

University of Illinois Student Life and Culture Archives**Interviewee: David Eisenman (Part 2)****Interviewer: Katie Nichols****Date: November 12, 2019****Length: 00:55:23**

Katie Nichols: Okay. This is Katie Nichols at the Archives Research Center. Today is November 12, Tuesday, and I am here for part two of my interview with David Eisenman. All right, so we're gonna start talking about the—

DE: University of Illinois blood program, right? I left forever in I think it must have been, well, let's see these years tend to blend together. But let's work it out. '67-'68, centennial years, '68 spring, Martin Luther King dies, we start the Martin Luther King fund one year later. So that'd be the spring of '69 is the HRIF, Human Resources Investment Fund, attempt to raise money for low-income kids and that year also for more staff jobs for nonwhite Champaign-Urbana residents. So that's HRIF, Human Resources Investment Fund, the effort of spring of '69. But it must have been fall of '70 that we tried the SEAL 'please just give \$5' game, which failed—spring of '71 would have been SEAL referendum, which I think I talked about the last time, and therefore the fall of '71 must have been when I stood in the Armory and handed out \$2, \$2 is to people who found themselves registering and not with cash.

So then I got my car and drove away forever, except it wasn't forever, because then in the spring, there I was sitting watching the waves on Buzzards Bay in Massachusetts, and *The Daily Illini* would arrive a couple of days late, but there was all this business about, 'oh dear, tuition is going to go up.' And I wrote an editorial, which I guess we'll find copies of, and put in the archive, entitled, 'So what if tuition goes up?' [They laugh.] And I pointed out that half the students or more at the University of Illinois were entitled to zero tuition if they would merely apply to the Illinois State Scholarship Commission, and that the real barrier to enrollment at the University of Illinois was the cost of room, board, books, and travel. Well, that, which I had explained all to President Henry the previous year and given up in frustration, suddenly, when he read it in the paper, it made much more sense, so I received an offer from the Chancellor, Jack Peltason, to come back and work in his office under Herb Carter, who is the Vice Chancellor for Academic Affairs. But really today we would call him the, the, we have a name for it—anyway, the big, the top financial guy.

So back I came after taking six weeks in England, April and half of May, I came back in June, and it was late in June, and I can't remember if we covered this last time—you can help me—that I got a phone call that some guy over in the Bureau of the Budget in Springfield was working on higher education finance, and he knew that the word was out that somebody at the U of I, namely me, had been working on that, could we talk? And he came over one day, it must have been June or July of, this would now be '71, yes. And we started talking at eight in the morning. I can't believe I was ever up at eight in the morning, but I must have been in those days. We started talking at eight, and I think we talked through dinner. It was probably a 12-hour conversation, and he was very attentive. BJ, I'll remember his last name, not that it matters, but he was a Harvard Business School student who had a summer internship with the Bureau of the Budget. And at the end of our conversation, I said, 'What's going to happen when you go back to

Harvard?' And he said, 'Well, they're going to need somebody to work on this.' And I said, 'I just might be available.' So I don't know, did we cover all this last time?

KN: I'm not—I don't think so. [Crosstalk.]

DE: Okay, so at that point, I had been work—I'd been doing some fairly creative things for the campus, which was beginning to have budgetary constraints. We had money coming out of our ears in '67-'68. We had, we spent millions of dollars on the celebration of the university's centennial. We took the money from a fund that was basically called 'contract research reserves.' The federal government paid overhead on every contract it wrote with scientists, for example, to do research, the person would get money based on the cost of their own research. But after all, they were in university space, using university labs, and so the university got a separate amount that was a negotiated percent of the actual grant to any researcher that was to cover overhead, things like heat and light and janitorial services and who knows what. So anyway, the state was also supporting buildings in heat and light, and so in a sense, the university was able to build, able to bill two different organizations for the same costs.

Well, responsibly, the university used the research reserves to fund new faculty. If you came here and you didn't have grant money yet and you were trying to do research, the grant, the Graduate College could make you an award. So the money was being well used. It wasn't just feathering anybody's nest. And we have to remember that in those days, the Chancellor was paid \$40,000 a year, which in today's money might be 400,000, but it's not millions. Administrators were themselves faculty members who were really dedicated to the mission of education and research. And I saw no one feathering his nest or just being a bureaucrat for the sake of being a bureaucrat, but David Pines talked to Dan Alpert, who was Dean of the Graduate College, into using contract research reserves to fund visiting lecturers and, and such things as commissioning an opera. And we had quite a year of proving that students at the University of Illinois would quite happily go to non-classroom activities that didn't earn them any credits towards graduation but really did broaden their education. The notion that kids in Illinois were different from kids at Harvard or Yale was pretty much destroyed by what we did that year.

Anyway, why did I get onto that topic? Um, we were talking about, well, yes, what was happening. Oh, yes. Well again, money was no longer quite so available by 1971 and one of the little games I played was to point out, because I understood this and other people didn't, that when a student at the University of Illinois got a General Assembly tuition waiver, that did that kid some good financially, I suppose, because he didn't have to pay tuition. But it was only a tuition waiver. It was not a fee waiver, and fees were at that point, maybe 50% as much as tuition. So I pointed out that if the uni—oh, and what you have to understand is that a tuition waiver was exactly what it sounds like. A member of the General Assembly was able to say, don't charge this kid any tuition. But no money flowed to the university to pay that tuition for the kid. We just had to take the kid for free. So, and there were a lot of them. Every member of the General Assembly, and it was bigger than, than it is now it's been trimmed down in size since then, every member of the General Assembly, I think, got four awards a year, two of which had to go to the U of I and two of which went to any other state school. So a substantial amount of money was being kept from the university.

I said, 'Well, you know, many of those kids would be better off if they applied for need based aid from the Illinois State Scholarship Commission, ISSC. There we get actual cash appropriated by the General Assembly to help lower income people.' Lower income, however, meant everybody in the bottom half and many people in the next quarter, which, of course, was why I wrote my editorial about, 'so what if tuition goes up?' It wasn't going to affect anybody who's, who was being kept out of the U of I for lack of money. In any case, we wrote a letter. I drafted a letter. It was sent by the Chancellor, or maybe by the President, to every student who had a General Assembly tuition waiver saying, 'You have this waiver, it's good for you, but you might be better off if you could qualify for an ISSC.' And many people did apply, and that meant more money for the University of Illinois. I think I brought in an extra million bucks.

KN: Wow.

DE: So there was one little thing I did for my, whatever my salary was at the time. But I'm not bad at looking for systematic problems which, when addressed, could make a substantial difference in the world. I have a certain knack for that. So that was one of my successes. But I was mostly working under Roger, oh, boy, that's embarrassing. Boy, I can see him, but I have the wrong last name, so I'll come back to it. Anyway, there was a nice staff working for Herb Carter in those days, and we would get—we would get together every morning and go over whatever the challenges were facing the whole university financially. Herb believed in a one- or two-hour staff meeting in which everybody brought to the table whatever wisdom we had with respect to whatever the latest crises were. Now, Mort Weir sort of stopped that procedure when he took over from Herb, and it was a huge amount of administrative time on the part of the maybe 12 of us who sat around that table. But for me, it was a real education as to how the university ran and what the challenges were.

One of the other things I did in that office was to suggest—in those days, landline phones were really quite expensive, and so was long distance. Almost everybody had a phone, and I pointed out that many of us didn't use our phones all that much, and maybe fewer phones, and a central secretary who would first answer the phone and then direct the calls to extensions might be a lot more efficient. And so we hired graduate students who were paid in those days, I think 3500 a year was their salary. We said, 'Your goal is to find savings equal to three times your salary. So you attack telephone efficiency.' Could we reduce the number of lines pay Illinois—who were they called those, Bell Illinois? I can't remember. In any case, let's pay them less, hire a few people and maybe lower the university's cost.

Other people worked on telephone trees, in which on a particularly hot day when air conditioning meant a higher use of electricity, we would call around the campus and have half the Xerox machines turned off. Xerox machines had to be on and hot all the time, and they consumed a huge amount of electricity. Turns out the university paid per kilowatt hour an amount that was based on the highest moment of use in an entire year. If you could avoid hitting the peak—it's a very logical way of charging because the amount of generating capacity a power company has to have is related to the worst moment of air conditioning or heating of the year. So the university, this was not my idea, but the university was doing things like that. Could we lower our administrative costs by coming up with ways to avoid tripping triggers at the power company over investing in phone lines, things of that sort.

And the one thing that impressed the president's office about what I did at the chancellor's level was the notion, and I enunciated it this way: we're all so busy looking at \$10 billion problems that we don't pay any attention to \$100,000 problems. But why not hire a bunch of graduate students who are interested in economics or business or something anyway, and just assign them the task of dealing with smaller level problems that nevertheless could be solved? Organizations can rationalize their behavior. Well, that's the sort of stuff I was doing at the campus.

But when the fellow came over from Springfield, wanted to talk about higher education finance. Of course, this was the thing I most cared about. How could we get more kids financially able to take advantage of Illinois's higher education system? So I ended up going to Springfield and interviewing with John W. McCarter, who was then the director of the Bureau of the Budget for Governor Ogilvie. Now you remember in our last tape, I mentioned meeting Ogilvie after SEAL and being in his office and having that little chat about kids at Southern Illinois University throwing rocks at his state police. Well, now I was talking to his director of the Bureau of the Budget. It turned out to be a pretty interesting guy. McCarter had gone to the London School of Economics, among other places in the course of his education, and had worked in the White House's Bureau of the Budget. That, paradoxically, is the organization that Mick Mulvaney was recently running. Idiot who's currently the acting, I think he might even have been acting head of the of the President's—it's a Bureau of Management and Budget. I think that's what it's called.

So anyway, McCarter had experience in the White House working on the US budget, and Ogilvie found him somehow and put him in charge. There had been no governor's budget bureau. The state of Illinois had kind of run haphazardly, and Ogilvie was an organized sort who wanted professionals to take a look at how the state was spending its money and how it could be done better. So, and that was why good old BJ, whose last name still eludes me, was there for the summer. So, I met McCarter, and he apparently had—we had, might have had a letter or two back and forth, but finally, I went over for an interview, and I remember it very well. McCarter said, 'Well, what would you do if you were in charge of higher education finance?'

And I said, 'Well, I would redirect it away from institutions towards students. I would invest in the people who, without the investment, would be less likely to go to college. And frankly, I would allow tuition to rise until public higher education costs about the same amount as private higher education. I think low-cost public higher education might have been a good idea in 1948, but it isn't a good idea in 1971. It's an attractive nuisance. Wealthy people are attracted to us because we're so low in cost, and they bring with them credentials which we are now paying attention to, which give them what I think is an unfair and pointless edge in admissions over the kids who don't have the same kind of family wealth that they have.' I said, 'I think if you do it my way, it'll actually cost less than what the state is currently spending.'

John said, 'Well, you're the first person that has come into my office and talked about spending less on anything.' And I said, 'Well, I believe it can be done. I've done some back of the envelope calculations that say that we are probably wasting taxpayers' dollars subsidizing people who don't need to be subsidized, and in the course of doing so, filling spaces with them that could be filled with people who, with additional education, could be more productive citizens of the state of Illinois.' So John said, 'Well, look, we want to hire you, and I know that you have shown some

reluctance to move to Springfield, but we want you here, and we want you full time, and we'd like to start you as soon as possible.'

I said, 'Well, in the first place, I'm certainly not going to live in Springfield. Springfield has 10 dirty bookstores and five movie theaters, and Champaign has three dirty bookstores and 15 excellent movie theaters. Besides that, all the work I'm doing is benefited by access to the University of Illinois Library System and the documents in the admissions office of the University of Illinois. So I'm not moving to Springfield.' I said, 'I am willing to drive over here one day a week to see you in person.' But you know, there are telephones, and we have, we had, in those days, primitive fax systems. It took 15 minutes to send one page, but the president's office had a fax machine, and I knew that I could use it and send documents if necessary. This is, of course, long before the internet and attachments. So I said, 'No, I'm not living in Springfield.' I said, 'The other thing is, I'm not working 100% time. The most you can get from me is 80% time, because I own 20% of my time. I'm never going to work full time again in my life.' And he said, 'Oh.'

And I said, 'Now then there's the matter of my salary.' And I said, 'For that 80% time you will pay,' and I think I said, 15,000 a year. And I said, 'You will cut my salary 6% every six months.' And he said, 'Would you care to explain that?' And I said, 'No.' Then he said, 'Okay, I think we have a deal.' So that was the deal. Now, later on, he understood perfectly well what the 6% was about. I was si—oh, I said one other thing. I said, 'I'm not coming here to represent, you know, another point of view that you can say you heard and then ignore. If you aren't serious about reforming Illinois higher education in the direction I've sketched, I don't want to be here. I'm not here just to, you know, have another voice.' And he said, 'No, no, what you're talking about makes sense to me, and I don't see any conflict between that ideologically, you know, we're not bothered by that.'

Now, I found out at the 50th reunion of Ogilvie people, which I went to almost a year ago, now, that in fact, many people working for Governor Ogilvie were, if anything, left-wing Democrats. He was not ideologically driven at all. He was looking for young people with ideas. So I guess I qualified. Anyway, I started going over, and John understood that I wasn't, I did not have any interest in a career as a government bureaucrat. I was there to get one job done and get out.

But we were supposed to be talking about blood today, and I guess that's why this introduction was necessary, because I wouldn't have worked on blood if I hadn't been in the governor's office. So John got to know me, and I got to know John and the other members of the staff. And although I was only over there one day a week, we would sometimes socialize. And I remember a couple of times being in John's house with his tiny children at the time and a staff get-together. He believed in all of us knowing each other and understanding what everybody else was doing.

At one point, it must have come up that I had a keen interest in blood donation, which had arisen when I was an undergraduate at Harvard, and we had a pretty vigorous blood program at Harvard, we generated a fair amount of blood for the Boston area. Campus blood drives were frequent, maybe once a month, and I was kind of surprised not to see anything like that at the University of Illinois. So when McCarter said to me, 'You know, there's this very bright young doctor on our staff,' and his name will creep into my mind here in a moment, 'who has proposed

that we do something about blood in Illinois, and we've drafted some legislation which has passed the General Assembly, called the Illinois Blood Labeling Act, but the governor's under a lot of pressure not to sign it, and the pressure's coming from the American Medical Association, which you may know is housed in Chicago, which I just learned this week, didn't allow Black members until 1968.

Anyway, the AMA and the Illinois Surgeons Association and Hospital Association were all saying, 'Please, please, don't sign this legislation, because if you do, we will have massive shortages of blood and people will die.' Well, McCarter said, 'Frankly, it sounds like crap to me, and you've looked into blood, so would you give this some attention?' What I quickly learned was that Illinois was getting about a third of its blood from paid donors, who, in those days were Skid Row bums in Chicago, mostly. You'd totter into a blood bank, and if you weren't too drunk, they would give you 10 bucks for drawing a unit of your blood. The trouble was that, and I really thought we talked about this last time, but maybe not. Anyway, it'll be a little more orderly to focus on it today.

Dr J. Garrott Allen at the University of Chicago Medical School, was a heart surgeon who, in the '50s, was among the pioneers who started operating on hearts that hadn't been possible before, and he watched lots of successful surgeries end in the patient dying from hepatitis B. And hepatitis B was a blood borne disease. Allen got mad, and he started keeping track of exactly the source of every unit of blood that he gave to his patients. And his statistics showed that if you got blood that had been purchased from a donor who was paid money, you were 10 times more likely to get hepatitis than if you got your blood from volunteer donors who simply came in to help out. So we had those facts, and Allen had been trying to get the attention of the nation's medical authorities to do something about the lack of volunteer blood, but Illinois was one third paid, two thirds volunteer. If you talk to people at the Red Cross or other volunteer blood banks, such as those in hospitals, they'd say, 'The lazy, sloppy Americans of our era, unlike the people of World War Two, who stood in long lines to give blood for the boys fighting in the war, today, everyone's lazy and watching television and self-centered, and we can't get enough volunteers.' And I thought that was a lot of crap. I simply found out how much blood Illinois used. I looked at how many college students there were. I knew something about the rate of participation of Harvard students in the Harvard blood drives that I figured that the college students of the state alone could give all the blood that wasn't being given by volunteers.

So I thought, all we have to do is get organized a little bit. Now, the students at the University of Illinois come from all over the state of Illinois. The state of Illinois is divided into Red Cross regions. There was the Peoria region, and there was the Chicago region and so forth. I thought, why not invite them all to come down here and all draw at the same time? Have a big campus-wide blood drive, but we're so big, we could have people drawing in the Union and maybe in Florida Avenue Residence Hall and possibly in the West Campus, such as the IMPE. We could set up at a number of locations, and I'm sure we could draw a lot of blood, and we're just one campus, and think of all the other colleges in the state.

So, to set up a pilot program to see if college students could make a big difference. Well, in the first place, I got appointed to the governor's task force on blood. So I was meeting with people in Chicago and others around the state who were worried about this problem and who wanted the

Blood Labeling Act to be instituted. So let's go back to Bruce Flashner, Dr. Bruce Flashner. F-L-A-S-H-N-E-R, who has disappeared in history and yet really, really ought to be patted on the back, because it was his idea. And here's how ingenious it was. Now, these were Republicans, after all, this government, and Republicans don't believe in a lot of government interference. But Republicans do believe in markets, and you can't, you can't buy or select something in a market if you don't have information. So Flashner realized that if we labeled every unit of blood that—with a label that said purchased or volunteered, everybody would immediately be signaled that that stuff over there is 10 times more dangerous than this stuff over here. That had been well established. And he realized that without outlawing the purchase of blood, you could make purchased blood much less attractive to the state surgeons and doctors in general. Of course, everybody saw immediately through his subterfuge, though nobody would want that unless everything else was gone and which surgeon wants to get there and find out that his patients will get all of the purchased blood?

Well, Bruce didn't care. He just thought concealing the fact that some units were far more dangerous than others was simply immoral, and I think he was right. Well, of course, people immediately said, 'What's going to happen? Well, we're not going to want to use that blood from paid donors, which means we'll lose a third of our supply.' And all of the people who are in charge of recruitment in all of the volunteer blood agencies were saying, 'We don't know how to ramp it up. We've been trying for years to get more people to give, and we haven't figured out how to do it.' Well, this is what comes of running blood banks by doctors who have never asked for anything in their lives. They buy needles and they buy X-ray machines, and they pay nurses and they, and so forth. These people are not trained in recruiting volunteers.

Well, I went to Volunteer Illini Projects at the University of Illinois and said, 'Why don't you start a blood project?' They said, 'Oh, that's a good idea. We do a lot of other things.' Tutoring, you know, raising money for good causes. I don't remember all—Volunteer Illini Projects has a number of projects running, but they didn't have a blood project. So somebody was recruited to be chairman, and I said, 'Okay, I'll be your advisor. I'm on the staff.' I stayed on the staff of the university in a zero dollar, zero time position. I wanted \$1 a year. I always wanted to be \$1 a year man. We had people at Harvard who were filthy rich, who were deans, but they were paid \$1 a year. I thought it'd be fun to be paid \$1 a year, but they explained to me that if they paid \$1 they would have to pay four cents out of that dollar to the state's, um, what is it called, workers compensation fund. And then if I fell down the stairs, and it cost 20,000 a year to keep me in my wheelchair, they would only have paid in eight cents. And you know, this wasn't a sensible ratio of insurance cost to risk or something, and so I had to take zero time, zero dollar. but I was still in the chancellor's office, and I showed up regularly, and still worked at the U of I but I was also doing this stuff for the state. So I could be on the staff, and I could be a staff advisor, and I was allowed to cash my checks in the Illini Union and I could swim in the IMPE pool because I was a real U of I staff person. Yeah.

Okay, so um, in the course of just looking into the bureaucratic complications, I talked to the Red Cross regents. They were all willing to come and share blood at the University of Illinois. And in fact, Peoria wanted to do it all, but then it turned out they had no way of sharing blood with each other, which led me to understand that the blood industry, as I said, of hospitals and doctors in

general, had in those days, no experts on economics at all. Doctors were winging it, and each blood region wanted to charge the full charge that they would normally charge a hospital if they were to share any blood with each other. Well, my goodness, if you try to re—in the first place, we all know that that marginal cost is different from average cost. You have to have a building, you have to have staff. If you draw no blood, these costs have to be met. The first unit you draw, if you wanted to put all the costs on it, would cost you a million dollars. Obviously, average cost is different from marginal cost. If you've got blood that's not going to be used in your region, and because it's going to outdate in another three days, and nobody's calling for blood, they all have plenty, you'd be out of your mind not to sell it at any price to your fellow Red Cross region next door that happens to be running a shortage, because five idiots flew off their, their motorcycle, smashed their heads and lost, you know, 13 units of blood each on the way out. So you would think they would send it over there for any amount of money, for example, enough to cover the bag and the nurse's time to draw it. That would at least recover your materials costs. But no, they wanted to charge the full hospital cost, which, of course, meant that the other agency, instead of buying your blood, which is likely to get wasted, went out with radio appeals and had people come in at three in the morning and paid overtime to their nurses to draw their own blood into their own bag for even with all those extra costs, half of what you were asking for.

So I became aware of how foolish the economics was of blood. Nobody had studied perishable commodity theory. Now I'm a physicist. What do I know about perishable commodity theory? But anybody can figure out that a chain of grocery stores could move tomatoes around and use far more of them than one little grocer who orders up tomatoes and all the Italian people are not making spaghetti sauce this week, so they all rot. Anyway. One of the complications of running a blood program on campus was that you had to have a local doctor who would be on call if anyone fainted, and the—so the Red Cross people said, well, you know, the obvious, 'Can you get a doctor?' And I said, 'Of course. I mean, we have McKinley Health Service. Got a bunch of doctors that are dedicated to taking care of students, and it will be students who's giving blood. So why can't I just get McKinley hospital to say, of course, we'll be there if anybody faints?'

So I went to see Larry Hirsch—names are coming now—who was the director of the McKinley Health Service, Dr. Larry Hirsch. And Larry said, 'Well, it all sounds very sensible, but I'm not sure that the county medical association will want me to agree to this.' I said, 'What does the county medical association have to do with what you do?' He says, 'Well, I'm a member, and I'm in the county, and I like to be a good citizen.' Said, 'Maybe you'd like to come to one of our meetings.' I said okay. So we had a luncheon meeting in the, uh, the Urbana-Lincoln Hotel. And I remember drinking, I wasn't n—I was new at drinking coffee, and I had way too many cups because the waitress kept filling and I got more and more caffeine. And fiend is the right part. So they started saying, 'Well, you know, you're giving all this blood away, and we have a—we are just on the verge of creating a Champaign County blood bank. Up to this time, we've had blood banks in each of the local hospitals, and now we have talked them into consolidating. And that wasn't easy, because they really are rivals of each other.'

There were in those days three hospitals, Burnham Hospital, Mercy Hospital, and Carle Hospital. Mercy is the one that still is vaguely Catholic and has had a name change about every three minutes. I have no idea what they call themselves today, but anyway. Burnham used to be on

Springfield Avenue at about must have been between fourth and fifth streets, something like that. Anyway, it was the, it was the actual Community, the original Community Hospital, and I had my toe repaired at Burnham Hospital and, uh, and I had knee surgery there. So, you know, they ran until the '80s, I think. In any case, they said, 'We don't want this blood leaving town. This is our blood.' I said, 'But you're not using it. What do you mean it's your blood? And besides, these kids come from all over the state of Illinois. Don't you think that their aunts and uncles and parents and grandparents need blood?' And they said, 'Well, those other hospitals, they waste blood, and the Red Cross sold donuts during the Second World War. They're not the organization everybody thinks they are.' People grumped and went on and on about 'No, we don't want this blood to leave town.'

We're right on the edge of, of a politically difficult consolidation, and people are worried about shortages, and you know, which hospital is going to get stuck if we're short, they all wanted their own blood banks. Now I knew enough already, but I learned much more later, about outdating of blood. If—given the sizes and the amount of blood used by each of those hospitals, they were doomed to throwing out more than half of the blood they drew. In order to have every blood type available at all times you have to have supplies of blood types like O negative or AB negative that are, that only one in 300 people would need. If you're only transfusing 100 people in any 28-day period—and I think 28 days was the shelf life of blood in those days—if you're only transfusing a fraction of that, you would only use AB negative once every couple of weeks, every month, so you would always be wasting this type of blood. One of the reasons we had shortages wasn't that we lacked donors. We lacked good management of the blood that we drew. Huge quantities of it were being thrown away, all so that each hospital could have its own pristine and personal chunk of blood.

I even talked to blood bankers. A blood banker at Carle would say, for example, 'What if I got a phone call at two in the morning from Christie saying, Do you have any extra A positive? And I look on my shelf, and I have five units, and they're going to outdate in three days. Some of them are, and I have some others that are fresher. I'll say, Well, yeah, I've got five. And they say, Well, we've got this motorcycle guy bleeding out, and we've used up all ours, and we're going through the O and that means we'll have no reserve for anybody. Could you send it over? And you think to yourself, of course I could, and my blood bank would get money for blood we're probably gonna throw away. But what if another guy flies off his motorcycle next hour, and one of our surgeons calls down, and I say, Well, I only have three units. And he'll say, Wait a minute. Yesterday, this inventory said eight. And I'll say, Yeah, but I sent them over to Mercy. You did what?! He said, I would get killed.' And so that's exactly why they were consolidating a blood bank, so that those decisions would be made in one place, and the probability of waste would go way down. Obviously a move in the right direction.

So I had sympathy with that. But I also was hearing people saying, 'No, you can't have the Red Cross come in and take our blood.' And I said, 'Okay, okay. Stop this. How much blood do you use a year in this town? Total?' And I think the number was 3500 units. I said, 'What do you think the university's fair share would be of providing that 3500?' And somebody said, 'Well, you know, maybe 600.' And I said, 'What if we gave you 1,000? Would you be happy?' They said, 'Well, sure, but what makes you think you can draw 1,000? You've never been in blood banking before.' I said, 'Watch me.' I said, 'You'll get your blood.' I ended up, that year, drawing

10,000 units of blood on this campus, and I gave 3,000 units to the Champaign County blood bank, basically all that they could ever use. In fact, so much that they invite, invited the Danville blood bank and the Springfield blood bank to come and join them when we were having drives on campus and 'please take the blood away.'

Now, the other side of blood banking in those days was that the way we motivated people to be so-called volunteer blood donors was independent blood banks, non-Red Cross blood banks, had a policy called "blood replacement fees." If your family had a blood donor in it who gave one unit a year, you had blood coverage, and that meant you didn't have to worry if anybody in your family needed blood. You would be billed for the blood that your insurance company would pay, but you were not billed a blood replacement fee. But if you were not, if you were a terrible, unpatriotic, nasty family that didn't have a blood donor in the family, then every unit of blood given to your Aunt Mary required you to pay \$40 that by, by purpose, was not covered by insurance. Or you could recruit a donor to give a unit, but you had to give one for every she, everyone she got, or you paid \$40 and \$40 then was 400 in today's money. There's roughly, well, okay, a little less than that, 300. I'm talking about 1970 not 1960. There's a tenfold change in in the value of the dollar between 1960 and now I'm talking 1970. So maybe only say \$280 in today's money, but imagine \$280 per unit of blood, and you never give fewer than two.

So at the end of the first year, when there was no shortage in Champaign, I went to the board of the Champaign County blood bank. And I said, 'You guys have this replacement fee. You're charging people who don't give blood, as if you needed to motivate them because there was a shortage.' I said, 'You now have a surplus. I have, I have created your surplus. Why do you have this fee?' I said, 'I know why you have the fee. It's because actually, your little, tiny blood bank here in Champaign is massively inefficient. You have to staff it 24 hours a day, but you're only handling 10 units of blood a day on the average. You've got all these nurses, this facility, the refrigerators, and you're pretending that your cost is ma—is similar to that of a big city blood bank, because really, you're funding yourself on these replacement fees. They're what's keeping you afloat, but you have a bad economic model, and it's coming out of the hide of people who, on the average, are elderly or hemophiliac who couldn't have a blood donor in their family who could ever give as much blood as they need. And I don't like what you're doing, so I want you to get rid of your blood replacement fee.' And they said, 'Well, nuts to you, buddy. It was hard enough to create the central blood bank, and now you're telling us that you don't like our business model.' I said, 'I don't, because it preys on unfortunate people, and there is no shortage, we're providing the donors. That was your justification that, oh, we're all short of blood. That's why we have to light a fire under you to get you to recruit your friends and your relatives.' I said, 'It isn't true. You need the money because you're inefficient, but you could become efficient, or you could admit that the price of blood in this town shouldn't be \$25 a unit. It should be 45 or whatever it should be. But be honest about it, you know.' And they said, 'Or what?' I said, 'Or, every donor I send to your blood bank is going to come with a little piece of paper saying, I'm a replacement donor, and I want my unit to count for one of those people who owes you units.' I said, 'I can destroy your income overnight if you don't destroy it yourself.'

Well, they didn't like that very much. I got to be quite hated, okay, but I was beginning to understand that shortages of blood had very little to do with the motivation of humans and a lot

to do with the behavior of blood banks. In fact, when you went to a blood donation place on campus, the Red Cross wouldn't staff it more than minimally. They'd say, 'Well, we don't get these blood—drawing this blood can't cost us too much, so we want you to regiment the donors. We want so many donors every 15 minutes, all day.' I said, 'Are you out of your mind? Kids go to class, and then there's a break between classes, and almost everyone's in class between 9 and 10. But it gets looser later in the day. You may hire the nurse to work from eight to five, but I can't make her be equally busy at all hours, and if you lose a little money per unit by the lumpiness of the way kids give blood, overstaffing so that we can get our kids through quickly, will addict them to blood donation for the rest of their lives. But making them stand in long lines in hot weather and go through misery to give blood isn't the way to encourage people to give blood.' So I had trouble winning that argument. I then came up with university cars. Anytime the line at any one blood center backed up too much, I put people in cars and drove them to one of the other places on campus that wasn't as busy. And I said to them, 'No student is going to wait. You either staff adequately or you don't get the blood. But we're not going to regiment ourselves to match your work schedule. You have to—if you want students to give blood, you have to acknowledge what the student schedule is like.'

So I'm—now everybody that ended up complaining. Everybody said, 'Coming to your campus means a higher cost per unit than anywhere else.' I said, 'First you scream shortage. Now you're screaming cost. What is it? You know, make up your minds. Because we are replacing paid donors who are dangerous. Our goal ought to be not having patients die, you know, really, and if it costs more than you've admitted to get volunteers, then face the fact that it costs more. But you've got to, you know, you want, you're living in this world in which you want the world to snap to attention, because what you're doing is so important that everyone else ought to adjust his life to your economic model. Well, nuts to you.' So I fought with the Red Cross. I fought with the local county medical association. I flooded them with blood, and everyone was unhappy. So were there shortages? Yes. Were they created by lack of donors? No. So that was my experience with blood donation, and it was some years later in the, I think in the beginning, yes, of the AIDS era. So it was a full 12 years later that I was introduced to the first national convention of all blood bankers, Red Cross and non-Red Cross as the most hated blood donor in the Midwest. And, because the guy introducing me said, 'He forced us to pay some attention to regional sharing and to the real motivations of blood donors.'

Now we started doing surveys of our blood donors. I kept rigorous track of everybody who gave blood. I had a students and staff directory, and every time somebody gave blood, I put a red, green, yellow, blue dot next to that person's name to keep track of how many people gave how many units of blood, and I even could tell when they gave them. We also sent students home with notes saying there are often blood shortages around the Christmas time. People have colds. They're on vacation. A lot of people get sick at that time, so give at home. You are giving on campus. Give at home and give to any blood bank at all. We're not, we're not brand loyal here. So we ran, get out the blood campaigns, and Governor Ogilvie's reelection campaign paid for full page ads on college campuses encouraging people to give blood, and he did sign the Blood Labeling Act. And so Illinois was the first state in the union to have a 100% volunteer blood supply.

The FDA, the—maybe it was the National Institute of Health. Finally, the US government passed a blood labeling act similar to ours, that required every unit of blood in the country to be labeled as to whether the donor was paid or not. You'll be amused to know that the Mayo Clinic buys blood, but they're buying it from retired military people who got to be blood donors in the military, and they just believe, because they're old-fashioned doctors, that everything that they give to a patient should be purchased. They're very market-oriented people, and they think they have a lot of control over these donors. And the donors are extremely reliable. Every new donor, every new donor is some risk, because there are diseases we test for and there are diseases we can't test for because we don't even know they're there, which was certainly true of HIV in the first five years of the '80s. So there is some logic to their position and the reliability of their paid donors to come in on schedule means their nurses can be very busy and efficient, and probably, they may have a model in which what they pay the donors is made up for and how efficient the blood is drawn and used. I'm not going to criticize their model, but it wouldn't work, generally speaking, around the country. They're a very unusual organization.

But it was a great adventure to get drawn into blood donation, just because I happened to be working in the governor's office at the time that the topic came up. But the blood program still runs at the University of Illinois. The—many changes have occurred in blood handling since then. I dropped everything else I was doing in the '80s and formed the Association for the Improvement of Volunteer Blood Donation, of which I was the sole employee, and for five years, I worked mostly on explaining to America's blood bankers the psychology of blood donors and why blood donors aren't blood cows, but thinking people who, if you give them good information, will end up giving you safer and more reliable blood than if you don't inform them what your problems are. And we could talk—but it isn't really relevant here—about the fact that gay men in California took themselves out of the donor pool before they were asked to and had reduced the risk of HIV in San Francisco by 97% before the first lab test was available for HIV. Human behavior. When humans are well informed, and especially in a setting like volunteer behavior, human behavior is far more malleable and far faster to respond than any amount of lab scientific testing. The medical establishment—we, we could greatly reduce healthcare costs in America if we taught people how to take care of their own bodies, instead of running a model that rewards doctors for fixing you after you've done something to yourself.

So there I am, off into blood—general medical policy from my observations of what happened with blood, but the role of the University of Illinois and other universities in converting Illinois within less than a year, from a third paid to 100% volunteer blood was really today's topic, and the Volunteer Illini blood projects ran on its own. I put a lot of effort in the first year. Then I, when, I was already at work on that, when I went to work in the—well, I got working on it, and then I said to my bosses in Springfield, you know, I need help to keep this blood thing going at the University of Illinois. So the state of Illinois paid for a graduate student, and I hired John Hackman, who is another one of your potential interviewees, because John was much more involved in anti-war things and student activism. I had—John claims that we knew each other, but all I can remember is that I went to the graduates, the Graduate College office and said, 'Do you have any graduate students who don't have support who might be able to work with me on blood?' And they gave me a list, and maybe I recognized John's name, but I called him, and he became my TA for blood for two or three years. Well, couldn't have been two or three years because Ogilvie lost the election. I guess it was for one year. Must have been 1981-82. Probably

fall—'71-'72. Sorry, I'm off by a decade. I got up into the HIV era, and I have to go back to the hepatitis era.

But the HIV problem was very similar to the hepatitis problem. We had no test for hepatitis B in 1970. We couldn't just take your blood and see if you'd ever had hepatitis. So all we had going for us was the ability to interview the donor and say, 'Have you ever been jaundiced? Have you ever been diagnosed with hepatitis?' And of course, people selling their blood may not have known that they'd had it, or may have been reluctant to say that they'd been sick because they wanted the money. But everybody thought gay men would be duplicitous with respect to their status. Actually, the data showed exactly the opposite. Gay men took themselves out of blood donation before they were asked to, and we have data showing that the risk dropped 97% between 1980 and 1985, mostly because gay men pulled themselves out. There's a story that's never been told.

Now, the Blood Labeling Act story isn't told. You can't find it in history books. The FDA gets credit for blood labeling, and it was, no, it was Illinois seven years earlier. Bruce Flashner doesn't appear in any history books. And Bruce Flashner, besides coming up with the blood labeling idea, also talked the governor into regional trauma centers instead of every hospital having somebody on call for trauma, you had regional hospitals staffed 24 hours a day, so that if somebody comes in bleeding horribly from an automobile accident or an aneurysm, there were people there to help, and we saved lives. And that became a national, um, change in how emergency medicine was handled all around the country. Flashner died young, and he's mentioned in Chicago papers, but generally speaking, he's disappeared from history. Well, that will do it for today, because I have to run and teach, but I think we've covered blood reasonably well.

KN: Yeah. Thank you very much.