...And the pursuit of national health: the incremental strategy toward national health insurance in the United States of America

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Citation for published version (APA):
In addition to the foundation of the American welfare state on federal level, the Social Security Act was the beginning of the Social Security Board. John G. Winant, former governor of New Hampshire, was appointed chairman. The other two board members were Arthur Altmeyer and Vincent Myles, a lawyer from Arkansas. The appointment of Winant, a Republican, reaffirmed the bipartisan character of the Social Security Board. Nevertheless, during the presidential election campaign of 1936, Republicans remained critical of social security and did not hesitate to denounce the program as a popular vehicle of the Democratic Party. The social security policymakers believed that such criticism was unfair. Similar to the intellectuals of the early national health insurance movement, they viewed themselves as being above party politics, designing policy not based on political alignment but based on objective and scientific data. They were, in the words of Edward D. Berkowitz and Kim McQuaid, “a new breed of federal bureaucrats” with a strong sense of loyalty to the social security program. In those early days, as I.S. Falk remembered, the social security policymakers showed an “almost feverish but very enthusiastic, almost fanatical, devotion to the task of making the Social Security program something real.”

In addition to implementing and administrating the social security program, the Social Security Board was responsible for the planning of future policy. Section 702 of the Social Security Act had given the Social Security Board the “duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.” Initially, health insurance had been included as one of the subjects to be studied, but this was changed into “related subjects” in the House Committee on Ways and Means. The explicit mentioning of health insurance proved to be too controversial. According to I.S. Falk, the deletion of the word “health insurance” was due to the “shrieking” from the AMA:

We yielded readily to that to relieve the pain and anguish of members of the committee who were being flooded by telephone calls and telegrams and letters and personal calls, not because we were yielding to them in excluding the field but because [Arthur] Altmeyer, [Edwin] Witte and I (whether Ed Sydenstricker

2 I.S. Falk interviewed by Peter A. Corning, 23 October 1968, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 148.
was in on that, I don’t remember) were of the opinion that we had broad enough language without these specific words. It weakened the position somewhat in the subsequent pursuit of health insurance studies but didn’t exclude the field from the study areas of the Social Security Board.

In its studies, the Social Security Board worked together with the Public Health Service (PHS). To avoid duplication, the two federal agencies discussed how the duties of study should be distributed. The Social Security Board’s main interest was in the programs which were based on the social insurance principle, including disability insurance and the “foreign experience” with national health insurance. The PHS, on the contrary, focused its studies on the possibilities to extend the already existing public health programs. As head of the Bureau of Research and Statistics, the division of the Social Security Board that was mainly responsible for policy planning, I.S. Falk was able to direct the studies in the direction he preferred. Falk’s preference for national health insurance was well known and he could be expected to continue his efforts through the Social Security Board. Although health insurance was not explicitly mentioned in the list of policies to be studied, health insurance planning became the main subject of the Bureau of Research and Statistics.

ESTHER LAPE AND THE COMMITTEE OF 430 DOCTORS

As the Social Security Board was studying the possible ways to extend the Social Security Act to include some form of national health insurance, it could have been expected that the next movement in medical care would be an initiative by the federal government. Instead, not the Social Security Board but the American Foundation, a private organization founded by the philanthropist Edward Bok, was responsible for the next step. Esther Everett Lape, member-in-charge of the American Foundation and an intimate friend of first lady Eleanor Roosevelt, had started a research project in which physicians were requested to give their views on the organization of medical care. John Winant, the recently appointed chairman of the Social Security Board, was one of the American Foundation’s board members. “My own judgment was that it would probably be better for us not to exploit this new connection of yours in any way,” as Lape told Winant, suggesting to refer to him merely as former governor of New Hampshire. “But this may be a morbid ideal!” Another federal official, surgeon general Thomas Parran, joined the medical advisory

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4 Interview with Falk, 23 October 1968, 139-140.
5 Walton H. Hamilton to Frank Bane, “Relation of the Social Security Board to U.S. Public Health Service with Respect to Research in the Field of Health Care and Security Against Sickness,” 28 August, 1936, Winant Papers, FDR Library.
7 Esther Lape to John Winant, 13 November 1935, John Winant Papers, box 153, FDR Library.
committee of the American Foundation. President Roosevelt was fully aware of the involvement of the two federal officials and he believed that there was "not the slightest" reason for them to refrain from participation. Roosevelt only wanted to know for sure whether or not Lape's plans were "going to work in or be in opposition to any of the things which are now being done in the Government." First lady Eleanor Roosevelt assured her husband that Lape was "not coming out for any specific thing but [was] trying to gather a multitude of opinions and pick out what is the best opinion in the medical profession on a variety of subjects."9

According to Esther Lape, the discussion on medical care had been focused too much on the conflict between reformers and the medical profession as represented by the AMA. With her committee, Lape wanted to succeed where the CCMC had failed by getting beyond the rigid position of the organized medical profession. She was looking for "a competent group of medical men" that could provide a fresh approach to the problem of inadequate medical care for the lower-income and poor Americans.10 Accordingly, Lape sent letters to 2,500 physicians who all had been in practice for at least twenty years, asking them to express their views on the issue of medical care without returning to the old arguments. "What we should really like to have is your free expression as to whether your years of experience have led you to feel that any essential change in the present organization of medical service is needed."11 In addition, she sent the letter to younger physicians who had been in practice for five years or less. By 1937, Esther Lape had collected and published the statements in a 1500-page, two-volume report entitled American Medicine: Expert Testimony Out of Court. To reach a broader audience, Lape also published a summary of the report in several newspapers and magazines, including the New York Times and the Atlantic Monthly.

Fourteen of the physicians who had participated in the study of the American Foundation, most of them affiliated with prominent medical schools, subsequently wrote the manifesto "Principles and Proposals" in which they called for a partnership between the federal government, medical schools, and

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8 Lape to Winant, 12 September 1936, John Winant Papers, box 153, FDR Library.
9 Eleanor Roosevelt to Lape, 19 May 1936, Eleanor Roosevelt Papers, Personal Letters, FDR Library. Since the Eleanor Roosevelt Papers are in the process of being rearranged, box numbers are not cited.
10 Lape to Winant, 18 November 1936, John Winant Papers, box 153, FDR Library.
hospitals. They did not advocate national health insurance. As these physicians argued, federal subsidizing of medical care and research could lead to a higher standard of quality and also guarantee access to medical care for the lower-income and poor Americans.\textsuperscript{12} Eventually, the manifesto was signed by 430 physicians, referred to as the Committee of 430 Doctors. One of the drafters of the manifesto, Hugh Cabot, a consulting surgeon at the Mayo Clinic in Minnesota, seemed to personify the position of the medical specialists, who, unlike the AMA, preferred group practice. According to Cabot, the position of the AMA was "pure fascism." The AMA acted more as a trade union than as a body representing the medical profession.\textsuperscript{13} Nevertheless, the specialists did not favor national health insurance either. They believed that the answer to the problem of inadequate medical care was group practice, making the hospital "the center for the distribution of scientific medicine." As Hugh Cabot suggested, "the attempt to ameliorate the situation by legislation looking to compulsory health insurance has tended to distract attention from the much broader problem which is to put within the reach of substantially the whole population of the country, scientific medicine based upon scientific progress and offered by well-equipped, well-organized, and well-trained physicians."\textsuperscript{14}

The lay reformers may have agreed with many of the principles and proposals presented by the Committee of 430 Doctors, they were clearly irritated by the fact that they had been excluded from the deliberations. As I.S. Falk told John Kingsbury, "I cannot fail to be amused that Miss Lape hopes 'that this may form the first step of a discussion which will be broadened to include social scientists, economists and governmental planners.' You and I might have supposed that the first step was taken long, long ago."\textsuperscript{15} After Lape had sent him a copy of her report, Kingsbury could not resist ridiculing her efforts in a letter to Falk: "You should see the galley proof [Lape] has sent me! The package, which pardon me I have not yet opened, weighs ten pounds, 2½" by 6½" by 25". This is the exact weight and measurement!! I think I shall bring it to Washington with me and we can then decide whether or not to hold

\textsuperscript{13} Hugh Cabot to Esther Lape, not dated, enclosed in Lape to Eleanor Roosevelt, 7 July 1937, Eleanor Roosevelt Papers, Personal Letters, FDR Library.
\textsuperscript{14} Hugh Cabot, "The Case Against Compulsory Health Insurance with Suggestions for Other Experimental Procedures," enclosed in Hugh Cabot to Josephine Roche, 11 July 1938, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 8, FDR Library.
\textsuperscript{15} Falk to Kingsbury, 30 March 1937, Kingsbury Papers, series B, box 9, Library of Congress, Manuscript Division. Falk did add, "However, all this may be too petty."
an autopsy.”\textsuperscript{16} However, Esther Lape may have been an “outsider” in the field of medical care and health insurance, she was an “insider” at the White House. She succeeded where the lay reformers had failed, namely in getting President Roosevelt personally involved.

Even though the American Foundation had no official connection to the federal government, the Roosevelt administration worked closely together with Esther Lape and her physicians. Disappointed by the hostile opposition of the AMA, the Roosevelt administration hoped to obtain support of the medical profession as represented by the Committee of 430 Doctors. At the suggestion of John Winant, Esther Lape met with several officials of the federal government to discuss the studies of the American Foundation. President Roosevelt knew of such a meeting and told his wife Eleanor, “I hope Esther Lape will go.”\textsuperscript{17} In September 1937, Lape met with surgeon general Thomas Parran, assistant secretary of the treasury Josephine Roche, John Winant, Harry Hopkins, and Arthur Altmeyer at the Brookings Institution to discuss the role of the federal government in medical care. Even though “no definite conclusions were reached,” it was “generally agreed that a program for the construction of the medical care facilities was the most concrete proposal for immediate action and was more likely to meet popular approval than the other phases of the program would at this time.”\textsuperscript{18}

The next step was a personal meeting with President Roosevelt. At first, Roosevelt was reluctant to meet Lape’s group. “Franklin does not feel sure of himself in these areas,” as Eleanor Roosevelt told Lape. Also, Roosevelt believed that, by associating himself with these physicians, “he would in some way have to line up with someone and he was not ready to do that.”\textsuperscript{19} Lape reassured the first lady that the physicians had “no ‘program’ in their fist” and that “they will not exploit or publicize [the] opportunity to talk informally with the President.”\textsuperscript{20} Eleanor Roosevelt gave in. Dinner with the president was out of the question, but she invited Lape and the physicians over for lunch. As Lape reported to John Winant, President Roosevelt told the physicians he felt as “a lone pupil with six teachers.” He agreed with the principles and proposals, but repeated that his main concern was the cooperation of the medical profession. The proposals could only succeed if there was a broad

\textsuperscript{16} Kingsbury to Falk, 2 April 1937, Kingsbury Papers, series B, box 9, Library of Congress, Manuscript Division.
\textsuperscript{17} Lape to Eleanor Roosevelt, 7 July 1937, Roosevelt to Eleanor Roosevelt, 9 July 1937, Eleanor Roosevelt Papers, Personal Letters, FDR Library.
\textsuperscript{18} “Minutes of Conference Re. Medical Care,” 28 September 1937, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 43, FDR Library.
\textsuperscript{19} Lape, “Salt Meadow,” 66. Eleanor Roosevelt to Lape, 10 February 1937, Eleanor Roosevelt Papers, Personal Letters, FDR Library.
\textsuperscript{20} Memo enclosed in Lape to Eleanor Roosevelt, “Saturday night” [early 1937], Eleanor Roosevelt Papers, Personal Letters, FDR Library.
support throughout the nation. Only then, federal legislation could be designed, which had to be “the result of a demand from the medical profession, supported by the public, rather than the initiative of a paternalistic government imposing a program from above.”

Roosevelt’s interest was revived, especially in guaranteeing access for the welfare poor. As the president admitted to Esther Lape, “I am interested in furnishing some medical care to the submerged tenth of the population.”

Even though ridiculed by the original group of lay reformers, Esther Lape’s effort did bring medical care back to President Roosevelt’s attention, which alarmed the AMA. The AMA leaders immediately, in Lape’s words, “stole” the principles and proposals of the manifesto by endorsing them, but “tacked on some nullifying clauses designing to lodge everything with the American Medical Association.” The AMA wanted to strengthen the position of the private practitioner, which was under attack by the emphasis on medical science as promoted by the Committee of 430 Doctors. The autonomy of the medical profession was not only threatened by the federal government, but also by the medical schools and hospitals. “The only thing I have against this report is its implication that the future of American medicine lies in the medical schools,” Morris Fishbein told Esther Lape, prompting her to reply, “Instead of the County Medical Society?”

The lay reformers, in the meantime, had mixed feelings about the success of the Committee of 430 Doctors. On the one hand, they welcomed President Roosevelt’s revived interest and the physicians’ recognition that the federal government had a responsibility in medical care. The Committee of 430 Doctors had also shown that the medical profession was not the united front as the AMA repeatedly claimed it was. On the other hand, the lay reformers realized that the principles and proposals as presented by the Committee of 430 Doctors could undermine the drive for national health insurance. The physicians had clearly stated that national health insurance was not the solution to the problem of inadequate access to medical care. In fact, they had argued that national health insurance could even make the situation worse. In later years, Arthur Altmeyer expressed his belief that President Roosevelt’s decision to refrain from pushing for national health insurance was due to the influence of his wife Eleanor. Altmeyer had “a feeling – in fact, more than a feeling” that Esther Lape, described by him as “a medical technician,” had

21 Lape to Winant, 11 May 1937, John Winant Papers, box 160, FDR Library.
22 Lape, “Salt Meadow,” 66. In a personal letter to Joseph Lash (26 March 1964), Lape quotes Roosevelt as having said: “Esther, my interest is in getting some kind of medical care to the submerged third that has now practically none.” Lash, Eleanor and Franklin, 466.
23 Lape to Eleanor Roosevelt, 8 June 1937, Eleanor Roosevelt Papers, Personal Letters, FDR Library.
successfully convinced the first lady that national health insurance would undermine the quality of American medical care.\textsuperscript{25} Whether or not the first lady had such a decisive influence on her husband cannot be determined, but President Roosevelt undoubtedly welcomed the principles and proposals presented by the Committee of 430 Doctors as a possible alternative to a national health insurance program.

\textbf{THE NATIONAL HEALTH CONFERENCE OF 1938}

After meeting with Esther Lape's group, President Roosevelt decided to leave medical care to the Interdepartmental Committee to Coordinate Health and Welfare Activities, a committee that he had created in 1935 at the suggestion of Harvey Cushing.\textsuperscript{26} Chaired by the assistant secretary of the treasury Josephine Roche, the Interdepartmental Committee was an attempt to bridge the gap between the federal agencies which shared the interest in public health and welfare: the independent Social Security Board, the Public Health Service (PHS) of the Treasury Department, and the Children's Bureau of the Department of Labor. Early in 1937, at the suggestion of Josephine Roche and Arthur Altmeyer, the Interdepartmental Committee had begun a survey on the health needs of the nation. The newly appointed Technical Committee on Medical Care, chaired by Martha Eliot of the Children's Bureau directed the survey and prepared recommendations for a so-called National Health Program. The other committee members were I.S. Falk, who represented the Social Security Board, and Joseph W. Mountin, C.E. Waller, and George St.J. Perrott, who represented the PHS.\textsuperscript{27}

At the end of 1937, after a couple of months of research, the Interdepartmental Committee and the Technical Committee on Medical Care made two important decisions. First, it was decided that each agency would focus on its own programs. This meant that the Social Security Board would study possible plans for disability insurance and national health insurance, while the PHS and the Children's Bureau would focus on respectively the public health programs and the children welfare programs. Second, it was decided that the main attention should be given to "the formulation of a plan for the expansion of present health services and the provision of those aspects of a medical care program that would seem practical for development in the

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\item \textsuperscript{25}Interview with Arthur Altmeyer by Peter A. Coming, 23 March 1966, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 28. Even though the transcript reads "Esther Leahy," it is clear that Altmeyer is referring to Esther Lape.
\item \textsuperscript{26}Roosevelt to Harvey Cushing, 13 November 1934, Roosevelt to Perkins, 13 November 1934, OF 103, box 1, FDR Library.
\item \textsuperscript{27}Interdepartmental Committee, "Third Progress Report," September 1937, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 3, FDR Library.
\end{itemize}}
near future." In other words, the extension of medical care should receive priority over the creation of a national health insurance program. These decisions appeared to undermine the drive for national health insurance. The PHS and the Children's Bureau would be tempted to drop their support for national health insurance if such a program would jeopardize those parts of the National Health Program that had been prepared by their own agencies.

Historian Daniel Hirshfield claims that these decisions had been initiated by Martha Eliot, thereby suggesting that the PHS and the Children's Bureau, whether or not deliberately, tried to undermine the national health insurance objectives of the Social Security Board. The minutes of the meetings, however, show that this initiative was taken by I.S. Falk and Arthur Altmeyer, both of the Social Security Board. On October 15, 1937, Falk suggested focusing first on the expansion of "current activities" before going into "types of activities that might be developed in relation to needs or demands within practical limitation." One month later, Arthur Altmeyer, who by now believed that a national health insurance program should be added to the Social Security Act, suggested to make the Social Security Board solely responsible for national health insurance. The other members of the Interdepartmental Committee agreed that "it probably would be better for the Committee on Medical Care not to go into details of a health insurance scheme." Falk and Altmeyer must have realized that these decisions would undermine the drive for national health insurance, and one can only speculate about their motivation. Perhaps they wanted to keep full control over national health insurance and refused to share any responsibility with the PHS and the Children's Bureau. Or perhaps they believed that the entire National Health Program, including national health insurance, would have a greater chance to be enacted if the extension of medical care was emphasized. Either way, Altmeyer and Falk deliberately took on the responsibility of national health insurance, even if that meant that it would become a second priority on the agenda of the Interdepartmental Committee.

28 Martha M. Eliot, "Summary of discussion by the Committee on Medical Care at its meeting," 15 October 1937, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 38, FDR Library.
30 "Minutes of Conference of Technical Meeting on Medical Care," 15 October 1937, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 43, FDR Library.
As a result of the priority setting, the recommendations of the Interdepartmental Committee focused first on public health, maternal and infant care, hospital construction, and federal aid to blind and crippled children. In its progress report, the Interdepartmental Committee listed five recommendations of which the last two dealt with disability insurance and national health insurance:

1. Expansion of Present Health Programs
2. Federal Grants-in-Aid for the Construction and Maintenance of Needed Hospitals
3. Federal Provisions for the Medical Care of the Medically Needy Persons
4. Federal Action in Connection with Programs of Disability Compensation
5. Federal Stimulation or Aid for the Development of Health Insurance and Public Medical Care

In the case of national health insurance, the report stated that "National coverage of all persons, or of all with earnings below a specific income level, is as difficult here as in the case of old-age insurance," referring to the difficulty to provide coverage for agricultural workers and domestic servants. Partially because of this difficulty, a joint federal-state program was preferred to a federal national health insurance program, leaving the decision to participate up to the individual states. The report did not include more details on national health insurance. "The general outline of a health insurance program was developed for the Committee on Economic Security and its details are not repeated here."  

With the permission of President Roosevelt, the Interdepartmental Committee planned to present its National Health Program at the National Health Conference, to be held in Washington, DC, in July, 1918. At the conference, 175 delegates, representing the medical profession and labor, business, and consumers’ organizations, would be given the opportunity to share their views on the existing conditions of medical care and the need for the National Health Program. On February 14, 1938, Josephine Roche and Arthur Altmeyer presented their report to President Roosevelt. At that meeting, Roosevelt authorized the public release of the report minus the parts dealing with national health insurance. Contemplating to leave federal service for personal reasons, Roche used the meeting with Roosevelt to request permission to let Altmeyer replace her as the chair of the Interdepartmental Committee. Roosevelt did not want Roche to step down and told her to stay on at least until

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32 "Progress Report from the Technical Committee on Medical Care to the Chairman of the Interdepartmental Committee to Coordinate Health and Welfare Activities: On Federal Participation in a National Health Program," 17 December 1937, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 38, FDR Library.
the National Health Conference was over. Roche could not refuse such a presidential request and continued her work.\textsuperscript{33}

The Interdepartmental Committee had deliberately presented its report to President Roosevelt before February 18, 1938, the day that the AMA would meet with the Committee of 430 Doctors to discuss the cooperation between the medical profession and the federal government.\textsuperscript{34} At this meeting, held at the AMA office in Chicago, the AMA tried to restore the unity within the medical profession. Hugh Cabot, representing the Committee of 430 Doctors, demanded that from then on the \textit{Journal of the American Medical Association} would publish alternative views on medical economics. A couple of months earlier, Morris Fishbein had refused to publish the reaction of the Committee of 430 Doctors to an editorial that questioned their professional integrity. After Fishbein stated that he could not publish “the notions of every nitwit that comes along,” Hugh Cabot angrily replied, “Does Dr. Fishbein still believe that the gentlemen who signed these Principles and Proposals are thoughtless and incapable of thought, as stated in the editorial?” In spite of the continuing hostility between Hugh Cabot and Morris Fishbein, the AMA officials tried to restore the peace to avoid a dramatic split of the medical profession at the National Health Conference.\textsuperscript{35}

The lay reformers welcomed the “cleavages” within the medical profession, but did not “want to encourage battle.” As Michael M. Davis wrote to the office of the Interdepartmental Committee: “The AMA should come to realize that it is licked on the issue of need, but it should have a reasonably face-saving way out; the liberal physicians need to be less motivated by the opposition to the AMA and to reach some agreement on programs on which they are willing to work with lay groups.”\textsuperscript{36} Even though a comprehensive national health insurance program would not be recommended, the lay reformers were encouraged by the public statement that President Roosevelt sent to Josephine Roche three days before the National Health Conference.

\textsuperscript{33} “Meeting of the Interdepartmental Committee with the Technical Committee on Medical Care,” 10 February 1938, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 10, FDR Library. Josephine Roche to Henry Morgenthau Jr., 14 February 1938, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 38, FDR Library.

\textsuperscript{34} Martha M. Eliot to Josephine Roche, 5 February 1938, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 38, FDR Library.


\textsuperscript{36} Michael M. Davis to Mary Switzer, 12 July 1938, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 11, FDR Library.
Without explicitly referring to national health insurance, the president stated that a national health plan "necessarily must take account of the fact that millions of citizens lack the individual means to pay for adequate medical care. The economic loss due to sickness is a very serious matter not only for many families with and without incomes but for the nation as a whole."  

Esther Lape, however, did not share the lay reformers' high expectations. As she told Eleanor Roosevelt, "Yet if I told you what I really think, or fear, I should have to say that the omens are rather for its being just another conference."

To the relief of Josephine Roche, the National Health Conference, lasting three long hot days in July, appeared to be successful. Even the absence of President Roosevelt (who was on a cruise) and his wife Eleanor (who was out of town) could not spoil the euphoric mood of the Interdepartmental Committee and the lay reformers. The representatives of the labor, business, and consumer organizations had applauded the National Health Program. Even the AMA had shown a willingness to cooperate. "We come not imbued with a controversial spirit," AMA president Irvin Abell announced, "but with a determination to give to this Conference our best thought, our experience, and the information which has been accumulated in our bureaus through the years that have passed since the organization of the American Medical Association." Also the Committee of 430 Doctors, represented by Hugh Cabot and Robert Osgood, expressed the hope that all the physicians, including the AMA, could work together with the federal government. All hostility seemed to have vanished when, after the conference was over, Morris Fishbein offered both Josephine Roche and Arthur Altmeyer a free subscription to the *Journal of the American Medical Association* for a period of six months.

Even though Falk and Altmeyer had suggested and supported the decision to make national health insurance a second priority of the National Health Program, they had included an outline of Sydenstricker and Falk's original plan in the proceedings of the National Health Conference. The enthusiastic

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38 Lape to Eleanor Roosevelt, "Saturday night" [May 1938], Eleanor Roosevelt to Lape, 7 June 1938, Eleanor Roosevelt Papers, Personal Letters, FDR Library.


40 Press Release Interdepartmental Committee to Coordinate Health and Welfare Activities, 19 July 1938, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 26, FDR Library.

41 Morris Fishbein to Josephine Roche, 23 July 1938, Fishbein to Arthur Altmeyer, 23 July 1938, Papers of the President's Interdepartmental Committee to Coordinate Health and Welfare Activities, box 11, FDR Library.
response to the National Health Program, however, convinced them that national health insurance could perhaps be enacted in the near future. The AMA, on the contrary, was willing to endorse the National Health Program on the condition that the recommendation to provide federal grants encouraging health insurance programs on state level would be dropped. A couple of days after the National Health Conference, Josephine Roche and Arthur Altmeyer met with the AMA officials to discuss this compromise. Believing that, in the words of Michael M. Davis, “a political base had been established for a broad legislative health program,” Altmeyer and Roche refused to give in. Subsequently, the AMA officially opposed the entire National Health Program. This refusal to compromise prolonged the deadlock between the Social Security Board and the AMA.

The failed compromise between the AMA and the Interdepartmental Committee did not alter the euphoric mood of the lay reformers. “Future historians will undoubtedly underline that date,” the dedicated national health insurance advocate James Rorty wrote, “July 18, 1938, [the day the National Health Program was presented] marks the ending of one epoch and the beginning of a new one.” Morris Fishbein, writing in the Journal of the American Medical Association, presented a more realistic view on the outcome of the National Health Conference. Using a typical Fishbeinesque metaphor, he wrote, “The Conference conferred again and there was such a buzzing of bees about the medical hive that one might anticipate being stung unto death except that many of the bees were drones and the queen bee kept her head.” Fishbein was right to suggest that the lay reformers had overrated the enthusiasm of “queen bee” Josephine Roche. Six months later, in the letter transmitting the Interdepartmental Committee’s final report, she wrote to President Roosevelt that the committee “believes that the findings and the proposals of the technical report ... are amply corroborated by professional and lay experience and opinion.” In her letters to Eleanor Roosevelt, however, Roche did present a more enthusiastic attitude, which was shared by the first lady. After Roche sent her “a few of the hundreds” reactions calling the National Health Conference a major success, Eleanor Roosevelt replied, “They are grand,” adding the crucial question: “What happens next?”

44 As quoted in Reginald M. Atwater to Josephine Roche, 4 August 1938, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 11, FDR Library.
45 As quoted in Fox, Health Policies, Health Politics, 89-90.
46 Roche to Eleanor Roosevelt, 27 August 1938, Eleanor Roosevelt to Roche, 1 September 1938, Eleanor Roosevelt Papers, Personal Letters, FDR Library.
THE WAGNER HEALTH BILL OF 1939

At first, President Franklin D. Roosevelt seemed to share the enthusiasm about the outcome of the National Health Conference. When Josephine Roche and Arthur Altmeyer met with the president to discuss the National Health Program, President Roosevelt indicated that he wanted to make it a campaign issue in the 1938 congressional elections. He apparently changed his mind immediately, as he said, ‘Well, maybe we ought to wait till the 1940 Presidential campaign.’ In his message to Congress of January 23, 1939, President Roosevelt again expressed the hope that the recommendations of the Interdepartmental Committee could lead to a program that would reduce the “risks of needless suffering and death, and of costs and dependency, that now overwhelm millions of individual families and sap the resources of the Nation.” However, in spite of these encouraging words and his initial enthusiasm for the National Health Program, President Roosevelt merely called for “careful study” instead of immediate action.

Realizing that the Roosevelt administration would not actively promote the National Health Program, the Social Security Board met with the staff of Senator Robert F. Wagner. Even though Wagner preferred a federal plan to a joint federal-state program, he included the National Health Program in his 1939 omnibus bill to supplement the Social Security Act. When on February 28, 1939, he introduced the bill, Wagner expressed the hope that it would “conquer this last remaining frontier of social security in America.” President Roosevelt, however, refused to endorse the Wagner health bill. This time, the intensifying opposition of the AMA may have played a part in his reluctance. “Franklin says that he does not want to get into any difficulties with the American Medical Association just now when he has so much to contend with,” as Eleanor Roosevelt told Esther Lape in 1939. The first lady was referring to the international developments that preoccupied the president’s mind. With the outbreak of World War II, Roosevelt’s main attention had shifted from domestic issues, including national health insurance, to international ones. Whether or not the preoccupation with the war was decisive

47 Interview with Altmeyer, 23 March 1966, 32.
50 Eleanor Roosevelt to Lape, 6 December 1939, Eleanor Roosevelt Papers, Personal Letters, FDR Library.
in his decision to remain uncommitted, Roosevelt's lack of action was consistent with his earlier ambiguous position on national health insurance.

Even though President Roosevelt had not publicly endorsed the Wagner health bill, I.S. Falk was convinced that, if the president had been able to do so, he would have said "Okay, go ahead and work with Senator Wagner." A Roosevelt administration bill or not, the social security policymakers knew that Roosevelt agreed with its objectives. As Falk remembered:

I didn't have any doubts as to where [Roosevelt's] own sympathies and his own wishes lay, but his political judgments were to go gingerly on this, and I thought it was going to go the way it did - that Wagner would be committed to introduce the bill with a wide-open secret that this had been prepared within the Administration offices and so on, and that he was getting it with the full knowledge of the President. And the President would say: "What bill? Senator Wagner got a bill? I must read it." You know how he handled these things. At a certain point he could say: "I haven't seen the bill." 51

Without a presidential endorsement, however, no action could be expected in Congress. The liberal Democrats in Congress were reluctant to commit to a controversial program that could lead to conflicts with interest groups back in their home states. The social security policymakers were disappointed by Roosevelt's failure to endorse the Wagner health bill. Even though Arthur Altmeyer had supported the president's decision in 1935 to exclude national health insurance from the original Social Security Act, he believed that in 1939 health insurance should have been included. As Altmeyer believed, Roosevelt should have presented the health program as "a very dramatic issue" in order to be enacted. "And when the President didn't want to do it, we rather lost heart; felt that it was going to have to wait until he was ready to give it a push." 52 Others shared this view. Katherine Lenroot of the Children's Bureau told Frances Perkins that a failure to move on the National Health Program would mean "a terrific letting down of interest." As far as Katherine Lenroot was concerned, "There is no question in our minds that the health program would be immensely popular." 53

The Interdepartmental Committee had continued its work after the National Health Conference was over, but remained in the background. At a press conference, three days before Christmas 1939, President Roosevelt wondered where "that crazy story came from" that he would revive the Interdepartmental Committee. He did not, however, make an effort to show

51 I.S. Falk interviewed by Peter A. Corning, 23 October 1968, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 213-214.
52 Arthur Altmeyer interviewed by Peter A. Corning, 14 September 1966 (Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 118.
53 Katherine Lenroot to Frances Perkins, 28 December 1938, Harry Hopkins Papers, box 94, FDR Library.
that the committee was still active and in fact had helped him to prepare his latest proposal. Instead of attempting "to put through a general plan on a nationwide basis," the president preferred the "improvement of health in those communities that have complete lack of facilities today." Therefore, he proposed an experimental hospital construction program to build fifty hospitals. Needless to say, the lay reformers were extremely disappointed. Not only had President Roosevelt failed to endorse the Wagner health bill, but he had also replaced it with a program that did not seem to embody anything. As I.S. Falk remembered, the president's hospital construction plan was so limited that it became known as the "Franklin D. Roosevelt's bill for the construction of 50, 100, 200 empty mausoleums." Even though the bill passed in the Senate, it never reached the floor in the House, proving that even a modest health policy program was difficult to pass in Congress.

**THE WAGNER-MURRAY-DINGELL BILLS**

Although President Roosevelt himself seemed to ignore medical care during the war years, the Social Security Board was actively involved in the drafting of the Wagner-Murray-Dingell bill of 1943, which included a new national health insurance plan. Unlike the earlier plan, which would have established a federal-state program, national health insurance followed the old-age insurance structure of the Social Security Act. As Arthur Altmeyer explains, "We realized that unless the federal government took a large part and responsibility in the development and progress of health insurance, nothing would be likely to happen by the states." As an exclusively federal program, national health insurance could guarantee universal access, but it also reduced the role of the individual states, thereby hurting its political chances in Congress.

The move toward federalization (in this context, the centralization of social policy from state to federal level) was not limited to national health insurance, but also included the other features of the Wagner-Murray-Dingell bill: the federalization and extension of unemployment insurance and welfare programs, the extension of the coverage and benefits of old-age insurance, and the introduction of special benefits for veterans. At that time, federalization seemed logical. The war experience had shown the effectiveness of centralized leadership, federalization was favored by labor, and a recent Supreme Court ruling had found centralization constitutional. Moreover, the Wagner-Murray-Dingell bill seemed to mirror the British Beveridge Plan of 1942, which

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55 Interview with Falk, 23 October 1968, 246.
56 Interview with Altmeyer, 23 March 1966, 35-36.
And the Pursuit of National Health

proposed a centralized "cradle to the grave" insurance system. "Why does Beveridge get his name on this?" President Roosevelt asked Frances Perkins, "You know I have been talking about cradle to the grave insurance ever since we first thought of it. It is my idea. It is not the Beveridge Plan. It is the Roosevelt Plan."

In spite of Roosevelt's personal commitment to "cradle to the grave" social security, he again did not give his endorsement. After Senator Wagner sent the president a copy of the Wagner-Murray-Dingell bill, Roosevelt merely wished him "good luck with it." History seemed to be repeating itself. Without a presidential endorsement, the Wagner-Murray-Dingell bill died in Congress. One part of the bill, however, was enacted. In 1944, Congress passed the GI bill, providing broad and comprehensive benefits to veterans returning home from the war in Europe. Often not recognized as social welfare legislation, the GI bill included, among many other benefits, free medical care and disability pensions for veterans and their dependents. As Theda Skocpol has argued, the GI bill "undercut demands for more comprehensive social programs for all citizens ... especially in the areas of health and housing."

During the war years, Roosevelt's messages on national health insurance remained ambiguous. Even though he publicly called for the extension of social security "to provide protection against the serious economic hazard of ill health," he merely endorsed a hospital construction bill. Roosevelt never presented his American Plan, a national health insurance plan that was being drafted by Samuel Rosenman, but he did add the "right to adequate medical care" to his 1944 Economic Bill of Rights. "The only person ... who can explain this medical thing is myself," President Roosevelt told his cabinet members, "The people are unprepared." Roosevelt did not want to get involved in a major social security battle without strong support for his domestic reforms in Congress. As he told Senator Walter George of Georgia, chair of the Senate Finance Committee, "You don't want, I am sure, to have anybody come up and present a Social Security program at this time. ... We can't go up against the State Medical Societies; we just can't do it."

concerned, national health insurance had to wait its turn. As Falk remembered: "The impasse on the Wagner-Murray-Dingell bill persisted year after year."64

**FEDERAL AGENCIES IN DISARRAY**

With the establishment of the Interdepartmental Committee to Coordinate Health and Welfare Activities, President Roosevelt had hoped to stimulate the cooperation between the agencies working in the field of public health and welfare. In spite of this effort, each of the federal agencies continued to pursue its own particular political agenda. In 1939, the Federal Security Agency (FSA) was created, combining the Social Security Board with the Public Health Service (PHS), the Office of Education, the U.S. Unemployment Service, the Civilian Conservation Corps, and the National Youth Administration. The Children’s Bureau of the Labor Department, which had been included in the Interdepartmental Committee, was not transferred to the FSA until seven years later. The establishment of the FSA did not end the disagreement among the agencies. The cooperation was “still very complex,” as I.S. Falk told John Winant in 1939. Falk believed that the opposition of the AMA played an important role. “But we are also in an awkward situation so long as the Federal agencies involved in the health program are at different stages of readiness to break with the AMA, if necessary.”65

Even though now under the authority of the FSA, the Social Security Board continued to independently pursue the objectives of extending social security and including a national health insurance program. The 1939 amendments of the Social Security Act, reorganizing the financial structure of the social security system, strengthened the position of the Social Security Board. Moreover, during the war years, the federal government had become, almost unnoticed, the major source of welfare spending.66 The changing position of the Social Security Board also altered the perspective of the social security policymakers. As Falk remembered:

> Now, it’s true we were bureaucrats sitting in one place in the political center of the country. But we were in the position to see what was going on around the country, and we were going through not just a political but [a] sort of intellectual and religious reformation. We began to come out with a perspective that none of us had had when we first began doing these things, because we couldn’t be indifferent to the significance of what was happening around us and to us. And then, you see, the stalling for a year or so turned out to be two years, three years, after these hearings on the ’39 [Wagner health] bill. In that period we were


65 Falk to Winant, 14 March 1939, Falk Papers, box 58, folder 489, Yale Library.

changed persons. Our perspective was revised – so far as I’m concerned, never to go back to what it had been.  

The continuing opposition to the National Health Program and the failure of the Congress to even pass Roosevelt’s limited 1940 hospital construction program only enhanced the belief of the social security policymakers that they should not compromise. The 1938 National Health Conference had set the political agenda that the Social Security Board would continue to pursue for the years to come.

The other federal agencies, and the PHS in particular, questioned the persistence of the Social Security Board. Over the years, surgeon general Thomas Parran had presented an ambiguous position on national health insurance. He had always been close to the group of lay reformers, but did not always share their political objectives. Back in 1924, Edgar Sydenstricker and John Kingsbury of the Milbank Fund had recommended Parran to Roosevelt, then governor of New York, for the position of state health commissioner. In 1935, Parran, as surgeon general, had introduced an alternative plan for national health insurance during the meeting of the CES Medical Advisory Board. As an alternative to national health insurance, he suggested, the government should promote the extension of medical care and the already existing public health services. During a meeting of the Interdepartmental Committee in 1937, Parran had “reiterated his interest in increasing hospitalization as the most satisfactory way of getting better medical care to the general public.” Parran had also signed – though reluctantly – the principles and proposals of the Committee of 430 Doctors. On the other hand, he had praised the 1938 National Health Program as the “greatest event in medical science which has happened in our time.”

During the war years, Thomas Parran became more and more skeptical of the need for national health insurance. His doubts were reaffirmed after reading a report by the PHS employee Marjorie Shearon, a former employee of the Social Security Board who had shown an extremely personal dislike toward I.S. Falk. In the report, presented to Parran on July 1, 1943, Shearon warned the surgeon general for the concentration of power in the Social Security Board. Under a national health program, the Social Security Board would be able to “subtly shape, if not, indeed, openly control, our national fiscal policies.” Moreover, the Social Security Board would expand its power under the responsibility of the surgeon general. “Vested with none of the authority which

67 Interview with Falk, 23 October 1968, 154
68 Fox, Health Policies, Health Politics, 91.
69 “Minutes of Conference on Medical Care,” 29 November 1937, Papers of the President’s Interdepartmental Committee to Coordinate Health and Welfare Activities, box 43, FDR Library.
would normally be given to the administrator of a program of such magnitude, the Surgeon General could be made a convenient scapegoat to bear the blame for blunders not necessarily of his own making.”71 The Shearon report may not have been the only information on which Parran based his decision to oppose national health insurance, but it undoubtedly enhanced his existing doubts. He now believed that the National Health Program would give him, as surgeon general, “too much responsibility with the lack of equal authority.” On July 2, 1943, one day after he received the Shearon report, he wrote down the reasons why he could not support a broad national health insurance program. Parran questioned the desirability of national health insurance as an effective measure to improve the health of the American people. Other plans needed to be examined and tried first before such a complex program would be enacted. Each of these other methods should be “freely discussed” in cooperation with the medical profession. Most important, Parran believed that any health plan should be placed on the sole responsibility of the Public Health Service. The federal government’s involvement in public health had to be separated from the social security programs. The social security principle of national health insurance could result in an overemphasis on sickness and acute care, instead of on preventive medicine as provided by the already existing public health programs. In addition, a national health insurance scheme could only work if medical services were available. New hospitals needed to be constructed and medical personnel needed to be trained. Under a national health insurance program, the federal government would have a legal and moral obligation to provide these services, and if the federal government failed to do so due to lack of resources, “Labor would be disappointed, the Government discredited.”72

The position of the PHS could build on a growing consensus that the extension of medical care was the key to better medical care. Even though the AMA remained opposed to any form of intervention by the federal government, other medical professionals, particularly the American Hospital Association (AHA), were willing to cooperate with the federal government to extend the existing public health services and the construction of new hospitals. The Social Security Board, in the meantime, was waiting for a presidential endorsement of its National Health Program. The social security policymakers refused to accept the extension of medical care as an alternative to their own national health insurance program.

71 Marjorie Shearon, “Analysis of the Wagner Bill (S. 1161),” 1 July 1943, Falk Papers, box 60, folder 516, Yale Library.
72 Thomas Parran to Leonard J. Calhoun, 2 July 1943, Falk Papers, box 60, folder 516, Yale Library.
PRESIDENT TRUMAN’S NATIONAL HEALTH PLAN

“The Chief is ready to go ahead on health insurance,” as Harry Hopkins allegedly told Michael M. Davis on the phone in 1944, right after President Franklin Roosevelt had been reelected. Subsequently, I.S. Falk and Davis worked together with presidential speechwriter Samuel I. Rosenman in drafting a presidential message on national health insurance. Unfortunately, as Davis recalled, “The President’s sudden death in April made it a piece of paper.”

According to Falk’s personal notes, however, the drafting process had started earlier on and without the active involvement of Davis. In the summer of 1943, Arthur Altmeyer had been told that Samuel Rosenman was working on a national health message for President Roosevelt. In January 1944, Isador Lubin, Roosevelt’s economic assistant, called Falk from the White House and asked for a short memorandum on medical care and national health insurance. Not until May 1945, thus after Roosevelt’s death, did Falk receive Rosenman’s first draft of the health message.

On November 19, 1945, President Harry S. Truman presented his health message to Congress. Building on Roosevelt’s Economic Bill of Rights, Truman proposed a broad national health program, including national health insurance. “Our new Economic Bill of Rights should mean health security for all,” as Truman declared, “regardless of residence, station, or race – everywhere in the United States.” Again, hospital construction and the expansion of public health were combined with a health insurance program to protect against the costs of medical care. In addition, Truman recommended a program to provide protection against loss of income due to sickness and disability.

The social security policymakers welcomed the presidential support for their National Health Program, though they feared that President Truman could not measure up to the prestige of President Roosevelt. Already under Roosevelt, Congress had become more and more reluctant to pass major domestic reform legislation. The 1945 Wagner-Murray-Dingell bill did not get a hearing in the Senate Finance Committee, and the relevant committees in Congress even publicly announced that Truman’s National Health Plan would not even be considered for legislative action by the 80th Congress.

President Truman’s plans for national health insurance were revived when Truman appointed Oscar Ewing as the new FSA administrator in 1947. At that time, Ewing was not very familiar with the issue of national health insurance, but he soon became an ardent supporter. Surgeon general Thomas

73 Davis, Medical Care For Tomorrow, 280
75 Harry S. Truman, “Special Message to the Congress Recommending a Comprehensive Health Program,” 19 November 1945, Public Papers, 475-491.
76 Poen, Harry S. Truman Versus the Medical Lobby, 93.
Parran did not get along with Ewing, and when Parran's position came up for reappointment, he was replaced by Leonard A. Scheele at Ewing's recommendation. Unlike Parran, Scheele was cooperative and helped Oscar Ewing to prepare a report describing a national health program. In September 1948, just in time for the opening of the presidential elections campaign, Ewing presented his - rather personally formulated - report *The Nation's Health* to President Truman. In addition to proposals for the extension of medical care and the construction of hospitals, the Ewing Report called for a comprehensive and compulsory national health insurance system. "The compelling argument ... that drives me to an advocacy of national health insurance is that I see no other possible way of bringing adequate medical service to fully half of the American people," as Ewing stated in his report. "It would, obviously, be nice if we could find some other way that would arouse less opposition from many members of the medical profession. But I see none." President Truman apparently agreed, as he used the Ewing Report to make national health insurance one of the key issues in the 1948 presidential elections campaign.

"Health insurance legislation has a vastly improved outlook," as I.S. Falk wrote in his desk diary notes right after the surprising reelection of President Truman. "But I appreciate well that the fight for social security will still be a hard one, & for h.i. still very tough; the momentary notion that the 81st Congress will adopt forthright everything that Truman advocates in the campaign is - I fear - going to prove to be nonsense." Falk's assessment turned out to be correct. Again, Congress did not act. However, the inactivity cannot be ascribed to Congress alone. While the social security policymakers drafted the 1949 Murray-Dingell bill, which included Oscar Ewing's National Health Plan, President Truman followed the strategy which was similar to President Roosevelt's strategy with the Wagner-Murray-Dingell bills. Again the bill was not introduced as the administration's bill and President Truman only endorsed its general objectives. President Truman never went into details. As President Roosevelt had done before him, Truman remained ambiguous on national health insurance. In his State of the Union Address of January 8, 1951, President Truman did stress the "need to provide insurance ... against the high costs of modern medical care," but refrained from presenting a detailed program. When in 1951, President Harry Truman appointed the


79 I.S. Falk, "Desk Diary Notes," 4 November 1948, Falk Papers, box 64, folder 613, Yale Library.

Commission on the Health Needs of the Nation, he did not include Oscar Ewing, suggesting that the president preferred the extension of medical care to a national health insurance program.81

In the end, the conclusion must be made that President Truman supported national health insurance during the campaigns for the presidential and congressional elections, but decided to keep a low profile on the issue once a national health insurance bill was being considered in Congress. These actions could also explain the reasons why President Truman let Oscar Ewing become the personification of the administration’s national health insurance plan. As a campaign issue, national health insurance could be politically powerful; as actual legislation, it remained controversial. As John R. Steelman, one of Truman’s advisors, would later recall, Truman knew that his national health insurance plan would not pass, but “he wanted to scare these doctors and make them do something. So he scared the living light out of them by coming out more strongly than he ever hoped to get.”82 Also Oscar Ewing would later claim, in retrospect, that the national health insurance proposal would have never made it. “Oh, we never had a chance,” Ewing exclaimed, but unlike President Truman he had not realized that at the time. “No. No. I had the hopefulness of ignorance.”83

THE ROLE OF LABOR

The American labor movement may have been relatively weak compared to movements in other western countries, labor unions have played an important role in the fate of national health insurance in the United States. Before the enactment of the Social Security Act in 1935, the labor unions were reluctant to support national health insurance. Other parts of the social security program, particularly unemployment insurance, were considered to be more important. In addition, the American workers were divided in two distinctive groups: the industrial, unskilled workers on the one hand, and the craft and trade workers on the other. Feeling neglected by the craft orientated American Federation of Labor (AFL), the industrial workers established the Congress of Industrial Organizations (CIO) in 1935. While the AFL supported the relatively conservative part of the Social Security Act, the CIO was far more radical and believed that the Social Security Act did not go far enough.84

81 Fox, Health Policies, Health Politics, 160.
83 Oscar R. Ewing interviewed by Peter A. Corning, 26 August 1966, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 63-64.
The labor unions became more interested in national health insurance once the Social Security Act had been enacted. At its annual convention in 1935, the AFL delegates officially endorsed “the enactment of socially constructive health insurance legislation through Congress and the individual States.” Subsequently, the AFL testified in favor of the 1939 Wagner health bill. However, not until the early 1940s did the labor unions become actually involved in the drafting of social security policy. The AFL had sponsored the 1942 Eliot bill, a rather obscure forerunner of the Wagner-Murray-Dingell bills. William Green, the AFL president, worried that the AFL’s newly acquired active role would be considered “a bit revolutionary” by its members. However, the cooperation with the Social Security Board proved to be satisfactory. That next year, the AFL, and to a lesser extent the CIO, worked closely together with the social security policymakers in the drafting of the Wagner-Murray-Dingell bill. The involvement of the labor movement was significant as it filled the vacuum left by the lack of presidential endorsement. Over the years, labor would become, in Martha Derthick’s words, the “intimate collaborator” of the Social Security Board. Elizabeth “Wicky” Wickenden, the Washington representative of the American Public Welfare Association, played an important role in bringing together the AFL and the CIO behind the Wagner-Murray-Dingell bills. She was the mediator between AFL’s Nelson Cruikshank and CIO’s Katherine Ellickson, providing a neutral space where the labor representatives could meet with each other and with the social security policymakers. AFL president William Green “would not permit the AFL men to sit down with the CIO woman on social security unless a third party brought them together,” as Wickenden would later remember, “So I became that third party.” In 1944, the AFL institutionalized its activities in social security legislation by appointing Nelson Cruikshank as the director of the AFL’s social security department.

Around this time, the lay reformers, organized in the private Committee for the Nation’s Health (CNH), also started to cooperate with the labor unions. Michael M. Davis was the CNH’s director, while the funding was provided by Albert and Mary Lasker and the Rosenwald family. Mary Lasker was a close friend of Senator James Murray (co-sponsor of the Wagner-Murray-Dingell bills) and dedicated much of her time and money to advocate national health

87 Edward D. Berkowitz, Mr. Social Security: The Life of Wilbur J. Cohen (Lawrence, University Press of Kansas, 1995), 54.
88 As quoted in Derthick, Policymaking for Social Security, 125.
insurance. In December 1945, she had placed endorsements of Truman’s National Health Plan in the Washington Star, the Washington Post, and the New York Times, signed by almost two hundred prominent public figures, including Eleanor Roosevelt, Fiorello La Guardia, Abe Fortas, and Leonard Bernstein. Together, the CNH and the labor unions (both the AFL and the CIO) were able to counter the AMA campaign against national health insurance. The CNH provided the intellectual background and the prestige; the labor unions took care of the distribution of the campaign material. Historians disagree on the power of the CNH to fight the AMA. While Frank Campion described the CNH as a “big and powerful and well-financed” organization, Monte Poen has stated that “the Committee for the Nation’s Health could not hope to match the AMA’s resources.”

Even though the labor unions supported the campaign for national health insurance, the labor movement grew tired of the inactivity in Congress. While major social security legislation did not even reach the floor in the Senate and the House, Congress did enact, in spite of President Truman’s veto, the Taft-Hartley Act of 1947, which was an attempt to curtail the growing power of labor unions. In 1946, the CIO was no longer willing to wait “for perhaps another ten years until the Social Security laws are amended adequately.” As no action could be expected from Congress, the labor unions began to look for other ways to obtain medical protection for their members and subsequently turned to collective bargaining. This move was understandable, as the wartime policy of the War Labor Board and the Internal Revenue Service encouraged employer-based health insurance. The Wage Stabilization Board had frozen the wages, making insurance benefits an important issue in collective bargaining. In addition to the failure of the Wagner-Murray-Dingell bills and the success of active federal encouragement of employer-based health insurance, the move toward collective bargaining in health care was prompted by the competition among the labor unions, as each union could attract new members by bargaining for health care benefits. As AFL’s Nelson Cruikshank remembered, “So either union politics, the pressures, the War Labor Board, the Wage Stabilization Board, the attitudes – all these interplayed, but they were all kind of pushed in one direction from many sources.”

89 Poen, *Harry S. Truman Versus the Medical Lobby*, 69-70.
91 As quoted in Lichtenstein, “From Corporatism to Collective Bargaining,” 143.
92 Fox, *Health Policies, Health Politics*, 117-120.
93 Nelson Cruikshank interviewed by Peter A. Corning, 15 February 1966, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 51.
Collective bargaining for health care benefits proved to be successful. In 1948, 2.7 million workers were covered by employer-based health insurance; in 1954, 12 million workers and 17 million dependents. For the CIO and the other industrial labor unions, the success of collective bargaining was a reason to refrain from advocating a comprehensive and compulsory national health insurance program. The enactment of such a system would undermine the bargaining position of the labor union. The AFL, on the contrary, continued to support national health insurance. Unlike the CIO and the other industrial labor unions, the majority of the AFL members were not employed by large industrial companies that could offer comprehensive benefits. In 1949, the AFL presented and endorsed a plan for the extension of the Social Security Act to include disability insurance and national health insurance. Subsequently, AFL president William Green sent a copy of the AFL plan to President Truman and to FSA administrator Oscar Ewing, telling them that the AFL "shall be glad to continue to work with your people and with the members of Congress in developing the specific legislation to implement this program." Even though the labor unions, and particularly the AFL, had shown strong support for national health insurance, the issue never became a major issue among the members of the labor unions, the actual workers. National health insurance remained an intellectual issue, discussed by AFL’s Nelson Cruikshank and CIO’s Katherine Ellickson during meetings with the social security policymakers and the intellectuals of CNH. With the exception of the small group of dedicated advocates of national health insurance, most interest groups that favored national health insurance in principle, including labor, did not necessarily believe that such legislation should always receive top priority on the legislative agenda.

THE OPPOSITION OF THE AMA

During the National Health Conference of 1938, the AMA had shown its willingness to cooperate and proposed to accept the National Health Program on the condition that the Social Security Board would drop the plans to subsidize health insurance programs on state level. After Josephine Roche and Arthur Altmeyer had refused to accept the AMA's compromise, the AMA denounced the entire National Health Program. In May 1939, the AMA House of Delegates officially opposed the 1939 Wagner health bill. In an article in

the *Washington Post*, Morris Fishbein called the Wagner bill "the latest manifestation of the persistent drive toward a complete change in the nature of medical practice in this country which has been engineered by a small group of so-called medical economists for more than ten years." Fishbein called the lay reformers "ruthless" and repeated the old line that national health insurance "ultimately must result in a trend toward communism and totalitarianism and away from democracy as the established form of government." 97

Up to the early 1940s, the AMA's opposition had hardly been organized. The AMA's campaign against national health insurance had been targeted at its own rank and file, generated by the editorials of Morris Fishbein in the *Journal of the American Medical Association*. As Wilbur Cohen remembered, "At that time [the physicians of the AMA] were not politically powerful in an organizational sense, as they were in, let's say, 1950 when they beat Wagner-Murray-Dingell or in 1964 when they were defeating Medicare." 98 The national health insurance advocates continued to portray the AMA as a group of greedy money-grabbers who opposed reform out of personal economic interest. In reality, the opposition had far deeper roots. The physicians believed that the medical profession in itself was under attack. They sincerely feared that national health insurance and group practice could and would undermine the integrity, status, quality, and autonomy of their profession. Morris Fishbein would later explain why he had reacted so hostile toward the advocates of national health insurance. In his view, the lay reformers were entering a field that was off limits for non-professionals. They were threatening the sacred ground of medicine. As Morris Fishbein said, "well, it comes down to this kind of a statement, that you do not attack God or motherhood if you have any sense. You let those alone, you see." 99

By the 1940s, the situation had changed. The pressures on the autonomous position of the AMA, exerted by the federal government and the medical specialists practicing in hospitals and medical schools, increased. In 1939, the Justice Department had started an antitrust investigation against the AMA and several state medical societies on the charge that they had obstructed the establishment of group practice and had coerced individual physicians and hospitals to refrain from participating in group payment programs. After four years of legal battle, the AMA was found guilty. The physicians could not help

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98 Interview with Wilbur Cohen by Peter A. Corning, 19 August 1966, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 56.

99 Interview with Morris Fishbein by Charles O. Jackson, 12 March 1968, Oral History Collection, National Library of Medicine, History of Medicine Division, Bethesda, Maryland, 64.
but question the timing of the federal government. As the Washington Post reported, "A convincing case can be built up to support the theory that the extraordinary grand jury study was, to put it bluntly, propaganda looking forward to Congressional consideration of the proposed National Health Program." Even though these allegations of federal coercion cannot be proven, President Franklin D. Roosevelt, as historian Patricia Spain Ward states, "did not seem displeased that threats of impending antitrust action on a separate matter appeared to influence AMA negotiations on the proposed National Health Program."100

When the Truman administration began to campaign for national health insurance, the AMA mobilized its political power and struck back by hiring the advertising company of Clem Whitaker and "his stunningly beautiful wife" Leone Baxter. Whitaker and Baxter had a long résumé of successful campaigns in California, including the defeat of the Democratic candidate Upton Sinclair during the gubernatorial elections in California of 1934. They had managed the victorious gubernatorial election campaign for Governor Earl Warren in 1942, but subsequently turned against Warren to beat his 1945 state health insurance plan.101 In 1948, Whitaker and Baxter started the AMA's so-called National Education Campaign, which was centered around a reproduction of the famous nineteenth-century painting by Sir Luke Fildes entitled "The Doctor." To this romanticized portrayal of a family doctor sitting at the bedside of a sick child, Whitaker and Baxter had added the provocative slogan: "Keep Politics Out Of This Picture." The image was hard to ignore, as it was featured on the cover of many AMA brochures and as a poster on the walls of 65,000 waiting rooms in doctor's offices around the country.102 The message was clear. If government health insurance were enacted, the family doctor would cease to exist, leaving the poor sick children of America in the care of heartless government bureaucrats. The National Education Campaign was so successful that the AMA no longer needed the emotional outbursts of Morris Fishbein. When, during a popular radio broadcast, the AFL's social security expert Nelson Cruikshank exposed Fishbein's misrepresentation of the British experience with national health insurance, Fishbein's career was over. The AMA House of Delegates forced him to resign in 1949.103

101 For an extensive view on the work of Whitaker and Baxter, see Stanley Kelley, Jr., Professional Public Relations and Political Power (Baltimore: Johns Hopkins Press, 1956), 39-106. The reference to Baxter as "stunningly beautiful" is taken from Campion, The AMA and U.S. Health Policy, 163.
102 Campion, The AMA and U.S. Health Policy, 161.
The medical profession was not only divided between the AMA and the medical specialists, but also by race. The AMA's African-American counterpart, the National Medical Association (NMA), had shown an interest in national health insurance. The social security policymakers, however, did not recognize the relevance of race. When in 1939 the NMA invited I.S. Falk to discuss the possibility of "disadvantageous discriminatory treatment" under national health insurance, Falk reaffirmed that African Americans were "doubly disadvantaged," but merely concluded that "Whether these fears [of discrimination] are justified I cannot say." The NMA, of course, did recognize the relevance of race. Since the division between the predominantly white male AMA and the African-American NMA was determined by race, it would be no surprise if the AMA's opposition to and the NMA's support of the principle of national health insurance were at least influenced by race as well. In 1949, NMA president C. Herbert Marshall Jr. accused the AMA of "practicing Ku Klux racialism" by allowing local medical societies to be segregated. In addition, he argued, the AMA's opposition to President Truman's National Health Plan was the AMA's attempt to maintain the status quo. The Truman plan was a "rebellion of the laity" and should receive the support of the NMA. Ironically, the NMA delegates refused to endorse the Truman plan officially, prompting the NMA president to warn them "if you support the stand against Truman, you will receive a pat on the back from the AMA, but condemnation from ten million Negroes and the NAACP."

In 1949, history seemed to repeat itself, when the AMA was again subjected to an investigation by the Justice Department for alleged violations of the antitrust laws. From October 1949 until April 1950, the FBI searched the AMA office in Chicago for evidence. The AMA had justifiable reasons to suspect foul play. The investigation had been ordered by the recently appointed attorney general J. Howard McGrath, a former liberal Democratic senator and chair of the Democratic National Committee. As senator, McGrath had been an ardent supporter of Truman's national health insurance plans and had often attacked the AMA in public when campaigning with the Committee for the Nation's Health. As AMA historian Frank Campion states, "Since nothing further ever came of this investigation of alleged antitrust violations, it is hard to characterize it as anything but an attempt to intimidate." The AMA has


106 As quoted in Poen, Harry S. Truman Versus the Medical Lobby, 162.

107 Campion, The AMA and U.S. Health Policy, 165-166.
repeatedly (and often rightfully) been accused of dirty politics, but in the national health insurance fight, the dirt could be found on both sides.

The AMA’s intensified and vocal campaign against President Truman’s national health insurance proposals has contributed to the myth that the opposition of the AMA was decisive in shaping American health policy. Most of the participants, particularly the lay reformers, refer to the opposition of the AMA as the main obstacle in the fight for reform. That the AMA did have political influence cannot be denied. During the congressional elections of 1950, the AMA had been responsible for the defeat of liberal Democrats such as Senator Claude Pepper of Florida (as a card on a hospital breakfast tray read, “This is the season for canning Pepper!”). The defeat of liberal Democrats in the congressional elections was seen as a sign that national health insurance had been rejected. However, in the overexposure of the AMA the opposition of many other interest groups seemed to vanish in the background. Moreover, the AMA’s campaign may have influenced but was not solely responsible for the growing general consensus that the extension of medical care was to be preferred to a national health insurance program.

BEYOND THE OPPOSITION OF THE AMA

With a few notable exceptions, most historians writing about the Wagner-Murray-Dingell bills and President Truman’s National Health Plan single out the opposition of the AMA as most crucial in the defeat of national health insurance. This view is understandable, as most of the participants in favor of national health insurance, including the social security policymakers and President Truman, did accuse the AMA of being the main obstructionist in health legislation. In a public speech, Truman called the AMA “that great organization which hates the administration more than it hates the devil,” adding, “But there are a lot of people in Congress who jump when the American Medical Association cracks the whip.” However, opposition to national health insurance was not limited to the AMA alone. As Wilbur Cohen remembered, other interest groups, such as the insurance industry, also lobbied against national health insurance, but, unlike the AMA, “They tended to do

what they did more behind the scenes." The AMA was the most vocal of all the opponents, and sometimes opposed bills which had not even been introduced or which would probably not have been passed even if the AMA had remained silent.

During the late 1940s, more and more groups joined the AMA in its fight against the Wagner-Murray-Dingell bills and Truman’s National Health Plan. The AMA was fully aware of this development. As the AMA’s campaign leader Clem Whitaker proudly announced at the 1949 meeting of the AMA’s House of Delegates:

> Medicine isn’t fighting alone now. This is rapidly becoming a great public crusade and a fundamental fight for freedom. The American Farm Bureau Federation, the American Legion, and the American Bar Association, the National Grange, the National Association of Small Businessmen, the National Fraternal Congress with its hundreds of lodges, and the General Federation of Women’s Clubs with its five million members – these are just a few of the powerful public organizations which have taken their stand beside American medicine in this battle.\(^\)\(^\)\(^\)\(^\)\(^\)\(^\)\(^\)

Traditionally conservative groups tended to favor the status quo as represented by the American Medical Association over a strong, paternalistic government. The opposition to national health insurance also gained academic credibility when in 1948 the Brookings Institution published a study by George W. Bachman and Lewis Meriam, entitled *The Issue of Compulsory Health Insurance*, arguing that compulsory health insurance was not the solution to the problem of inadequate medical care. By 1952, more than 9,000 professional, business, and public organizations had officially announced their opposition to national health insurance.\(^\)\(^\)\(^\)

The support for national health insurance was far more limited. Even though the Wagner-Murray-Dingell bills were supported by the labor unions, the support was often minimal as other social security programs and collective bargaining were considered to be more important. Groups which fully endorsed national health insurance tended to be “minority” groups such as the American Jewish Congress and the National Association of the Advancement of Colored People (NAACP). However, other groups, such as the League of Women Voters, withdrew their support as the debate on national health insurance intensified.\(^\)\(^\)\(^\)

The growing opposition to national health insurance cannot be ascribed to the influence of the AMA alone, but should be seen as part of the more general

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111 Wilbur Cohen interviewed by Peter A. Corning, 27 July 1966, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 27.


113 Kelley Jr., *Professional Public Relations and Political Power*, 81; Poen, *Harry S. Truman Versus the Medical Lobby*, 123.

114 Poen, *Harry S. Truman Versus the Medical Lobby*, 92.
cold war climate that began to permeate American politics after World War II. A telling example of the emerging cold war paranoia was the propaganda by Marjorie Shearon, one of the most ardent opponents of national health insurance. Shearon was a former employee of both the Social Security Board and the PHS. Her discontent with the Social Security Board, and with I.S. Falk in particular, dated back to 1939 when Falk had refused to publish her report on the constitutionality of the social security program. As Falk later remembered, “It was as though someone had throttled her infant at birth or in its cradle, and she apparently never forgave any of us for this series of events.” After working for the Social Security Board and the PHS, Shearon became the research analyst for the Republican Senate Minority Conference in 1944. She worked closely with Senator Robert Taft of Ohio and became the research assistant of Senator Forrest Donnell of Missouri.

Notorious was Shearon's pamphlet Blueprint for the Nationalization of Medicine in which she claimed that the Social Security Board had become the “Mecca For Socialization Leaders.” Starting with the 1919 report on health insurance by John R. Commons and Arthur Altmeyer, Shearon followed the careers of all the lay reformers and social security policymakers in an attempt to prove her conspiracy theory. The efforts of the American Association of Labor Legislation, the CCMC, the CES, the Interdepartmental Committee, and the Social Security Board were presented as a linear propaganda process, secretly led by the International Labor Organization. Shearon drafted “The House of Falk” diagram to expose the structure behind the conspiracy. As she argued, “During the period 1936 to 1947 top leadership was provided by Falk. Some officials served as willing collaborators, others as reluctant collaborationists. Some were duped and never clearly saw the over-all plan, while others followed the state socialist or communist line as fellow-travelers, not initiating, yet not resisting, subversive movements.”

Shearon’s conspiracy theory was not only welcomed by the AMA, but also by the conservative powers in Congress. Her studies were used by the House Subcommittee on Government Publicity and Propaganda, chaired by the Republican Representative Forest A. Harness of Indiana, which led the investigation into the alleged propaganda activities of the Truman administration. Ironically, surgeon general Thomas Parran was the first subject of the subcommittee, even though, according the Shearon’s theory, Parran had been “double-crossed” by the social security policymakers. In spite of the fact that the subcommittee could not find any evidence of unlawful propaganda, the investigation did undermine the authority of the Social

115 Interview with Falk, 23 October 1968, 154.
See also Alan Derickson, “The House of Falk,” 1836-1843.
117 Campion, The AMA and U.S. Health Policy, 160
Security Board's Bureau of Research and Statistics, as Congress, in 1949, decided to drastically cut its funding.\textsuperscript{118}

Marjorie Shearon could of course be dismissed as merely an extreme and paranoid example of cold war politics. As I.S. Falk told in his testimony to the FBI, Shearon was “a professional hate- and smear-monger who has no respect for truth or integrity.”\textsuperscript{119} Her views were however influential. Moreover, Shearon’s interpretation may have been far off, her arguments did contain a number of valid observations. The national health insurance movement had indeed been led by a small group of lay reformers. The studies of the CCMC, the CES, and the Social Security Board were indeed part of a linear process resulting in the Wagner-Murray-Dingell bills. Moreover, the social security policymakers were more than merely objective technicians; they had actively been advocating a national health insurance program. Shearon’s paranoid views helped the opposition in Congress to undermine the power of the Social Security Board. As historian Alan Derickson has pointed out, “Opponents of the Wagner-Murray-Dingell bills correctly judged that forcing [the social security policymakers] into a more passive, technical role would injure the movement for change.”\textsuperscript{120}

Even though the actions in Congress proved that social security policy was a political issue, the social security policymakers continued to believe that they were above politics. They were trying to do their job in a scientific and objective manner. Moreover, the social security policymakers believed that the political chances for reform were increasing. When questioned if the Wagner-Murray-Dingell bills had been defeated by the “rabid anti-communism and anxiety” in American politics after World War II, Arthur Altmeyer denied such action and explained that the political perspectives had been quite the opposite. Inspired by the British Beveridge Plan, Altmeyer argued, “it looked as if the fervor of a brave new world, envisaged after the war was won, would carry over to this country and lead to great social changes and progress, ... as a matter of fact, there was included in the Atlantic Charter, as part of the principles for which we were fighting, health insurance.”\textsuperscript{121}

\textbf{EXTENSION OF MEDICAL CARE INSTEAD OF HEALTH INSURANCE}

Ever since his work in the CCMC, I.S. Falk had argued that a national health insurance plan should always be combined with a proposal to extend medical

\textsuperscript{118} Poen, \textit{Harry S. Truman Versus the Medical Lobby}, 112.
\textsuperscript{119} “Statement by I.S. Falk to Special Agent Andrew J. Shannon, Federal Bureau of Investigation,” 26 September 1950, Falk Papers, box 48, folder 314, Yale Library.
\textsuperscript{120} Derickson, “House of Falk,” 1839.
\textsuperscript{121} Arthur Altmeyer interviewed by Peter A. Coming, 3 September 1965, Columbia University Oral History Collection (microfiche edition, Roosevelt Study Center), 42-43.
care. In 1934, Edgar Sydenstricker and Falk had convinced President Roosevelt and Frances Perkins that a national health plan should go beyond health insurance alone. As Falk would say, “If you propose a health insurance program and you don’t make a provision to deal with shortages of personnel or with hospitals and other facilities, you’ll get your throat cut.” In other words, in addition to the health insurance program, the extension of medical facilities was needed to provide the services financed by the new program. However, it had never been the intention of the social security policymakers to limit the plans to the extension of medical care alone. As far as the social security policymakers were concerned, the extension of medical care should be considered as complementary to a national health insurance program, and not as an alternative. In the same way as national health insurance without constructing new hospitals did not make sense (one does not need to finance services that are not available), constructing new hospitals without enacting a national health insurance program did not make sense either (one does not need to supply services that cannot be used due to lack of health insurance coverage). As I.S. Falk pointed out, merely focusing on the extension of medical care was based on “the unwisdom of building hospitals unless there are also provisions to finance their use.”

The 1938 National Health Program and the 1939 Wagner health bill had included a hospital construction program, though both as a complementary part of a broader health program. The failure of Roosevelt’s limited hospital construction bill of 1940 reaffirmed the belief of the social security policymakers that they should not compromise, that they should not focus on the extension of medical care alone. Subsequently, the Wagner-Murray-Dingell bill of 1943 included both a (federal) national health insurance program and a (joint federal-state) hospital construction program. While the Social Security Board and the AMA remained at deadlock in their battle over the Wagner-Murray-Dingell bill, the PHS formed a coalition with the American Hospital Association (AHA) to advocate federal legislation for medical research and hospital construction. The belief that the extension of medical care was the best and only way to raise the quality of medical care was reaffirmed by the war experience. Americans were shocked to hear that many young men were unfit to serve in the army because of poor medical care. Moreover, the war effort had stimulated research in medicine leading to important discoveries such as penicillin. Writing in her “My Day” newspaper column, Eleanor Roosevelt expressed this new consensus best. Even though guaranteeing access for all Americans was the ultimate goal, the former first lady believed that, “no matter what we do,” only federal subsidizing of medical research and education could raise the standard of quality. “This means not only more medical facilities but

122 Interview with Falk, 23 October 1968, 173.
123 Falk to Roche, 5 January 1939, Falk Papers, box 45, folder 281, Yale Library.
more doctors, scientists, dentists, nurses and other specialists.” Meeting little opposition, this new consensus further undermined the cause of national health insurance.

While Congress refused to act on the Wagner-Murray-Dingell bills, legislation to extend medical care was passed relatively easily in the years after World War II. Two important bills were passed in 1946. The National Mental Health Act established a federal grants program to subsidize the improvement of mental health institutes and encourage medical research. The Hospital Survey and Construction Act, better known as the Hill-Burton Act, established a federal grants program to subsidize the construction of new hospitals. Both programs were joint federal-state programs, enabling the support of the Southern Democrats. The Democratic co-sponsor of the Hill-Burton bill was Senator Lister Hill, both a Southerner and the son of a physician. The Hill-Burton bill also did not threaten racial segregation in the South as an amendment to outlaw racial and religious discrimination in hospitals built under the Hill-Burton program had been rejected. The Hill-Burton program was a major success in the South. Senator Hill’s home state Alabama was the first to build a hospital under the Hill-Burton program and would become the state with the most Hill-Burton hospitals.

The new consensus also became dominant among the liberal Democrats. Even though President Truman had made national health insurance a key issue of the 1948 presidential elections campaign, the Democratic Party refused to include national health insurance in its platform plank to be presented at the National Democratic Convention. To the dismay of Truman, the Democratic Party merely called for the enactment of a “national health program for expanded medical research, medical education, and hospitals and clinics.”

Also the Committee for the Nation’s Health (CNH) was split over the choice between the extension of medical care and a national health insurance program. While Michael M. Davis, with the support of the AFL and CIO, wanted to continue advocating national health insurance, Mary Lasker and the Rosenwald family, the CNH’s main source of funding, joined the new consensus. Even FSA administrator Oscar Ewing, perceived by the opposition as Mr. National Health Insurance himself, complained at staff meetings.

125 Fox, Health Politics, 117-120.
126 Berkowitz and McQuaid, Creating the Welfare State, 160.
128 Poen, Harry S. Truman Versus the Medical Lobby, 125.
129 Poen, Harry S. Truman Versus the Medical Lobby, 177-178.
meetings that he was “sick & tired” of having health insurance as the “main thing or only thing,” suggesting that the focus should be on subsidizing medical education and hospital construction. Senator Hubert Humphrey was one of the few remaining liberal Democrats calling for national health insurance. “We may build more hospitals, train more doctors, and discover new cures. But they must be supplemented by pooled purchasing power to pay for hospital care in each community to be effective.” Hubert Humphrey was an exception, however, as most of the postwar liberals had come to the conclusion that the extension of medical care was not so much complementary to national health insurance, as in fact an acceptable alternative.

CONCLUSION

Throughout his presidency, President Franklin D. Roosevelt maintained a seemingly ambiguous position on national health insurance. He promised the medical profession that he would keep politics out of medicine, but he never denounced national health insurance altogether. He kept the reformers believing that he was on their side in the battle with the AMA, telling them that the “same old crowd that has fought us so often is still at it – and only death will mend their ways.” Roosevelt cleverly told each side what it wanted to hear, thereby pacifying the opponents without discouraging the reformers. He neither opposed nor favored national health insurance in principle, but regarded it as one possible option among others. By remaining uncommitted, he was able to keep all his options open.

Unlike his predecessor President Roosevelt, President Harry S. Truman has been remembered as a champion of the national health movement. In his memoirs, Truman expressed his disappointment about the failure of his national health insurance plans: “I have had some bitter disappointments as President, but the one that has troubled me most, in a personal way, has been the failure to defeat the organized opposition to a national compulsory health-insurance program.” He genuinely disliked the medical profession as represented by the AMA and expressed his grievances both in public and in private. “What a bunch of robbers they are!” as Truman wrote his cousin Ethel Noland. “Why can anyone be against my health program?”

130 I.S. Falk, “Desk Diary Notes,” 17 December 1948, Falk Papers, box 64, folder 613, Yale Library.
132 Roosevelt to Kingsbury, 6 April 1938, PPF 1031, FDR Library.
President Truman took a seemingly unequivocal stance on national health insurance, his direct commitment can be questioned. He never officially endorsed the national health insurance bills before Congress, nor gave his full support to FSA administrator Oscar Ewing. National health insurance proved to be predominantly a campaign issue. President Truman was able to use the opposition of the AMA as another example of how private interests dominated the actions of the "do-nothing" Republicans. In the words of Daniel Fox, "Both Roosevelt and Truman contributed more rhetoric than presidential power on behalf of health policy."\textsuperscript{135}

The lack of success to get national health insurance enacted was not so much the result of a failure of the Truman administration to overcome the AMA’s opposition, but rather the result of two developments: 1) the growing consensus on the preference for the extension of medical care, and 2) the success of private, employer-based health insurance achieved through collective bargaining. As more and more working Americans were covered by private insurance provided by organizations such as Blue Cross, the need for a government health insurance program decreased. Moreover, in an era of cold war politics and a strong belief in scientific progress, a consensus on the preference for the extension of medical care could easily be established. Even those favorable toward national health insurance tended to focus of the extension of medical instead. When former first lady Eleanor Roosevelt interviewed FSA administrator Oscar Ewing in her radio show, she asked him about "the health legislation which is perhaps the most controversial thing that your name is associated with, the national health insurance." In an attempt to explain the need for national health insurance, Ewing told Roosevelt that the American medical care was the finest in the world, but that health insurance was needed as not all Americans were able to afford the medical care they needed. Before Ewing could finish his sentence, however, Eleanor Roosevelt interrupted, exclaiming: "But we’re short of doctors and nurses, now."\textsuperscript{136}

\textsuperscript{135} Fox, \textit{Health Policies, Health Politics}, 122.

\textsuperscript{136} Oscar Ewing interviewed by Eleanor Roosevelt, Eleanor Roosevelt Radio Program #152 (sound recording), May 1951, Roosevelt Study Center.