change in the character of the Government-and in the public philosophy. Perhaps the most important harbinger of the new order was the Social Security Act.

In the crucible of the Depression, reform thinking had crystalized on a number of issues, including social insurance. As Professor Chambers observed, a scheme that, when first proposed, seemed to some reformers as "outrageously radical," by 1933 had become part of a "new concordance" about what should be done to revitalize the Nation? It came as no surprise, therefore, when President Roosevelt established a cabinet "Committee on Economic Security," in June 1934, with orders to "study problems relating to the economic security of individuals and . . . report . . . not later than December 1, 1934, with recommendations concerning proposals

[5] One of FERA's programs provided emergency medical care to the needy.

[6] Symbolic of this philosophical change was the new label by which reformers identified themselves. During the 1920's, the term "progressive" had been dropped in favor of "liberal."

which in its judgment will promote greater economic security." [7]

The cabinet committee was instructed to explore "all forms of social insurance," and the list of possible programs, compiled by the committee's executive director, labor-economist Edwin E. Witte, was sweeping : accident insurance, unemployment insurance, old-age insurance, retirement annuities, survivors' insurance, family endowments, maternity benefits, crop insurance (for farmers), and invalidity and health insurance. Consequently, the debate on health insurance shifted to Washington, D.C., where the Federal Government took over the role of legislative midwife.

To undertake the study of health insurance and related problems, the cabinet committee engaged two of the participants in the CCMC, Sydenstricker and Falk, and they, in turn, brought in other CCMC aides as adjunct staffers.

However, the announcement of plans to consider Government health insurance drew immediate protests from members of the medical profession. Telegrams "poured in upon the President," according to Executive Director Witte. An editorial criticizing the exclusion of physicians from the committee's deliberations appeared in the *Journal of the American Medical Association*. A copy was sent to the committee's chairman, Secretary of Labor Frances Perkins, along with a letter from the *Journal's* editor, a prominent AMA spokesman, stating : "It would seem to us highly desirable that the medical profession be adequately represented in any studies of the need for sickness insurance. . ."

[7] The President called the resulting proposals the "Economic Security Bill," but Congress, on its own initiative, changed the title to "Social Security." The term social security is used throughout the remainder of this discussion.

These protests, some of which came from intimates of the President, caught Mr. Roosevelt's attention. He decided to take a hand in the matter, and the events that followed provide a classic illustration of the Presidential role in the social-welfare policymaking process—and of the part that personality, personal relationships, and personal perceptions can play in politics.

The President found himself surrounded by conflicting advice and pressures. In addition to the growing public agitation from organized medicine (which was beginning to be heard on Capitol Hill), the President's closest advisors were divided among themselves.

One point of view was presented by Harry Hopkins, who was director of the Federal Emergency Relief Administration (FERA), as well as a member of the cabinet Committee on Economic Security and a close friend of the President. Hopkins felt strongly that health insurance was the most urgently needed of all social insurance measures. His views, which he discussed privately with the President, grew out of his previous experience : He had once been the New Orleans director of the Red Cross and director of the New York Tuberculosis and Health Association ; he also had close ties with those who had spark-plugged the work of the CCMC ; finally, as FERA director in Mr. Roosevelt's administration, he had set up emergency medical care programs for the millions of workers on relief.[8] Hopkins therefore argued a compelling case for assigning priority to health insurance. He was backed by two of the stand-in representatives to the committee, Rex-

[8] Hopkins had also been instrumental in the promulgation of the landmark ***Federal Rules and Regulations No. 7*** of 1933. Worked out with the participation of the AMA, this rule gave official recognition for the first time to the idea that medical care should be considered a basic human right, along with food, clothing, and shelter.

ford Tugwell (for Secretary of Agriculture Henry Wallace) and Josephine Roche (for Secretary of the Treasury Henry Morgenthau, Jr.), as well as by the committee's health staff.

However, a different point of view was argued by President Roosevelt's Secretary of Labor, Frances Perkins (who was also chairman of the cabinet committee), her Assistant Secretary, Arthur Altmeyer, and by Executive Director Witte. Their experiences had been predominantly in the labor field, and they had long been associated with the unemployment insurance movement. They argued that, under the existing economic circumstances, unemployment insurance should be given priority. Furthermore, they doubted that health insurance could be enacted over the vocal opposition of the medical profession, and they feared that the opposition of the AMA might jeopardize the entire social security package. Because the President had so much to lose, the AMA's leverage was therefore increased ; in effect, the doctors could hold the whole social security bill a hostage." Nor was any other major interest group-such as organized labor-prepared to mount a campaign to counter the resistance of the physicians. The AALL, while working diligently for unemployment compensation, shied away from a return match on the health insurance issue.

[9] The AMA's opposition was not to be taken lightly. Though small in numbers, the medical profession was a high-status group, whose members were frequently to be found among the leadership of local communities around the country. Also, one must appreciate the psychological climate at that time. In a period of great insecurity, when some of the pillars of society had been undermined, people tended to cling all the more to those that remained. As professionals and public servants, doctors had immense prestige, and Mr. Roosevelt could well have damaged himself politically had he publicly fought with the medical profession.

Mr. Roosevelt was also besieged with advice from within his own family circle. His personal White House physician, Dr. Ross McIntyre, warned him of the deep anxiety of physicians on the health insurance issue. The President's wife, Eleanor, was greatly concerned about the possibility that the quality of medical care might be undermined; through a close personal friend in the medical field, Mrs. Roosevelt had become convinced that the medical facilities of the country were at that time inadequate to handle such a program.[10] Finally, there was the father-in-law of the President's son James-the eminent neurosurgeon, Dr. Harvey Cushing. Dr. Cushing thought some compromise might be arranged, but he warned the President and his cabinet committee against any attempt to ram health insurance down the doctors' throats?[11]

Faced with these conflicting pressures, the President responded by trying to accommodate both sides while, at the same time, keeping his options open as long as possible in the hope that an 'agreement could be worked out through *negotiations*. This brings us to *a* discussion of the fourth element of the legislative process.

It has already been observed that in American society,

[10] In 1935 it was estimated that only one-fourth of all the counties in the United States had full-time health departments and only one-half of all our cities had the minimum essential health services. (Ida C. Merriam, "Social Welfare in the United States, 193444," *Social Security* ***Bulletin,*** October 1955, p. 5.)

[11] In a letter to Witte, for example, Dr. Cushing wrote : "Whatever the Committee on Economic Security decides to do ultimately in the way of making a proposal to the President for legislation, no legislation can be effective without the good will of the American Medical Association which has the organization to put it to work."

power, influence, and "property" (in the broadest sense) are widely distributed (some say, fragmented) throughout the system. This is inevitable in a pluralistic nation. As a result, public policies cannot simply be dictated. On the contrary, a major policy decision in this country usually represents an elaborate structure of compromises and accommodations that has been laboriously pieced together in discussions with various contending (or complementary) interests--and with due regard also for public expectations, personal "reputation," and for the "judgment of history." At the heart of American politics, therefore, is a sometimes bewilderingly complex process *of bargaining* or negotiation between the various participants in the political system, with a public agency frequently being a party to the negotiations.

We are accustomed to thinking of policy decisions in terms of formal roll-call votes. But often the final vote merely ratifies the less visible, often private discussions through which a coalition of support has been erected and/or crucial disagreements compromised. Often the role of political leadership more nearly resembles that of a broker between contending interests, and the politician's own interest and point of view may be only one of several that he must balance.[12]

This does not mean that public opinion plays no part

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[12] "There can be no denying that such a method of decision-making is inefficient and somewhat untidy ; nor can we claim that the resulting policies are necessarily the "best," the most efficient, or most economical that human ingenuity could devise. But we accept these shortcomings as part of the price that must be paid for what we judge (consciously or unconsciously) to he higher values: the basic stability of the system, the cohesion of the social fabric (no small achievement in such an immense and variegated society), and the maximum degree of autonomy and power for private interests consonant with the larger public interest.

in the shaping of public policies. On the contrary. However, the role of public opinion is subtle and complex. Instead of a rigid, cause-effect relationship, there is rather an "open-interplay" [13] between public opinion and political decisionmaking. Our customs, ideals, values, "rules of the game,,, and political institutions together form a relatively stable (though evolving) set of boundaries for political action. These boundaries have been likened to a system of dikes,[14] which set limitations upon what public officials may do. But within these dikes, politicians have considerable freedom of action. On some issues, the voters may be largely indifferent. On others, the voters may support some general course of action, but it will still be left to public officials to work out the details. Political leaders may, in fact, have considerable discretion for bargaining, striking compromises, weighing technical considerations, and exercising personal judgment. Such was the case with the Committee on Economic Security in 1934–35.

When the AMA raised objections to health insurance, President Roosevelt's first move was to bring the doctors into the deliberations of his cabinet committee. To this end, he approved a staff plan to set up a Medical Advisory Committee composed of leading physicians. Mr. Roosevelt personally supervised the selection of members for this committee, and his choices included the leaders of the three major medical organizations and several other prominent doctors, including Dr. Cushing. Presumably, the President was hoping that

[13] The phrase is Professor Harold Lasswell's.

[14] V. 0. Key, ***Public Opinion and American Democracy (New*** York : -Alfred A. Knopf, 1965), p. 522.

this move would not only quiet the public attacks by the physicians, but that the Medical Advisory Committee could also become the vehicle through which negotiations would be carried on between the administration and the medical profession.

It was soon apparent, however, that the medical profession, or at least its more vocal members, was not assuaged. When the public attacks on the cabinet committee continued unabated, the President-at the urging of Secretary Perkins, Altmeyer, and Witte—took further steps to try to calm the fears and check the antagonistic publicity. The day before the Medical Advisory Committee was due to hold its first set of discussions, the President invited Dr. Cushing to a private luncheon at the White House. The President is reported to have given him assurances that the administration intended to proceed slowly on the health insurance issue: Whatever program was eventually devised, it would not in any way undermine the quality of American medicine; and if the medical profession wanted more time in which to study the question, health insurance could be separated from the rest of the social security bill and delayed until there had been ample time to discuss the issue.

The President's private assurances to Dr. Cushing were then reinforced by a public hint in a speech delivered by the President that same afternoon. "Whether we come to this form of insurance *sooner or later*," Mr. Roosevelt declared, "I am confident we can devise a system which will enhance and not hinder the remarkable progress which has been made in the practice of medicine and surgery in the United States,, (italics added).

These conciliatory gestures succeeded beyond the administration's expectations, and, for a time, an atmosphere of cordiality and cooperation prevailed. The first

of two sets of discussions between the doctors' representatives and the health staff resulted in definite forward movement. Dr. Edgar Sydenstricker reported to Secretary Perkins that the physicians had agreed to support preventative public health measures, tax support for the construction of rural, mental, and tuberculosis hospitals; the use of Federal funds to improve care of the indigent at home, in clinics, and in hospitals; and "health protection of relief clients." On the issue of Government health insurance, however, the committee decided to take up the President's offer and requested more time in which to study the issue. A deadline of March 1, 1935 was then agreed to.

During the next few weeks, while other battles raged on unemployment and old-age insurance, both sides refrained from public campaigning on the health insurance issue, and the AMA's top technicians cooperated with the cabinet committee.

But, as the December deadline approached for the Committee on Economic Security to submit its major report to the President, health insurance partisans, both inside and outside the administration, became increasingly restless. There were fears that the President might back away from Government health insurance altogether. For this reason, pressure mounted for the cabinet committee to include in its report a statement to the effect that a health insurance plan would be forthcoming and setting forth its general principles.

Not only would such a statement reassure Government health insurance supporters, but it would also serve as a trial balloon of current opposition. The health staff further hoped that once the basic principles were defined, the fears of the medical profession would be allayed. The cabinet committee agreed to the suggestion and consulted with the President, who gave the idea his approval. In so doing, the President was able to placate

the pro-health-insurance forces within his administration. But more important, it was a major step toward an open Presidential endorsement of health insurance.

When the final report of the cabinet committee, including the statement on health insurance, was published in mid-January 1935, it. provoked a great furor in medical circles. Wavering among physicians on the issue ceased. Critical editorials appeared in medical journals, and the barrage of letters and phone calls to Washington resumed. The AMA called an emergency session of its House of Delegates (the first such meeting since World War I) and passed a resolution declaring "unyielding opposition" to Government health insurance? When the Medical Advisory Committee held its second round of discussions in February 1935, the session was marked by sharp discord.

Despite the renewal of hostilities, the health staff proceeded to draft a final report and a legislative proposal [16] which, they hoped, could be introduced as an amendment to the social security bill-then under consideration in Congress.

In mid-March 1935, the cabinet committee met to make a final, irrevocable decision on the issue. The question was: Should the administration endorse and introduce Government health insurance, or should the issue be set

[15] Professor Witte later wrote : "I recall vividly the effect which the resolutions of the American Medical Association produced in Congress. The Social Security Act was then under consideration in executive sessions of the Ways and Means Committee. On the morning following the adoption of these resolutions, I was besieged by members of this committee who wanted to know : 'What is there about health insurance in this bill? Are you putting something over on us?' "

[16] The report recommended : (1) Federal financial aid for local public medical facilities and services, (2) cash benefits for temporary disability due to illness, (3) further study of the need for permanent disability benefits, and (4) Federal subsidies for State-run health insurance programs that met "basic" Federal "safeguards."

aside until after the social security bill was safely through the Congress? The cabinet committee was sharply divided on this issue, and in the end, the question was put directly to the President. for decision.

President Roosevelt concluded that health insurance should not be injected into the debate at that point, nor should the final report on health be made public as long as the social security bill was still in the legislative mill.[17]

Evidently, the "balance of pressures" had ultimately militated against health insurance. The renewal of AMA pressure against the measure (which was felt acutely by the Congress)[18] contrasted strikingly with the lack of strong pressure in *favor* of it from either the public at large or any major interest group. Moreover, the social security bill had run into difficulties in Congress, just as its supporters had feared. Professor Schlesinger noted that, in the early months of 1935, the bill "seemed hopelessly bogged down in the House of Representatives."[19]

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[17] In fact, the final report has never been made public, although a summary of the health staff's recommendations was published in 1962. (Edwin E. Witte, The *Development* of the *Social Security Act,* Madison : University of Wisconsin Press, 1962, pp. 205-*210.)*

[18] An incident during the period when social security was under consideration in the Ways and Means Committee illustrates how sensitive Congress was to the opinions of physicians. The incident was recorded in a handwritten progress report to Secretary Perkins from legislative counsel Thomas Eliot, who had been assigned to bird-dog the bill through Congress for the Department of Labor. Eliot wrote : "The Ways and Means Committee received a telegram today from the American Medical Assn. requesting that 'health insurance' be stricken from the bill, even though the words were mentioned only as a subject of research for the [Social Security] Board. The Committee agreed by a large majority to strike out all mention of health insurance."

[19] Arthur M. Schlesinger, Jr., ***The Politics of** Upheaval, 1935–1936* (Boston : Houghton Mifflin Co., 1966), p. 211.

In the final analysis, the decision to postpone health insurance legislation reflected the personal judgment of the President himself, based on his perception of the situation and what he thought Congress and the country were ready to accept. For the next 30 years, scholars and, indeed, some of the participants themselves, would continue to debate whether the President had been unduly cautious in 1935. But all sides agree on one point: the decision was the President's own. Nobody can be certain what would have happened had he decided to commit himself to battle for health insurance. Without his support, though, there was no hope of success. Presidential support, while not necessarily *sufficient* to ensure the passage of a major piece of legislation, is, with rare exceptions, a *prerequisite.*

The signing of the Social Security Act on August 14, 1935 represented a milestone in our history. With this measure, the Roosevelt administration supplemented (and eventually replaced) its clutch of temporary relief programs with a structure of permanent social welfare institutions. Since then, a broad and continuing role in social welfare matters has become accepted as part of the responsibility of the Federal Government.[20]

The Government's expanded role, moreover, went beyond the routine administration of programs already on the books. In Section 702 of the Social Security

[20] Of course, social security was not the only Federal measure of that period to make a lasting contribution to social welfare in this country. For example, the National Labor Relations Act and the Fair Labor Standards Act underpinned collective bargaining rights and established a minimum wage and maximum hours for workers.

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