

INTERVIEW WITH JACK FAY  
DISCUSSING  
ETHEL PERCY ANDRUS

JANE: ...Museum. I am Jane McClenahan, interviewing John, or Jack Fay, regarding Ethel Percy Andrus. Good morning, Jack!

JACK: Good morning.

JANE: We're here to have you tell us a little about your experience with Dr. Andrus, and, some history first, maybe.

JACK: OK, and I'll be talking also about the formation and creation of the American Association of Retired Persons, which took place here in Ojai. That's a fact not known by too many people, believe me. Even though it's not a secret, but it just hadn't got out, because the organization was created at a dinner at the Ojai Valley Inn, at which 6 people were present. Dr. Andrus, who had founded Gray Gables, and was a client of mine, invited me there, and she told me that (at that time she was president and founder of the National Retired Teachers Association) and she said that that organization was too restrictive, because only teachers can belong to it. She wanted to create an organization that would encompass anybody over 55 years of age, and so that was the reason for the pact, for the, that was the reason for the dinner. She explained all that at the dinner, and, as I said, there were 6 people present: Dr. Andrus, of course, and her two lieutenants: one was Dorothy Crippen—her cousin, and the other was Ruth Lana (l-a-n-a), her long-time friend. The other three people, or the other two people (other than me), that was Leonard Davis, who was an obscure insurance broker from Poughkeepsie, New York; and his assistant, Leonard Filaco (spelled f-i-a-l-c-o, and maybe it's f-i-a-l-k-o-w, I'm not sure.)

After listening to Dr. Andrus' desire, and also her stated preference was to seek to obtain health insurance on a private basis for the elderly—no company up to that date had sold health insurance to the elderly—so that was one of our goals. Another goal was she had been working on Medi-Care too, as a lobbyist. Mr. Davis said that he had talked to Continental Casualty of New York, uh, Continental Casualty out of Chicago, and they were willing to go with a pilot program in a selected area to see whether or not health insurance of the aged was, would work

financially. No company issued or sold health insurance for the elderly in 1958, if you can believe that. So, I was instructed by Dr. Andrus to Incorporate a new organization known as the American Association of Retired People, was the name we hit upon then, and before we actually incorporated, we changed it from people to Persons. And it was to be done in Washington, D.C., and I enlisted the services of an associate attorney in Washington, his name was Hymen Cohen (c-o-h-e-n). And together we incorporated AARP, not knowing what was going to happen in the future, but as we, as the meeting broke up, Davis took me by the shoulder, or the arm, and said, whispered to me, he says, 'you'll never get anywhere in life unless you think big!' (laughter) And I thought that was a heck of a good idea. So, I started thinking big. It didn't work, but it did work for Davis—he became quietly successful, one of the most successful stories, financially, in the history of the country, I guess.

Because the pilot program was so successful that Continental Casualty immediately went nationwide. Davis was the only broker. He had the whole country as a fertile field to sell his health insurance, and everybody over the age of 65, was the age we were shooting for at that time, because of no Medi-Care, everybody in the country—you can imagine the millions of people that was—all starving for insurance, was an insurance broker's dream. So, he made the best of it, using as a marketing vehicle the apparatus already in existence of the NRTA, the National Retired Teachers Association. They had chapters in every state and then as the insurance was becoming successful, so was AARP, and they also were a national marketing vehicle for him. So, I already told you he made a bundle of money, and that continued for 5 years. At that time, he dumped Continental Casualty, and formed his own company, the Colonial Penn Group, out of Philadelphia. That was another wise move on his part. So he was not only making the broker's commission, he was also making the profit—the insurance company's profit.

I think I should go back at this point, and recount how Dr. Andrus got to Ojai in the first place, because that is an intriguing story. In fact, her whole life, her whole life is an intriguing story. She was born in San Francisco in 1884, and she was raised and educated in Chicago, and she graduated from Illinois Tech. While she was in college, she began teaching grammar school in Chicago at the age of 18, in 1902. Unheard of today, but things were different apparently in those days. In 1906...then she came to California in 1911, and taught 5 years at Santa Paula High School. And in 1916, she was appointed principal of Lincoln High School in East Los Angeles, the first female principal of a major high school in the state. She held that position for 28 years. And while she held that position, she continued her education at USC, and

received a Masters Degree, and a PhD degree at USC. She also received numerous awards—state, local, and national—for her excellence in the field of education, including, in 1940, she was named Teacher of the Year by both the NEA and the, what was it? the PTA. So in 1944, she retired, after 28 years at Lincoln High, and she had, having had such a fruitful career in education, one might have thought that she could have rested on her laurels. But, amazingly, her career in retirement far eclipsed what she did during her working career.

She was interested in health insurance for the aging, which was not in existence, as I've already said. She was interested in Medi-Care, she was lobbying for that. And she was interested in the retirement situation for retired teachers. They were treated rather shabbily back in the 50's: low, very low pensions, poor health plan. So she took this on as a one-woman crusade, in 1944 to 1954. She criss-crossed the country on a train, speaking everywhere, and became well-known in circles of elderly people. In 1954, on one of her trips, she came to Ojai where she found a five-acre run-down estate, at Grand and Montgomery. And she felt that would make an ideal retirement home for teachers. So she had NRTA purchase the property, which is now known as Gray Gables, improved it, and it became a first-class residential facility for approximately 90 retired educators. That was in 1954.

In 1955, I first met Dr. Andrus at a City Council meeting, where I was representing an applicant for a land use proposition, and she was there with her attorney, opposing my client, and it was a very contentious hearing, but not with her, I was just fine with her. I lost that case, she won it.

JANE: What year was that?

JACK: 1955. And about, within a week she called me up, and said 'I wish you'd be my attorney.' So I said 'fine'. Little did I know what I was going to be getting in to. But it was an astounding result or a thing to have happen to me. I was barely started. I started practicing law in 1951, and I always lived in Ojai. I lived in Ojai since '50, and I always practiced law in Ventura. But being in Ojai made my work as her attorney rather convenient for both of us. I performed many tasks for her: NRTA business, Gray Gables business. I incorporated a childcare corporation at the Presbyterian Church, in which she was involved. And I did miscellaneous jobs for her. That was in '55. And then in 1958, she called me up and invited me to this dinner meeting, which I've already told you about. That was a monumental event

and was the creation and the beginning of a corporation, AARP, which now has 35 million members! It's kind of astounding.

Let's see...getting back to Leonard Davis and his success: He had, he owned and operated the Colonial Penn Insurance Group until 1984, at which time he sold it to a consortium of insurance underwriters, and that was a very large financial transaction. This made Davis one of the wealthiest men in the United States, and he then retired, and to his everlasting credit, he embarked upon a program of philanthropy. And he made substantial gifts which I want to recount. The first one was that he led the effort to memorialize Dr. Andrus by building the USC Andrus Gerontology Center in 19, early 1970's. And that now is one of the, one, it's arguably the finest gerontology educational facility in the country. He built the building, and financed the faculty, and that is a rather imposing edifice. He, his alma mater was City University in New York (he used to call it CCNY). He attended, he and his wife both attended that university, and, tuition-free--they didn't charge any tuition--he gave them 10 million dollars to fund bio-medical and arts education programs. He also established the Leonard Davis Institute Of Health Economics at the University of Pennsylvania, and the Leonard Davis Institute for International Relations at the Hebrew University in Jerusalem. He was the founding member of the National Holocaust Museum in Washington, D.C. He became a part-time resident of Palm Beach, Florida, and was a major donor, in the millions, for the Raymond Kravis (k-r-a-v-i-s) Center for Performing Arts in West Palm Beach. He died in January, 2001.

So...everyone else who was at the foundational meeting is also dead, which created some sense of urgency in describing what happened, because I'm the only one left, and I'm 79.

JANE: You're the only one left?

JACK: Out of the 6 people, and when David died in 2001, I thought, I realized I was the only one left, and I wanted to make it public. I told the story to many individuals, but never publicly until 6 months ago: I gave a program at the Ojai Rotary Club, but that wasn't even tape recorded. . So this will be a recording of historical fact. And I appreciate very much the opportunity to do this, because I've had it on my mind. How was I going to do it? Was I going to write it? And I still might write it, for a newspaper or something. But until that time, this will be a historical fact, I hope, if the machine works.

JANE: It's working. At that meeting at the Ojai Valley Inn, there were six of you there. And did Dr. Andrus present the idea to you at that time for the first time, or had you.....?

JACK: Well she mentioned it before, and when she called me to invite me to the meeting, that was the purpose of the meeting.

JANE: And she had the whole plan all laid out for you, or did you all design the plan?

JACK: She didn't lay out a plan. She was an idealist and a visionary, and her lieutenants, Dorothy and Ruth, did the nuts and bolts work, and I did the legal work. She was a leader in the true sense of the word. She had great charisma, very articulate, although soft-spoken. She had such an aura around, about her that, I've been with her on several occasions, when you walked into a meeting, of eld...particularly elderly folks, who were chit-chatting all over the place, as soon as she walked into the room, silence came over it, and they looked at her in awe. It was an amazing feeling, because this woman was something!

JANE: That didn't happen only with elders. It was her students when she was teaching school—from the things that I've read about her—the students reacted the same way.

JACK: Oh, yeah? And it didn't take pounding the table or a loud voice to achieve it. As I said, soft-spoken.

Let's see, what else was I going to say?

JANE: At that particular meeting, at the Ojai Valley Inn, it seems that she had the idea that school teachers mostly were female at that time, and when they retired, they didn't have any insurance or any housing, and that's why a lot of these retirement homes she opened up was for. And sometimes when the teachers lost their husbands, then they were really destitute at that time. And I think Dr. Andrus came to their rescue—is that true?

JACK: That's true. That is true. See, she had ten years from the time she retired 'til she got to Ojai: '44 to '54, and that's when she was on a crusade to cure the problem you're talking about, and by that time she had created or organized the

NRTA. And through them, they lobbied Congress and lobbied the state legislatures, and worked on their pensions and their health care. And she did a tremendous amount of good work. Her history and her association with Ojai leads me to believe that in the 20<sup>th</sup> century, she would be one of the two most important individuals that ever lived here. The other one would be Edward Drummond Libbey, who was a glass manufacturer in Toledo, Ohio, later formed Libbey-Owens Corning Company, a huge company. But he came to Ojai when it was almost nothing but a dirt road, and in around 1917, or even before that. And he planned and developed the city to be what it is today: you see the Libbey Park, the Post Office, the Arcade, the Arbolada, and the street layouts—he did all of that. So he qualifies as one of the most important and influential individuals, and the other would definitely be Dr. Andrus. And there's no third person I can think of, and I've given a lot of thought to that. Libbey is known a lot better locally, but Dr. Andrus was really and truly a nationwide figure. She hasn't gotten much publicity recently, but anyway, it's a historical fact.

JANE: The *Modern Maturity*, did that start, or her idea of writing that at that same meeting?

JACK: Oh, no. That evolved later and that became the—well, I've got one here—and became the magazine with the largest circulation in the country, 35 million, if you can imagine. And it says here, it says America's largest circulation, and then on the masthead, here's the masthead, "AARP, Founder: Ethyl Percy Andrus, 1884-1967". Doesn't say where. But now we know. And they changed the name to "AARP, The Magazine". Why? I don't know.

Some of the results of her creation of AARP, was that they ventured out into almost every field that you can imagine, regarding elderly people. All of these organizations, or sub-organizations, are profit-making, except for one: the political one. And that is the largest and probably the most influential lobby in Washington. AARP. It's called the AARP Governmental Affairs Committee. But the rest of them, the Institute for Lifetime Learning, the educational institute, the AARP Vision Care, AARP Travel Bureau, AARP Medi-Gap Health Insurance, AARP Auto Insurance, AARP Life Insurance, NRTA-AARP Nursing home—all those are money-making ventures. They make a lot of money. Then there's—I was at a convention at UC Berkley one time, and I got a call on a weekend, at seven in the morning from Dr. Andrus, and she said 'I've got an idea, Jack.' I said, "Well, what is it?" She said, 'I want to create a mail order pharmacy.' And I said, "well, what...?" She said 'That's never been done.' I said,

"Well, that sounds like a good idea." She said, 'When will you be back?' I said, 'Monday.' 'Well, drop by and see me.' So I dropped by, and she said, 'Get going on this.' That's about all she had to say. Thus was born the world's largest mail-order pharmacy. Isn't that amazing?! One little idea, one phone call. Mind-boggling.

JANE: Today everybody's supposed to be mailing in, or getting their tickets for the mail order Medi-care right now. Today is the day.

JACK: One other financial thing: I mentioned all of those things made money. But if you just...there's one other moneymaking venture they engage in---that's collecting dues. \$12.50 a year times 35 million members equals 437 million dollars a year just in dues! So, Congress and the IRS wanted to know what AARP was doing with that money, and Senator Allan Simpson was a burr under the saddle of AARP in those days. He's no longer in the Senate, but he investigated and investigated and investigated, and so did the IRS, and they twisted AARP around quite a bit, and got AARP to measure up straight and narrow. But AARP was so strong politically---I don't know all the ins and outs of this, because it's after my time. But I'd venture to say that with their political clout, they easily survived, although they might have restructured their method of operation.

There was one sour episode in 1984, that was AARP grew weary of financing the loosing proposition which Gray Gables had become. And so they said, 'We'd like to close that, or that retirement home, and relocate the residents there.' Well, the residents had purchased life care contracts from Gray Gables. Gray Gables was a separate corporation from AARP. So, they didn't like that idea one bit. And, in fact, they organized and filed suit. And so they filed suit against Gray Gables Corporation, which, I was the attorney at that time for Gray Gables Corp. and it was, the Gray Gables Board was strongly supportive of the residents. But they sued us because we were the ones---it was actually Dr. Andrus signed most of those contracts. So that's why they sued Gray Gables. And so, Gray Gables counter-sued AARP because they had the deep pockets. Gray Gables was obviously operating on a shoestring, in those days. And that litigation went on a couple of years, and fin....., and AARP attempted to avoid the sponsorship of Gray Gables. But they failed in that effort, and at the conclusion of the two-year period, we arrived at a settlement, where they agreed to financially back every life-care tenant, every life-care resident who was at Gray Gables: take care of their health and their rent. They paid minimal rent: so they, some paid as low as \$135.00 a month, which included health and food, but they paid up between \$5000. and \$15,000., maybe a little more, when they got in

there. So, Dr. Andrus, that was one of her mistakes: she thought that it would be financially feasible. But when you move into Gray Gables, you live longer. She didn't count on that. It was a very, very, very fine place, and still is. I wouldn't mind being there myself. There's no doubt about it. As I said this was a sour note on the whole thing. But finally, they were, they held, they had to adhere to the agreements. The agreements that we made, they sponsored. They said 'We didn't sign 'em.' But nevertheless, they were stuck. And the value of that agreement was about \$7 million, which is a lot of money.

One other thing that occurred in the course, when Colonial Penn had the, had the insurance for Gray Gables, for AARP: AARP was accused by, I'm not sure who, but a fronting for Colonial Penn, and that the, it was alleged that the relationship was too cozy. I wasn't involved in this, but eventually they did switch from Colonial Penn to another company, and then to Prudential Insurance Co., and now they have United Insurance Company. So, Davis is out of it, and of course, Gray Gables is out of it. That's really the end of the story.

When Dr. Andrus died in 1967, she had appointed me as executor of her will, and I filed the will for probate in Ventura. That's a matter of public record. I already told you that she was an idealistic visionary, and she was certainly not interested in it for the money, although there was a lot of money there, as you well know. That's because of what I've told you. And her estate was valued at, as public records in Ventura will show, less than \$100 thousand. It could have been a \$100 million. But, she was not interested in material things.

JANE: She was taking care of people.

JACK: That's right, taking care of people. Remarkable person! *Reader's Digest* used to have a monthly feature---"Most Unforgettable Person I've Ever Met"—for me it would be Dr. Ethyl Percy Andrus. Very fortunate to know the lady.

JANE: And it started at a City Council meeting and you lost! (laughter)

JACK: Yeah! She was a very impressive, 'course she had an attorney, but she was a very impressive, nice lady, and we got on just fine.

JANE: Well, you must have: She was impressed by you.



JACK: That is the long and short of it, I can't think of anything else to say.

JANE: You have any questions?

ANNE: Well, on her personal life, did she marry and have children?

JACK: No, never did. She had Dorothy, Dorothy Crippen was her cousin. Lincoln Service was her doctor in Ojai. He was, I think, a nephew, yeah, a nephew. Ruth Lana I said was her friend. So the two people closest to her were her lieutenants, I've already described, Ruth and Dorothy.

JANE: Did she live at Gray Gables?

JACK: Yes, she lived, spent most of her time at Gray Gables, and the rest of the time in Long Beach, which was where the headquarters of ....

JANE: There were a couple of other retirement homes that she had started, in Inglewood, was one, and there was another one that she had started, but that, before she came to Ojai. That happened before she came to Ojai.

JACK: I don't remember that, but then the headquarters in Long Beach is a huge building. It is huge, on Ocean Avenue. And then the one in Washington, D.C. I've been in. It also is huge. And God only knows what other offices they have, but there's nothing bigger in the country.

JANE: It's kind of interesting the way she did all of this in her retirement, after she had finished her career, and that's an incentive to other people to think that way, to think when you finish your job, you're not, you can go on.

JUNE BEHAR: Can you speak a little about the mechanics of starting a national organization in those days, and it would be either the NRTA or the AARP. And I mean, how do people communicate among the chapters? How are the mechanics of getting a nationwide group going?

JACK: Well, I was not involved in the creation of NRTA, but, which, therefore we had a built-in apparatus to get AARP going. We did it through NRTA, and through her, and through Dr. Andrus' contacts throughout the country. I don't think anybody could ever do anything like this again. I just don't....I don't know what. I just don't.

JANE: The group was ready to start, it was ready to form.

JUNE: So had there been NRTA, say, newsletter that went out to chapters around the country?

JACK: I believe there was, yes. And they had conventions, and national conventions. And so did AARP. Their conventions are huge, with delegations from every state, and many communities inside the state. It's really a kind of an octopus. It's so huge, it's also kind of hard to describe, but, the staff has tremendous influence, tremendous influence.

JANE: Mary, do you have a question?

MARY CUTHBERT: I do. You've spoken about her stature, and that she was soft-spoken and respectable. But what else can you tell us about her? Was she small? Was she large? Was she.....

JACK: I would say she.....I'd say she was Medium, (laughter) because I'm a politician. She was medium, medium sized. Probably weighed about 140. I've always said, well I could go on about it...

MARY: But she had presence.

JACK: Oh, she did, she did. And another interesting thing is---when I went to the Rotary, there's a hundred people there, and I sat next to Ann Thacher, and she said, 'I worked at Gray Gables, and I knew Dr. Andrus.' I didn't think I was going to run into anybody that knew her, so we reminisced about Dr. Andrus, and then when I made my talk, I said "How many people in this room ever knew Dr. Andrus?" Five people raised their hands, which astounded me, because she died in '67. So, they remembered her.

ANNE: What was it about her that--you said she was soft-spoken, so it was in her voice---that commanded people. What was the charisma, do you think? Was it a way about her, or...

JACK: I don't know how to explain it, but she was very articulate. She was, if she were here, making a talk, she would be doing an excellent job, believe me. And I

think that has a lot to do with it, and she knew what she was talking about. And she hit on subjects that were of intense interest to elderly people. And she was so successful in whatever she did. But what impressed me was, she didn't....she was not the practical person, to do what Ruth and Dorothy did, the nuts and bolts. She was the one who says, 'I've got an idea. Go do it!' And it was done. And without the idea and the leadership, it never would have been done. And see, the leader....her charisma creates the opportunity to lead people. And she was a true leader of people. They liked her intensely.

FRAN: 'Cause she was retirement age when she started this.

JACK: Amazing! Amazing! How many people can say that? I guess some can. But to then create the largest organization in the country, and to have so much affect: she had an affect on Medi-Care, by lobbying, and she had an affect on private insurance. In fact, she.... without her, I presume it would have happened, but she was the catalyst that got it going.

JUNE: I have a question. When you think about a need who's time is come to be addressed, as this certainly was, do you think there are some other needs that you see now that are of the magnitude?

JACK: No. not of that magnitude, but it's, that is an excellent question! See, I should have thought about it, I start thinking about it. That's like what Davis told me, 'You'll never get ahead if you don't think big.'

JUNE: It seems that she, she was the person who was the one to address a felt need all over the country. The fact that she came to this vision in Ojai, she might have come to it other places. But, as we think of what other needs we in our world have to address, we can certainly take a lesson from her: which is to look around you and see what need needs to be addressed.

JACK: That's why I say it was a very good question. (laughter)

JUNE: Then you come back and tell us how you feel about it.

JANE: She was a schoolteacher though, and she was in school administration, so she had the administrative background. Working with schoolteachers, it was a great group to work with to start this because they would be able to write and get out to

other people the information that she was giving to them, so it was an event, it was different things. But I think it was working with school teacher group was what launched it. Because they would know the places to spread the information. And then other people were coming in. I think it was women who were not school teachers who were needing the same kind of help, and that's when it went national. That's when they, the teachers had to let go, and then let's get.....because it was an enormous need at the time. In businesses, when the men had their retirement, and then passed away, their retirement stopped. And there's this whole group of women, with jobs or without jobs, if they even, few had jobs. If they did have a job, they usually made their retirement .....was like a second income, that wasn't a consideration at the time. So she actually launched a huge part of the good things that have happened .....a huge part.

JACK: Yes, that's exactly right.

JUNE: Can I ask you a question about your legal perspectives? I'm not with the... After doing work for these various organizations, did you come to feel in any way about political action and legal action, and what's the right way for people to proceed who have a cause? How do you feel about that?

JACK: Well, I don't think I really came to grips with that because the political arm I wasn't really involved in, and it was the only organization among all those I mentioned that didn't make money. But it was the most important too, because we had lobbyists, who handled that, and political experts, and they still do. Senator Simpson, it used to annoy him that they were so influential. Simpson was a humorist, have you seen him on TV? A very funny man from Wyoming.

RICHARD: (?) I always enjoyed listening to him.

JUNE: Do you have any personal feelings or thoughts on what is, what constitutes a retirement age? For someone?

JACK: You know, I'm asked that question very frequently. "When are you going to retire?" (laughter) So, I'm 79, see?

JUNE: Maybe not you, but people in general---do you have a thought about should there be a retirement age?

JACK: I think 65 is a good idea. I'm going to retire. I told my wife, Margaret, I said, 'You gotta tell me when I'm loosing my marbles.' She says, 'How the hell do I know?!' (laughter). I mean, I make a point that in my occupation, which is ideal for working beyond 65, really. But if I was pounding nails, 65 would be plenty. Maybe 60. Some of those jobs, you can't work past 60 or 62, the difficult, physical jobs. But it all depends how young you feel, and how difficult, physically, it is. Of course, mentally, it sometimes----most lawyers do retire long before 79.

JANE: You were on the Ojai City Council for how many years?

JACK: 12 years. From '70 to '82. And I was City Attorney in the '60's and chairman of the Planning Commission in the '70's.

JANE: Ojai was pretty different at that time.

JACK: It certainly was. Although, amazingly, we still only have 8 thousand people.

FRAN: The Valley has increased, but not Ojai, for all that's happening.

JACK: And the Valley hasn't increased that much, certainly not the east of here because....

FRAN: Well, down in the other little towns: Oak View....

JACK: Oak View, Meiners Oaks....

JANE: Well, does anybody else have any more questions? Thank you very much. And what will happen next is that we will type this up, and then we'll get it to you, to add any additions or corrections to it. And then, as our committee or our whole group has decided, we will keep a tape recording, but we will always have a transcript with the tape recording. Even though this may go onto a C.D., we don't know....We have come to the conclusion that we don't know how far technology is going to take us. So that's why we had felt we would always would keep a typed transcript with the tape.

JACK: Is this going to come out fairly clearly?

JANE: Yes, it's a nice tape recorder. And then we could make some C.D.'s even from this.

JACK: Fine. You know, I'm glad, so glad to do this. I was ready to do something. This sounds like an ideal forum. That's why when the Rotary asked me to do it, I was happy to do that, but no record made of it.

JANE: This is a good time. This will be really nice. We'll have this in our collection.

FRAN: It's too bad that people in Ojai don't know about this.

JACK: That's true, they don't.

JANE: Maybe we should write AARP magazine, and tell them, give them our story, to see if they will say, you know, "Founded in Ojai."

FRAN: That's a good idea.

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JACK: I think they might do...let's take a look at the transcript. and maybe give it to them, because I didn't know whether to give it to the *Star* or to the Ojai. The Ojai was the one, I mean Bret Bradigan was the one that asked me to do it, so I...I'd rather go the *Star* but he asked me so I'll probably give to the Ojai.

JANE: Well, we'll see what we can do.. Now for a little critique, I think I'll turn this off.