

---

## Interview with Fred Bohlen

**Rockefeller University in Manhattan on September 13, 1996**  
**Interviewed by Edward Berkowitz**

---

**BERKOWITZ:** Mr. Bohlen, you've had a long career, so perhaps the way to approach this is to talk about your two White House experiences. The first question would be how did you get from the Woodrow Wilson School to the Heineman Commission and to the Johnson White House.

**BOHEN:** I came of age in a time when it was a very attractive career option to prepare for a career in public service, and I selected the Woodrow Wilson School and the graduate program there in public affairs, specializing in economics and public policy, as a place to intellectually prepare myself for that in the early 1960s. I was asked to stay on to help develop the school. The school had gotten a large grant of money and was expanding its intellectual programs and its reach. I worked with William Bowen, who subsequently became President of Princeton University, and the two of us led the expansion effort for a couple of years. But I was itchy to get to Washington and to get a chance to be in the government. It was an exciting time. It was then popular to think of the government as not part of the problem but part of the solution, and it was just very appealing for me to try to get there, so I began circulating my resume and seeking out interviews.

Bill Bowen actually wrote a very nice letter on my behalf sponsoring my interest in public service and sent the letter to half a dozen friends of his, one of whom was Kermit Gordon who had been Chairman of the Council of Economic Advisors and had just gone to the Brookings Institution as president. Gordon took a copy of the letter and dropped it on the desk of Joe Califano who was President Johnson's Special Assistant for Domestic Policy. For some reason Califano read the letter—which you can't always count on—and out of the blue I got a call from Califano saying, "I got this really great letter. You must be terrific if somebody at Princeton is writing a letter like this. Why don't you come down and see me. We have a few things to do here; maybe you can help." So that's how it got started. I went to Washington and met with Califano. I remember I went into the West Wing of the White House for a 5:00 appointment and wound up actually getting to see Califano at 8:30 that night.

That was my first experience of what a vortex being the White House Senior Assistant is and how absolutely out of control you are of your schedule. We talked for a couple of hours and we seemed to hit it off. He then mentioned that the President had decided to set up a major task force to look at the issue of government organization and management and all this legislation

---

associated with the ideas of the Great Society and the mounting criticism of the government sort of stepping on itself—a lot of agencies and programs overlapping and duplicating. He wanted to set up a commission and wanted it to be very independent of people in the government, so the idea of somebody like myself staffing it was appealing to him. The next thing that happened was that he sent me to meet Ben Heineman, who had by then been selected as chair. I flew out to Chicago and Heineman and I just hit it off.

**BERKOWITZ:** He was head of a railroad then?

**BOHEN:** Yes, he was Chairman and CEO of the Chicago Northwestern Railroad. He'd been active politically and was a lifelong Democrat. He's been on a couple of other Johnson commissions. He was also looking to make a contribution to the government in public service, if not full-time then part-time. So he was very interested in this commission. I said something like, "I'm sure you're going to want to interview other people," and he said, "I've made up my mind. The question is do you want to come with me?" It took me about thirty seconds to say yes. What struck me was how decisive both Califano and Heineman were. These were action-oriented guys; it didn't take them long to make up their minds. I, of course, had had several years of academic life where people tend to take a long period of time sorting out all their options—first of all defining their options—and this was really quite a different experience.

**BERKOWITZ:** When you went to see Califano originally had you ever been in the West Wing of the White House before?

**BOHEN:** No, I'd never been in the West Wing of the White House.

**BERKOWITZ:** Had Bowen? What was Bowen's credibility to write these letters in Washington? Had he been on the Council of Economic Advisors?

**BOHEN:** He wrote them to fellow economists. Kermit Gordon was an economist.

**BERKOWITZ:** Was Bowen from Yale, Vanderbilt?

**BOHEN:** Bill Bowen did his graduate work at Princeton and then stayed on as a professor and, at that point, I think was an associate professor but already a recognized labor economist. I think he wrote to people that he had some personal contact with who were in the government. He wrote just one letter and fired it off. I don't think he thought it would land me a job like that. I cite this because everybody gets their start professionally—and particularly politically—in different ways. There's no handbook except the

---

willingness to sort of work your way in. I was very lucky. I felt I'd prepared well, but one of the things that's been great about my career right from the start is that I've had the opportunity to work with terrifically capable high-powered people. Every step of the way I've learned ahead of my years. It helps at an early age to get in a position where you're close enough to see how people have carried a lot of responsibility think and make decisions.

**BERKOWITZ:** I assume you voted for Kennedy and for Johnson in 1964?

**BOHEN:** I did.

**BERKOWITZ:** Did you have any other, kind of "inside" politics experience? In the State of New Jersey?

**BOHEN:** Not at that point. My grandmother had been a ward heeler for the Democratic Party back in the 20s and 30s, and I suppose I came naturally to it. And my parents, while not personally involved in politics, were supportive of the idea of public service and generated values in support of that. But, no, I had done very little work in politics until I got this experience. Of course, when I came out of the government, I became very active in New Jersey politics.

**BERKOWITZ:** It's interesting that Califano didn't feel that he had to check you out. Today I think they would say, "Who sent you?" and try to figure out who you were.

**BOHEN:** I think that's probably right. I don't remember whether he asked me if I considered myself a Democrat. There was nothing on my resume to suggest that.

**BERKOWITZ:** There weren't that many Republicans in 1966 or so.

**BOHEN:** The point you make is very interesting because when I came back as sort of Chief of Staff or Executive Secretary of the Department in 1977, when Califano was made Secretary by Jimmy Carter, I feel in addition to Califano knowing me, the most defining reason I got that opportunity was that Pete Williams, who was then senior Senator from New Jersey, and, before his downfall, a major figure in the Senate, was someone I'd gotten to know well through years of involvement in New Jersey politics and thought very highly of. He wrote a spectacular letter for me from the political side. I remember Califano saying to me, "I wanted to get you to come back, but it helps to have the support of somebody we're going to have to do a lot of business with."

**BERKOWITZ:** Right. He was the Chairman of the Labor and Public Welfare Committee at that point.

---

**BOHEN:** The overall Chairman of Public Welfare and, of course, there were several sub-committees that dealt with HEW. So by then I had accumulated political experience.

**BERKOWITZ:** In your Johnson years, the Heineman Commission was working on government organization as I recall, and you also worked on Califano's staff.

**BOHEN:** There were really three distinct strands that we looked at. One was the whole set of social programs that had been passed basically in '64, '65 and early '66 which put major new activity into HEW and HUD, Labor and the Office of Economic Opportunity and a few others. This was a hodgepodge of organizationally impacting legislation that had been passed at the federal level without a clear sense of how they would impact at the state and local level. They tried to address some of those questions. The second, which Heineman really pushed, was the need to organize better how national economic policy is made, a recurring theme of many government organization task forces.

We now have what I think he envisioned several years ago—the National Economic Council, like the National Security Council—brokering the disparate proposals of the many departments who have a role. So they made a pass at addressing that, but the single most important thing the Heineman group did there, the most important idea was that the Departments of Commerce and Labor had outlived their usefulness as the representatives of business and labor, and you would have a new Department of Economic Development or something like that would emerge, and submerge those special interests. That was a very strong conviction of Heineman. Johnson embraced that proposal in the 1967 State of the Union message. It died. George Meany said, "Over my dead body." I remember I had to call George Meany and alert him that this idea was in the works. He said, "I appreciate the courtesy, but don't count on my support." So clearly it was not going to happen and Johnson quickly dropped it.

And then the third thing they addressed, which came as an assignment directly from President Johnson, was the way the government was looking at the foreign policy and national security sphere and, of course, by the time we took that assignment it was well into '67, it was really around how the government was making policy with respect to Vietnam. We did some work on that. It was a very good Commission. Heineman himself didn't obviously have experience in foreign affairs, but McGeorge Bundy who had been in government before and did was on that Commission as were several other people that had a lot of experience in foreign affairs.

---

**BERKOWITZ:** Let's talk about going from the staff experience to actually being a front-line politician in the '70s. You ran for Congress. Tell us what was the catalyst in your own mind that made you decide to be a front-line politician rather than a staff person.

**BOHEN:** In all candor, the idea of running for Congress or having aspirations to be in the Congress had been something I'd had since I'd been in high school. My experience in Washington as a White House aide didn't dissuade me from feeling that the way to get a start in national politics, to be a player, was to get elected to Congress. I lived in a district that was represented by Frank Thompson, who at that time had a very illustrious career, so I didn't see any way to do that. Then along came this redistricting in '71-'72 which put the Princeton area out of Thompson's district and into a different district. And that coincided with the increase in polarization on the question of the war. I essentially ran in 1972 as an anti-war candidate.

**BERKOWITZ:** By putting Princeton with that district, with Somerset County, was the idea that that was going to be a Republican district? They were giving that all away basically. The Democrats did that, I assume.

**BOHEN:** The governor at that point was Cahill and the legislature under him was mixed. I think they were still in the early stages of implementing the "one man, one vote" philosophy or policy and adjusted the districts to do that. Thompson obviously didn't need Princeton, although he loved representing Princeton. I ran with no illusions about how difficult a district it was but I wanted to run. It was a good opportunity. I thought that I could run a good race, which I did, would get me some visibility in the state and national politics. I ran very well, actually better than anyone had done against him [Peter Frelinghuysen]. I ran about 25,000 votes ahead of the rest of the ticket. I felt, as events unfolded, I had a chance in a very different climate in '74. And I did come close. I lost by about 8,500 votes.

**BERKOWITZ:** In those days if you ran for Congress in 1972, 1974, how close to a full-time job was that? Running and getting ready to run?

**BOHEN:** It was a full-time job. By that time—it was three or four years after I left the government—I was working at the Ford Foundation and I initially took a leave of absence in April and May of 1972. I was lucky enough to have a wife who worked a full-time job, and we went into quite a bit of personal debt to make that race. I then went back to work for a year and then essentially took another whole year off to run again in '74. So these were really major personal commitments. In '74 I thought I had a chance to make it, and when it ended I had no regrets but I was essentially exhausted, having given it three years of my life, and quite deeply in personal debt.

---

**BERKOWITZ:** You figured that was going to be the best year for a Democrat.

**BOHEN:** Yes. I remember being asked, "You ran so well, surely you'll try for a third time?" And I said, "If I couldn't turn it with this level of effort in this kind of year, I can't do it."

**BERKOWITZ:** And, of course, no one ever has, right?

**BOHEN:** The district has changed a bit but, no.

**BERKOWITZ:** In addition to Pete Williams—Harrison Williams—did you have another political mentor?

**BOHEN:** Frank Thompson. I would say Frank Thompson, politically, and Richard Hughes. I knew him [Hughes] principally in his role as the governor. He was governor from '61 to '69. I knew him a little bit on my way to the White House, but a lot on my way out of the White House, and while I was there.

**BERKOWITZ:** I remember in 1964 he was—not seriously—vaguely considered as a vice presidential candidate.

**BOHEN:** More in '68. He and Muskie in '68 were seriously considered. He was one of Johnson's favorites while, in fact, Richard Hughes didn't know me that well, the fact that a New Jerseyan was on the White House staff, close to Califano was a source of pride. Of course, I knew some of his people very well, some were my friends from the Woodrow Wilson School.

**BERKOWITZ:** How were your relations with Califano during this period? Were you still in touch pretty much?

**BOHEN:** In the '70s?

**BERKOWITZ:** When you were running for Congress.

**BOHEN:** Yes. Yes, we continued to be good friends. Six or eight months would go by without us seeing each other, but during both races for Congress, he came to help campaign for me. He was very effective, a very good friend. Then, when he became Secretary, like many people who had worked for him, I wanted to go back in government; everybody with Democrat leanings wanted to go back in government after eight years of Nixon-Ford. I wasn't sure there was any opportunity there. We sat down and he said, "I'm not so sure." I do think Pete Williams's letter was very defining in terms of my ability to serve with him, particularly at that level.

---

**BERKOWITZ:** When was this conversation with him? At the end of 1976? Had you campaigned for Carter?

**BOHEN:** Actually I had a mixed record. I worked very hard for Morris Udall in the primaries, but then, when Carter won, I spent a lot of time as a volunteer working on policy papers and things like that.

Califano was one of the last people named by Carter to the Cabinet. It was on Christmas eve, and he called on New Year's eve and said he was going to be the Secretary and we talked about some of the possibilities. He said he wanted to really run HEW, and the way to do it was to turn this mechanism of the Secretary, which had previously been more of a paper-shuffling operation, into a substantive staff to serve the Secretary, both in terms of policy and decision making. He'd become convinced out of his own experience in talking to other Secretaries like Elliot Richardson, that the Department basically neutralized the Secretary by not paying any attention.

**BERKOWITZ:** That's certainly true of the Public Health Service and the Social Security Board.

**BOHEN:** He wanted a mechanism that would not only help him in an orderly way make the decisions but then follow up to see if the various administrations had carried it out. So that was the charge that I had, and that's essentially what I tried to do.

**BERKOWITZ:** So you were staff to Califano and to Hale Champion?

**BOHEN:** Right. I served the Office of the Secretary. They divided things among them a little bit.

**BERKOWITZ:** Hale had been on that Heineman Commission, is that right?

**BOHEN:** Yes.

**BERKOWITZ:** So you had to work with both of them. Did you have any particular portfolio of issues that you handled? You said that Califano and Champion divided.

**BOHEN:** Yes, Califano tended to look to me on education issues. The big one that came along was the separate Department of Education issue which he resisted until the very end. I had, in a previous job with the Carnegie Commission on Higher Education, actually looked at the question of a separate Department of Education. In the same way that Champion would get issues that weren't quite first order issues on health, I tended to get that kind of thing on education. I had a group of contacts with leaders in higher education. These things happened almost inadvertently. They sorted

---

themselves out. In a world like HEW, there's more than enough work to go around in an activist administration.

**BERKOWITZ:** It seemed to me that the people that Califano hired had somewhat of a similar profile. You're not exactly the right profile and neither is Hale Champion, but he tended to like people with high academic records from prestigious schools. He got a whole bunch of those kind of guys together. Is that fair?

**BOHEN:** I would say Hale and I stood out as exceptions. Joe respects legal training and the legal "mind." He has a predilection, when thinking about policy issues, to hire lawyers. I think when he got to the world of HEW, he knew he also had complex and challenging organizational, managerial issues. In Champion's case, he got the benefit of a lot of experience.

**BERKOWITZ:** We want to ask you about one other thing. When you got to HEW and started to work on these management issues, one of the very first things that Califano did was reorganize the department. Did he talk with you about this at all, since you had had that experience with the Heineman Commission?

**BOHEN:** Yes. The concept was that he was going to reorganize the department in general and the major things that he wanted to take on particularly, the unifying of the health programs in a new administration—subsequently named the Health Care Financing Administration. He saw also the institution of this executive secretary with a strong central staff as part of his central organizational agenda. And he also reorganized the Social Service and Welfare programs into a parallel administration to HCFA called Human Development Services.

**BERKOWITZ:** And meanwhile putting the Aid to Dependent Children in SSA, as I recall, as part of that reorganization, which was the key welfare program.

**BOHEN:** Right. I think he saw that both as desirable, based on his knowledge of these programs, in terms of service delivery, and also as a useful thing for a Secretary to do who wanted to really run things very well. He challenged a lot of the established ways of doing things. Of course, nothing was more emblematic of that than the decision to take Medicare out of the Social Security Administration since it was based on payroll tax deductions. I think he anticipated even more of a fight from the guardians of Social Security than he got. My memory is that we did these things under reorganization authority that was automatic unless it was vetoed by the Congress.

---

**BERKOWITZ:** Yes. It was not a matter of Congressional consideration at all. It was done by the Secretary. I guess the first thing was to figure out whether it could legally be done, and he did, probably even before he got there.

**BOHEN:** Yes. HCFA was created very fast. I think it was within the first sixty days with a relatively small number of people working on the details, and without much opportunity for consultation that would ding it out and kill it. It was done quietly, peremptorily.

**BERKOWITZ:** In your role under the Secretary, were you involved in personnel choices, like this fellow Bob Derzon who was hired to be head of HCFA?

**BOHEN:** I was not, although I got to know Derzon pretty well because we wound up living in the same apartment building after he arrived. Califano set up, independent of all of us, a recruiting staff and attracted several people from various communities whom he thought could provide talent for HEW. One of them who is here in New York, Jonathan Fanton, as head, the President, of the New School for Social Research, who was then, I think, at Yale as the head of development. He came down and worked for about six months. Peter Bell, who's now the President of CARE, and who then was at the Ford Foundation, came down and stayed on as a special assistant. The key, the lead on this was Jim Gaither who also worked for Joe in the Johnson White House. Joe wanted Gaither to come into government but he had a good law practice going, too much of a private life to give it all up, but he said he'd come down and help with recruiting for a few months.

That group really reached out and found for the Derzons and the Don Kennedys. When you're Secretary of HEW, you see all these major administrative functions where you need somebody who's got the credentials to command the subject matter and also the smarts to relate to a wider political organization. It's a major challenge. I don't know any Secretary that has taken it as seriously as Califano did in terms of the mechanism, if you will, or has been as successful in getting really good people. Derzon was a terrific person who ultimately didn't work out on the job, I think perhaps because he was too nice a guy and wasn't tough enough to command changes from the bureaucrats. The perception was that Califano and Champion lost confidence in him, but my sense was that they really liked Derzon the person but felt he was too much a representative of the machinery under him.

**BERKOWITZ:** Rather than an agent of change.

---

**BOHEN:** An agent of change. My sense is that if there was a test that he failed, that was the test.

**BERKOWITZ:** So you were observing this both as his neighbor and as somebody who was working for the Secretary.

**BOHEN:** I think I told you that I recruited a very capable man, Richard Cotton, to be my deputy for the health area, and he was much closer in his perceptions of what worked and didn't work at HCFA, and of Derzon, than me.

**BERKOWITZ:** So when you had a Medicare and Medicaid question, you turned to Rick Cotton. He would use his contacts?

**BOHEN:** We divided ourselves and I was the head of two or three people who were principal deputies. Rick Cotton covered the health area and particularly oversaw HCFA and the working out of that, working more closely than I with Derzon.

**BERKOWITZ:** The Secretary was supposed to make the department cohere. What about if you needed to talk to the White House? Was that something that was outside the Secretariat?

**BOHEN:** Yes. I tended to talk directly to the White House on the substantive issues that Califano pitched to me, the most significant of which revolved around education.

**BERKOWITZ:** That would have been one of Stuart Eisenstadt's assistants that you talked to?

**BOHEN:** Right. Also Pat Gwaltney who was in OMB and Bowman Cutter who returned to government as a key White House player in the Clinton administration.

**BERKOWITZ:** Also at OMB? Often these people were involved in paper work simplification things, those kind of issues.

**BOHEN:** I was two years head of the secretariat and then two years the Assistant Secretary for Management and Budget. Of course, there were a lot of interactions with those people once I got the responsibility to oversee the budget. But Joe Califano had one other key player who wasn't even mentioned yet in the conversation who handled a lot of the HEW and White House staff contacts, and that was Ben Heineman, Jr., whom I'd known of when I worked for his dad ten years earlier but had actually never met until we worked side by side. And as Executive Assistant to the Secretary, he was the sort of focal point for White House contact with Califano's issues. We had

---

many different voices at HEW who, left to their own devices, might not have been cohesive or perhaps not perfectly disciplined talking to the White House on policy. Ben Heineman served as the focal point and clearinghouse for contacts with the Eisenstadt staff.

**BERKOWITZ:** Who was the fellow that was the lawyer in the White House that did the health stuff? Joe Onek. That would have been the contact?

**BOHEN:** Exactly. For example, Onek was the working level contact for the cost containment legislation and the national health insurance issue that Joe discussed with Carter.

**BERKOWITZ:** Let me ask you one last question. At the end of the time you spent there was this Department of Education which eventually Califano lost and Jimmy Carter, the teachers and Ribicoff won. Was that a good move, you think, in the long run, now that you're in education?

**BOHEN:** No. It looks just as bad in 1996 as it did then. It's a classic example of trying to suggest a strategic policy change through an organizational change. There was no commitment either in the Carter administration to really have the federal government take significant responsibility for education—or to provide strategic leadership. Indeed everything in our two hundred year history argues that education is either a private or state and local responsibility. The federal role or involvement has been grafted on for a variety of premises or assumptions but clearly is supplemental. I think we have a Department of Education because we had well-organized political interests that are more important in the Democratic Party, at least in Carter's time, but we don't have any policy or philosophic basis for that. So I think it's in the same category as the Veterans' Administration and the Labor Department—intellectually rather hollow.

**BERKOWITZ:** It's interesting that after they peak usually those groups get a department. The Department of Agriculture is an example of that too.

**BOHEN:** So I don't think it made a damn bit of difference to what the country is doing in education if, in fact, the Republicans succeed in abolishing the department. We've got some programs that are absolutely vital—the student aid programs—and they will be attached to something else. They have their own constituency and those do have a national philosophic precept, but I'd be hard pressed to argue that they are presidential in character.

**BERKOWITZ:** So at the end of this Carter time as both the Executive Secretary and the Assistant Secretary, what did you take away?

---

**BOHEN:** Well, I would say, in the White House years what I took away was a sense of how the whole thing worked and a tremendously rich store of contacts. What I took away from the Carter years—I was a player in the Carter years, I really had major responsibility to solve problems and to make things happen. I had to do Congressional testimony, to fire people, to hire people, so what I took away was a sense of confidence in my whole set of skills and a sense of confidence in my ability to do those things. It's an interesting question. At one point I was 29 and at the other point I was 39 and very glad that I had that set of experiences. They've served me in good stead ever since.

**BERKOWITZ:** Thank you very much.

###