INTERVIEW V

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INTERVIEWEE: JOSEPH A. CALIFANO, JR.

INTERVIEWER: Joe B. Frantz

PLACE: Mr. Califano's office, Washington, D.C.

Tape 1 of 1

F: Joe, let's talk today about some of the reorganizational problems and talk in the beginning about the formation of HUD. It was already set up legislatively when you came in, but you did arrive before it really got going, as I recall.

C: I think I probably arrived at the White House before the act establishing the [Department of] Housing and Urban Development was set up.

F: It didn't elicit any work on your part?

C: No, it elicited no work on my part. When it was passed, which was, I believe, sometime in September of 1965, it contained a provision which said that the President shall appoint the secretary of housing and urban development. But the provision had a hooker which also said that if he does not appoint a secretary of housing and urban development within sixty days from the date he signs this law, then the head of the Housing and Home Finance Agency, who at that time was Secretary [Robert] Weaver, would become the acting secretary of housing and urban development.

F: Why was that put in?

C: I don't know.

F: You don't usually have that kind of provision.

C: No. I wasn't part of that and when we later went with the Department of Transportation, when we later went with the Department of Commerce and Labor, we didn't have any provision like that in the bill. We left both the date of establishment of the department formally and the date of appointment up to the President.

In any case, during that same session, which was the first session of the 89th [Congress], the President had had enormous difficulties with the rent supplement bill. And Weaver had alienated a variety of congressmen and, much more important, senators, particularly including Mike Mansfield. So, the bill was passed late in the session. If the President had moved relatively promptly with Weaver, he would have run into a lot of flak. If he had moved not immediately and taken some substantial time to think through whether he wanted to appoint Weaver, whether he wanted to put the first Negro in the cabinet, he would have had an absentee appointment, recess appointment, and no confirmation until the next year. For whatever reason, the President bounced all over the lot on the appointment. I'm sure he talked to scores of people about who should be appointed. He talked to me about David Rockefeller, Laurance Rockefeller, Ben Heineman, I don't know, lots of others, even at that point in time I think Walter Reuther, Roy Wilkins, Whitney Young.

F: Did he have a practice of just throwing out names?

C: Yes, he'd throw out names all the time and just bounce them off you. Now Weaver--the law--well, let me just continue with this. I went through a lot of extraordinary personnel problems with him, but this was one of the most unusual. The President some time,

roughly a week before the sixty-day period ran out--when the law said, "The administrator of the Housing and Home Finance Agency shall become the acting secretary"--not may or what have you--the President called one day and said to me, "I'm not going to act on this until Congress gets back in session," and we began to talk about the problem of Weaver, who would then become the first black man, just an acting cabinet secretary. And the President said, "Well, he can't. I don't want to be in that box. I want to have some freedom of choice, some flexibility, and I don't want a black man to be acting because then I really have no freedom of choice." And he said, "You've got to get me an opinion which gives me some flexibility."

So Katzenbach and I, I went to Nick and after a couple of days of Nick and I tussling over the law, we sent the President a memo. He was at the Ranch at this time recuperating from the gall bladder operation. We sent the President a memo which said basically, "You can't do it. If you don't go by" such and such a date, the end of the sixty-day period, "then Weaver as the head of the Housing [and] Home Finance Agency becomes the acting secretary."

F: You sensed no desire on his part to back into the appointment of Weaver as a way of getting the first Negro in?

C: Well, who knows? At that point in time quite honestly I didn't. Later I began to feel that and later that's what he said.

The President came back at me and said, "You've got to give me an opinion. You've got to find a way that nothing happens." Well, we ultimately came up with using the *Webster's Dictionary* definition of "shall lapse," which I think was the word. It said

something like the "existing agencies" that were to be put into HUD "shall terminate"--I forget the exact word, or "end"--and they shall become part of the Department of Housing and Urban Development. Nick and I took one definition of that word, and we said it meant lapse and lapse in turn meant something gradual, and the Congress really didn't intend to force the President's hand. They couldn't have foreseen something like a major operation. Therefore nothing happened. The President, needless to say, liked that and told me to tell Weaver about it.

F: At this point you felt like saying, "You tell him."

C: I called Weaver up and Weaver came over a few days before the date. He arrived in my office with the papers for me to approve that he would sign, or that the secretary the President would appoint would sign, to take care of all the administrative and technical and legal problems that his lawyers had prepared, and in part of the process of establishing the new department. And as Weaver saw it there were only two alternatives, nothing else possible. Either he became acting or was appointed on the one hand as an interim appointment, or somebody else became secretary.

I said, "Bob, nothing happens on November 9," or whatever the day was. I said, "Nothing happens. Everything stays the way it is." Well, he was very surprised about that, and he couldn't believe it. Everybody--if you go back and look in the newspapers of this time, everyone was waiting for the appointment because we were getting close. I then told him that the Attorney General had advised the President that he didn't have to act and that nothing would happen. The President wanted to wait until the next session, the second session of the 89th [Congress], to move.

Weaver basically said he couldn't do something like that. He'd either have to be appointed or become acting, and he was doubtful about whether he could just become acting. But if neither happened, being a Negro with all the focus on the potential for the first Negro in the cabinet, he just couldn't take it and he'd have to resign.

And he left, basically, and I told the President what Weaver said. The President chatted about it. He'd occasionally get angry and he'd say, "Well, let him resign. The hell with him," what have you. I suggested that he might want to think about that, and he said, "No, I don't want to think about it. You just tell Weaver to resign," which I didn't do that day or that night, whatever it was. The next day we talked about it some more and the President said--and there was some merit to this at least in the thinking of the people, the alternatives to run HUD--that he wanted the best man, black or white. He didn't think Weaver was the best man, and on those bases we might as well get Weaver's resignation and get him out of the picture, and that will give the President more flexibility. So I went back to Weaver and went about the whole process of getting Weaver's resignation basically.

And in a couple of days--we're dealing with a very short time period; the whole time period from when this started to when it ended is about a week. In a couple of days in any case, Weaver was ready to resign and, indeed, sitting in my outside office with his letter of resignation when the President called from the Ranch and said, "I don't want Weaver to resign. You can't let him resign." And I said, "Mr. President, he's in my outer office now and I assume and believe he's got the letter of resignation with him." And he said, "Well, you tell him you don't have any authority to accept a letter like that.

Whatever you have to do you do to just hold him there. I want him there. But you can't promise him anything next January, and I still haven't made up my mind, and I want you to explore possibilities A, B, C, and D," whatever they were.

So Weaver came in and I had a hell of a time with him. It was clear to me that it was going to be virtually impossible to stop him and for a time there I thought impossible, so I finally just picked up the phone on my desk and I said, "Bob, I can't take your resignation. If you want to resign, you take this phone and call the President, tell him." And Weaver couldn't do that. And he said he'd think about it. I said, "Now if you don't want to do that, you just think about it tonight." He said he'd think about it, and then I started calling people.

I think I called Roy Wilkins, who was a good friend of his, to get him to hang on and explain some of the problems to him. I might say, I'm not calling now at the President's direction, I was just calling to get this guy to hang on. You know, the problems of getting the first black man appointed, we have to do it at the right time and in the right way. And then I talked to other people, Louis Martin, I'm sure, and Lee White, and tried to get Lee White to be the good guy since obviously I was the bastard in Weaver's mind by this time. And we needed a good guy on the staff that could help out. So I laid this all out for Lee and he became the good guy. Then these other people started talking to Weaver, and finally about twenty-four hours or forty-eight hours later Weaver agreed to stay on. And that was it. We got over the one or two days of flak about not appointing anybody and nothing happened.

F: No one ever brought this up as thwarting the will of Congress?

C: Not really. There was some mention of that in some of the papers, but not really. We had everything on our side. Most reporters don't work hard enough to actually read the law. Weaver, wanting really to be secretary, wasn't about to create a flurry on this.

About ten days later, Weaver called me frantically and said that the bond lawyers in New York said they could not accept his signature on paper anymore, government paper, because he had no authority to sign and other people had no authority to sign. Only the acting secretary could sign, and there had to be an acting secretary, and they read the law, et cetera, et cetera. Well, hell, I didn't know what to do. I called Katzenbach and then I called the President. Nick said any bond lawyer worth his salt was probably right in legal terms, but in practical terms the U.S. government wasn't going to back off on its obligations. I called the President, and ultimately we made a decision that Katzenbach would meet with all the bond lawyers, which he did. When you interview Nick I'm sure he'll tell you it was a fantastic meeting over a couple of hours. But he got over that hump.

Then Weaver held a press conference in which somebody asked him, "Do you want to be secretary of housing and urban development?" and Weaver said, "Yes," which created a whole raft of stories sometime in December.

F: Did he?

C: He did, yes. I think he did. Whether he wanted actually to be secretary of housing and urban development or whether he just wanted to be the first Negro in the cabinet, I think only he knows.

Then came January, or whenever the President got back. We got through the State of the Union Message and we began to start dealing with these problems of appointments,

and Weaver was appointed.

F: Now what's happening to a new department this time which really has nobody? It's a job and you've got all the pangs of birth.

C: Nothing. There was no new department. There was no birth. There was no birth until after Weaver was confirmed.

F: It really starts then with the naming of a secretary.

C: That's right. That's right. And that was it. As I said, that was one of the roughest experiences I had in terms of personnel *vis-à-vis* the President.

I used to wonder whether or not at times there was something in the President that drove him to make or break a man before he put him in a job like that to make absolutely certain, at least as the President saw the man, that he was his man. Whether he had to break him down and then build him up again, or whether he had to make it clear to him that *he* was making him, I don't know what it was. But I always thought that experience was somehow related to--the President in his mind somehow related that to kind of total loyalty that he always feared he was never getting. I don't know.

Believe me, it was an extraordinarily difficult time for me, to say nothing of Weaver. My own judgment was that Weaver, who was never a strong individual, was never the same after that week I told you about, never the same. Certainly never the same *vis-à-vis* the White House and the President.

F: Did he seem to take sufficient pleasure in being secretary that it mollified the couple or three months of uncertainty?

C: I don't know; I think you have to really talk to him about that. I think Weaver had a

difficult time as secretary *vis-à-vis* his relationships with the White House. I think it was probably a very difficult experience for him. He wasn't really hot for the Model Cities program and yet we were hell-bent for leather to go forward with it. He had some good arguments. We thought we had better arguments. He didn't like these wild crash programs that we'd get involved in every once in a while where the President wanted to build X number of housing units in a year, or where he'd want to put that prefabricated housing project down in Austin. Those things were very difficult psychologically for Weaver to handle. And also Weaver was basically kind of a very good bureaucrat/government administrator. He saw the reasons for the channels and had difficulty frequently in seeing the reasons, or if he saw them, agreeing with the reasons, why you just throw the channels to hell and move, or not move, in some cases.

And he was very hurt, quite frankly, by a story in the *New York Times*, the *Times Magazine*, about me, which had a section in there about when we went with the anti-rat bill, only LBJ and Califano were for the anti-rat bill and everybody else in the government was opposed to it, including all the people at HUD. That hurt him.

But he had a tough time and he never had a real rapport with the President, in my judgment. There was quite a difference between Weaver and--you know, certainly there was a difference between [Dean] Rusk and [Robert] McNamara and all the other cabinet officers, but there was a difference between Weaver and a lot of the others.

Weaver and [Willard] Wirtz both come to mind, as there was never any personal rapport. There was also a lack of respect, partly due to the fact that, on their side, that they didn't do the simple things that you had to do as a kind of basic mortar of the

building block with Lyndon Johnson, which was you had to--you know, if he did get interested in the price of grapes in Oshkosh, well, you learned every damned thing you could about the price of grapes in Oshkosh, how many people bought them, where they grow them, where they were shipped from, what the seasons were and all that. Well, he never really liked to do that on things he thought were just not worth it, partly because the President--you take that as number one.

Number two, the President clearly had better political judgment. Now, he had better political judgment than most everybody on the staff, including me, even Larry O'Brien, and better political judgment than most of his cabinet, but not always when you got down to a kind of technical point in a bill. But even on technical points in a bill the President had better political judgment with Weaver in housing bills. So that again in the President's eyes I think always hurt him. I imagine it was a very tough couple of years for him.

F: He was glad to have been the first administrator.

C: Yes, I think that's a good way to put it. He was probably glad to have been, because he had a tough time. You know, you can take somebody like [Undersecretary, and later Secretary of the Treasury Henry "Joe"] Fowler. Fowler got along with the President in personal terms. The President used to get mad as hell at Fowler but, you know, who didn't he get mad at on occasion?

You know, I'll never forget one time, the President--interest rates were going up. And then sometime in 1966 the President called up Wright Patman and said, "What do you think of this interest rate situation?" And of course Wright Patman said, "It is the

worst goddamn situation ever," and the President said, "Well, you ought to call Joe [Henry] Fowler up there and just roast his ass. You ought to get him up there and tell him that interest rates have risen more in his first six months as secretary of the treasury than in the first six months of any other secretary of the treasury since George Washington started this country." Well, Wright Patman wrote Fowler a scorching letter. Fowler came over to see me trembling with the letter and then went to see the President.

F: He had no idea of the inspiration--?

C: No idea. To this day, incidentally, he has no idea of the inspiration of that. But even if he had, he would have understood. Even if he had, he would have understood. And Weaver, maybe because he was Negro, maybe because of the personality he had, was much more inclined to take situations when he was overruled as more a personal decision than just getting overruled. The President overruled everybody all the time, and I think that created a part of the problem for him.

F: Did the President ever try to mediate or gloss, or whatever the proper term is, between the sort of gray area between Secretary of the Treasury Fowler and William McChesney Martin on the Federal Reserve Board? Those two jobs just necessarily get at cross-purposes sometimes.

C: Except that I think Joe Fowler and Martin got along very well personally after the first bout in December of 1965 when Martin moved the discount rate from 4 ½ to 5 per cent.

F: That's beginning to seem almost quaint, isn't it?

C: Yes, it really is. The President wanted independent lines into Martin though, as he did with anybody. Although on most things he'd really go to Martin through Fowler, and

when he talked to Martin usually Fowler was there or the whole Quadriad was there. There were several occasions when he'd want either to talk to Martin alone, or he'd call me up--the President would call me up--and say, "Tell Bill Martin to send a memo over here on this subject, I want to get *his* opinion, not the Federal Reserve Board's opinion, his personal opinion on this, and I don't want it filtered by Fowler" or what have you. Fowler and Martin, you've got to remember, were essentially on the same side from the moment--except for the increase in discount rate action in December of 1965, Fowler and Martin were basically on the same side of economic policy once the Vietnam buildup started in July of 1965. They both felt we were going too fast with new programs, we were spending too much, that the council was too liberal, that Charlie Schultze was too much tied in with my operation on new programs and not enough interested in holding that budget down, which were subjects we argued about hundreds of times. So I think there was really very little friction and after we learned--have you got what happened in December of 1965?

F: I have Fowler's version of it.

C: For what it's worth, my recollection was that we were getting ready with the budget. We were trying to hold Martin and get him down to the Ranch so that we could go over that and interest rates and what money we could get in accelerated tax payments without tax legislation. On the Friday before the Monday that we were going to the Ranch, Martin went up in the discount rate from 4 ½ to 5 per cent.

That's always been fuzzy in my mind. I just never have been able to nail down whether Martin knew for sure we were going to the Ranch on Monday and moved with

the increase in the discount rate in order to strengthen his hand at the Ranch, or whether he didn't know that we were going down Monday until after he raised the interest rate. I've always felt personally that any guy as smart as Bill Martin knew that a president as smart as Lyndon Johnson was not about to embark upon a major escalation in Vietnam, with all the expenditures that involves, without getting onboard in terms of his budget the whole Quadriad, including Bill Martin, and that whether technically he knew or didn't know in terms of having been called and said, "We are going to the Ranch Monday morning," he sure as hell should have gotten in touch with the President before he acted. And that Monday at the Ranch was a very chilly day for Martin, between Martin and the President.

F: Did he come to the Ranch?

C: He came to the Ranch that following Monday. Martin, Fowler, [Gardner] Ackley, myself, and Charlie Schultze.

F: Well, in a sense, Martin has a *fait accompli* there that you can't roll back without hopeless confusion, doesn't he?

C: No, he didn't roll it back.

F: That's what I mean. You've just got to accept the action once it's been done.

C: That's right.

F: I don't suppose the President took too kindly to being put in that position.

C: No, he didn't.

F: What about the planning for the Department of Transportation?

C: I think I may have told you when I first went to work for the President, he said he wanted

three programs: one in transportation; one in civil rights; and one in the cities. I began in early August, I guess, looking at the--or late July--I guess it was early August; I had come there in late July--one of the first things I did was begin looking at the potential for a department of transportation. We had a couple of task forces recommend it but not in what at least on the face of the task force report was a thoughtful way; they just said there ought to be a department of transportation. The Hoover Commission had recommended it. Eisenhower in one message recommended it, as I recall. I then had a meeting with Charlie Schultze, and Secretary [John T.] Connor--I can't remember whether Alan Boyd was there or not in the very, very embryonic stages--and myself. We talked about this and we all thought it was a good idea. Also, at that time we needed something to sex up that package, and that's how we got into traffic safety.

I sent the President a memo suggesting that, that I thought everybody was aboard and that we ought to move in this area. I didn't know what the components ought to be. There's a lot of work to be done. But he wrote, "Hurray," on the bottom of the memo, and he was so happy. I think that's the only time he ever wrote, "Hurray," on the bottom of any memo I sent him.

From there on out we went through the enormous problems of bureaucracy. I kept the President very closely informed as we went along. I wouldn't be surprised if the archives down there have twenty or thirty memos from me between September and December. The President had us talk to all the interest groups involved; Lee White and I did that. Finally he bought the package; I guess it was the day after Christmas or a couple of days after Christmas in 1965. [He] wanted it kept as a very, very closely held secret so

that when we distributed the State of the Union Message, the portion about the Department of Transportation was not in it, except in the copy that went to Connor and Schultze. And as a matter of fact, it wasn't in the copies that the other people on the White House staff received except for [Bill] Moyers and me. Just fantastic. And if you recall, that was one of the few really major proposals that Johnson just sprung and it surprised everybody.

F: Did Connor feel that Commerce was going to be undercut by this?

C: No. Connor was, on this issue, very good. At first I don't think he realized what a devastating blow this was to the Commerce Department in terms of people. But even when he did realize it, I think he thought it was right and he went with it wholeheartedly. Connor had problems with traffic safety, but he didn't have problems with Transportation.

The only time he ever raised that with me that I can recall after the decision was made and we worked on it was when we reorganized the civil rights functions of the government. The President wanted for some reason or other to get the Vice President out of civil rights business, and as part of that we--it also happened to be a good idea to get civil rights straightened out. We had people climbing all over each other. We took the Community Relations Service that was then in the Commerce Department, which was a kind of mediation service for racial disputes, and moved it to the Department of Justice. I'm sure when you interview Connor--there's a basic difference of agreement between Connor and me. I distinctly know, remember and know, that I called him and got him at some hotel in New York, I even think it was the Commodore Hotel, and told him we were thinking about this and asked him what he thought about it. And he indicated to me

that he thought it would be okay. I don't think he expected us to announce it the next day, which we did, as part of a big civil rights package. He complained after that that we were decimating his department and he hadn't really been consulted.

F: Well now, as vice president, Johnson had had civil rights responsibility under Kennedy, and [Hubert] Humphrey's reputation, to a great extent, was made in the field of civil rights. Why would he have wanted to take it out from under the Vice President?

C: I just don't know. It goes back to the point I made before about Weaver. One day I got a call from the President, and I can't even remember, there was something he was annoyed about. But in any case, he said to me, "I want you to get with Nick Katzenbach and put together a plan to reorganize all the civil rights programs of the federal government and get them all out from under the Vice President. He's got enough other things to do."

Well, we did. We ultimately put a plan together which we thought made a lot of sense in objective terms. [I] told the President it was impossible for anyone short of him to go to the Vice President with a proposal that was castrating him in this area. He chaired two or three commissions. He had been named the guardian of civil rights and we were eliminating commissions, turning over his other functions to Justice. We made Justice the coordinator of civil rights. The employment functions of the Vice President I think we gave to the Labor Department. And one day the President called a meeting of Nick and me and the Vice President. The President took this paper that Nick and I had done and he said to the Vice President, "I have recommendations here"--to do this and to do that and what have you. I remember the President getting up to make a phone call about halfway through the denutting process. And the Vice President, being the kind of

guy he was, just saying, "Fine, whatever you want, Mr. President," even being perky. It meant to his staff an absolutely staggering blow, and I'm sure he was concerned that it could even be worse for him if his staff started leaking about this. At the end of the meeting the President said he wanted me to work up a memo of recommendation from the Vice President to him, recommending that these things be done.

F: What was that, face-saving?

C: Yes, basically. So I did. Nick and I worked up a memo and we went over to see the Vice President one night with the memo, sat down with him. His guys were there. Obviously he had talked to them about it because they were very nervous and very concerned. He asked them to leave--

F: Was that almost in the nature of an ultimatum of, "Here, sign this"?

C: That was just it. That's right. The Vice President read the memo; he asked what we wanted him to do with it. And I said, "Well, what we'd like you to do is take page one and retype it on your stationery and sign the last page." And he eventually signed it, signed it that night. The next day we announced. It was a very rough experience for him.

I don't mean to get into this, but it strikes me like the Weaver thing, this kind of streak that the President had to--with the guy that was nothing before he came to him, it wasn't too much of a problem because he had made him. But with the guy that was something before he came to him, he always seemed to have to break him in some way or get him to agree to do something, or even in the worse sense he'd humiliate him in some way to make him totally his man, to see that he was totally loyal, to make sure he was totally loyal.

F: Then start him over.

C: And then start him over again.

F: Did the Vice President ever show any real public annoyance with the President? Ask him what he said to Muriel, but I mean--

C: No, not public, not on that issue, not on any issue that I know of until he got to the campaign when he talked a little bit about Vietnam. Privately I might say the Vice President was also loyal to LBJ and understood him. Humphrey is an extraordinary human being. He's got to go down as one of the nicest men in the world, and he would--God, sometimes I'd call him with the craziest requests, or orders, or prohibitions, and he'd say, "I understand. I know you've got a job to do and I understand it."

F: Did the President sort of dangle him? After all, until March 31, 1968, most people thought he would run. Did he dangle the vice presidency for him or did he keep him pretty much in doubt as to whether he would continue him as his running mate? Did you see any evidence of that, one way or the other?

C: I don't really know what happened in 1964, I just don't know. Are you talking about 1964 or 1968?

F: No, I'm talking about 1968. The question always is, will Johnson break with Humphrey? Will there be a new vice presidential running mate, et cetera, et cetera?

C: Oh. I just don't know. I really don't know factually, so I'll leave it there.

F: Back to Transportation. Was this matter of merging the Departments of Commerce and Labor a really serious thrust or was this just a certain amount of talk?

C: No. It was a serious thrust. Incidentally, for whatever it's worth, twenty-five or thirty

years from now, the portion of Pat Anderson's book on presidential assistants that deals with the Department of Transportation is essentially accurate. We went over the dates for him. On Commerce and Labor, no, it was quite serious--

F: I think that's a pretty uneven book, incidentally.

C: Oh, boy.

F: There are some places in there where I could spot some pretty good errors.

C: Terrible errors in it. It's very unfair to Jack Valenti, very unfair to him.

The Commerce and Labor Department was something that--and I don't know how it came to my attention, or to Charlie Schultze's attention. He and I had thought about it as early as late 1965. We never even raised it with the President because we thought it was wild. And sometime in 1966 I did send the President a memo of a whole host of possible reorganizations, a new department of natural resources, a department of commerce and labor, and he really didn't do anything.

Late in 1966 he called me one day from the Ranch and said he wanted a major proposal to put together a new major reorganization. What did I think was the best one? Well, I said I thought one of two, commerce and labor or natural resources. And we talked about them on the phone and he finally felt that natural resources was absolutely impossible in view of the Corps of Engineers, commerce and labor was a possibility, and to get him a cable on the department.

So I got him a cable, which laid out the commonality of factors. The Census Bureau and the Bureau of Labor Statistics really belong in one place. They do the same kind of statistical information-gathering, and they probably would both be better if they

were together. Secondly, the manpower training programs really should be coupled with the economic development programs because they run hand in hand, and you need business and labor on both. There were a whole host of common factors, down to the point that the interests of big labor and big business today on exports and imports and foreign trade policy are virtually identical. [Inaudible] but they fight for roughly the same things.

So we decided to go with it. He then told me to check it out with some businessmen and have Jack Connor check it out with some [businessmen]--well no, the next step was to talk to Connor and Wirtz. I talked to Connor and Wirtz. Connor came with it; he was for it, thought it made sense from an organizational point of view, was worried about the business community reaction. Wirtz was very loath to go, and I always thought that what ultimately got Wirtz was the LBJ treatment in terms of implying without ever promising that he, Wirtz, would be secretary of the combined department. Because from that moment on Wirtz was for it. Connor and I started checking out with businessmen and they basically decided to go, not enthusiastically, but they were willing to issue statements for it, et cetera, et cetera.

The President--I think at our recommendation, I don't remember--felt that the way to approach labor was for him to talk to [George] Meany. Nothing short of that would do anything. He talked to Meany, and Meany, after whatever consultation he may have given, said he'd go along. But he grossly misestimated his AFL-CIO [American Federation of Labor and Congress of Industrial Organizations] International presidents because when we announced the thing, all hell broke loose in the labor movement. And

as you know, the rest of it's public. It just was a stillborn department; it never got off the ground. We tried hard. The President met with the labor leaders a couple of times. The President sent me down to Miami finally on I'm almost sure it was February 21, the day before George Washington's Birthday in 1967, to tell them that the President would hold off on the department--no, to ask them to hold off on the department, pressing a resolution against it until he got a chance to talk to them, which they agreed to do. This was at their convention. He then talked to them, we still couldn't make a dent in it, and so when we went with a message in 1967 on government reorganizations, we announced that the Department of Commerce and Labor was being referred to the Labor Management Advisory Committee for further study, and that was it.

F: With no real hope of ever springing it out of there?

C: No.

F: Did [Stewart] Udall support the idea of a department of natural resources?

C: Udall would have loved it, because he would have assumed he would have run it. The hooker in a department of natural resources was the problem of--well, we would have taken out of Interior their human programs, which were basically Indian programs, and moved them to HEW [Department of Health, Education, and Welfare]. We would have moved into Interior--I say we, I would have. I went about trying to figure out how the hell do you handle the Corps of Engineers. They'll beat you hands down on the Hill. Well, their main argument was that they needed to construct dams and waterways and what have you in order to be ready to construct in wartime, to get experience for that. So I came up with the idea, and I don't know if it ever would have floated because I never

floated it beyond the President, that you'd let the Corps of Engineers do the construction, but you take the policy function, the authorization function, out of the corps and put it in Interior, which I think would have sailed. Udall was all the way with it. You know, it would have made him enormously powerful, the first secretary of that department, but it never got off the ground. And even when I made that suggestion I just mentioned to you about how to handle the corps to the President, he said, "It's not good enough." And I guess in retrospect he was probably right. I think someday this country ought to have one.

F: You really have a fundamental conflict between the corps and Interior, don't you?

C: Yes, and you do not on--I really don't think it's as much a policy conflict as it is a bureaucratic conflict. That's a billion-dollar program for the Corps of Engineers. That's an enormously helpful thing for the Department of the Army, for their other programs. They are technically better than the people in Interior, in terms of cost benefit ratios on projects and everything else. If they're ready to go with a project, it'll really go. In many cases where Interior is ready to go, it may not go. They have better people. But the guts of that problem is bureaucratic. As a subsidiary issue, I think the corps in civil works is more commercially oriented than the Interior Department, which is more conservationist oriented.

F: Back to Transportation for a minute. Did the President more or less envisage Alan Boyd from the start, or how did Boyd come into view?

C: Boyd was the undersecretary of commerce for transportation. Boyd worked hard and long on the department and when the department was formed--well, let me answer your

question. No, I don't think from the beginning he envisioned anybody. I don't think he ever really did, unless in the deep, deep recesses of his own mind, but I doubt it.

After the department was created, I was checking people out. We were going through the old list game. Boyd was one of the guys on the list. I was, as a matter of fact, for Boyd. I had a mild, mild kind of reservation, very mild, because he had--I think in retrospect from exhaustion and from the kind of tension to which the President subjected him and Nick when he was left hanging here--he had gotten very emotional on a lot of issues that you felt you might want to have a cooler guy. I was a little worried about that, because if he was bending under pressure like this it might really hurt him, hurt the President along the way in running the department. But I was essentially for him.

I was checking guys out for the department and then the *New York Times* ran a story that I was going to be secretary. Boyd was clearly offended by this, not annoyed with me but he was hurt. It was damned unfortunate because I--a) the President never talked to me about it and I never thought he'd make me secretary; and b) I really didn't want to be secretary of transportation.

Boyd was then offered some kind of a major, major job. I don't know what it was. I always thought it was being the head of the Association of American Railroads. They put some time limit and pressure on him in terms of how long he had to pick. He wanted to see the President about that. The President delayed that for some time, brought him right down to the wire until late one Saturday, something like seven o'clock on a Saturday night, Boyd was brought over there. We had to run Boyd down and we got him somewhere, and he came over and talked to the President and I believe it was at that time

that the President offered him the job.

F: He accepted with alacrity.

C: With alacrity.

F: Why did the President dangle Katzenbach as acting attorney general?

C: I don't know. I personally believe that Nick was the best president's lawyer as attorney general of anyone that Johnson had, better than Bobby, better than Ramsey [Clark]. The President was his client and he was a good lawyer for his client. He tried to figure out ways for the President to do what he wanted to do. He was good in public policy. He was first rate on the Hill, just first rate.

F: Seemed to me extraordinarily effective, really, in everything he touched.

C: I think the President initially had problems of, you know, basic--was Nick loyal to him or was Nick loyal to Bobby Kennedy, or Jack Kennedy, or what have you, and that was part of the delay. The rest of the delay I again, maybe wrongly, attribute to this incredible practice he had of putting guys to the ultimate test.

F: Do you think he moved him over to undersecretary of state because he thought State needed him, or to make room for Ramsey? We can put that another way. Did Ramsey gut him?

C: No, I don't think Ramsey cut him up. No. I don't believe Nick and Ramsey ever got along. And, in fact, unless I'm mistaken--let me tell you one thing. The problems that the President had with Ramsey were all predicted to me by Nick. Now whether Nick told the President those problems or not, I don't know. But the stubbornness, just the total refusal to do certain things, the delay, [he predicted].

Why does Lyndon Johnson do anything? He does it for a million reasons. I think one of the reasons was he wanted to just overwhelm the [George] Ball resignation. And Nick I think had also indicated to the President on a prior occasion that he would do just about anything he wanted him to do. I think the President asked Nick once whether he wanted to run the CIA, and Nick was interested in the foreign area. But I don't think Nick was ever happy at State.

F: That really wasn't his cut.

C: No, I think [Dean] Rusk wasn't his cut. He disagreed so basically with Rusk on policy and his attempts to try--as he saw it at least--his attempts to try and control that department were shot from under him.

F: Was the President unduly sensitive? Any president is going to pick people he knows--Kennedy from Harvard, Eisenhower from the military, and so on. Was he unduly sensitive to the number of Texans or southwesterners that he brought into positions as heads of agencies, departments, and so on?

C: He used to have Larry Levinson and others on the staff periodically draw lists of guys with their state affiliation to show that there were much fewer Texans on the staff than the newspapers said. We also used to, when we'd appoint guys, in terms of putting Joseph Califano of New York, wherever it was, on the diplomas, we'd try and get a state that wasn't Texas, even though the guy might have spent a lot of time in Texas. However, my hunch is that if you could look at John Kennedy or anybody else, that they'd be about the same about Massachusetts, or Nixon about California. I don't think that was extraordinary activity.

F: That didn't bother him?

C: Oh, he'd get annoyed. Oh, he'd get damned annoyed when he'd see a--Huge Sidey would write a column that'd say, "Another Texan in the White House. There are now eight Texans and one guy from New York, Brooklyn," who would be me, "and one guy from Alabama," who would be [Douglass] Cater.

F: Were you privy to the President's offer of the attorney generalship to Clark Clifford?

C: No, I had heard that he'd done that, but I never knew it for a fact. I knew he tried, on various occasions I think, to get Clifford into the government.

(Interruption)

F: I pick up some feeling that there was maybe a jealousy or an annoyance between Secretary of Commerce Connor and Secretary of Treasury Fowler together against Robert McNamara as maybe overlapping into their departments.

C: Did you pick up any annoyance against me when you talked to them?

F: No, I haven't.

C: That's interesting. Have you talked to Connor?

F: No. Now we've had a lot with Fowler, and I haven't gotten this from Fowler, but I've picked this up other places.

C: I'm so immersed in aluminum from the past few days. The first major economic problem that got to crushing proportions--I want to distinguish now the steel negotiations. I want to distinguish a pass at a tax increase that we made in July of 1966, at the time of the Vietnam buildup. The first crusher was aluminum. When the chips were down--I don't want to load my phraseology here--but when the issue was whether to turn those

aluminum companies back or whether to, you know, let them go, McNamara and I and Fowler were the three people that really wanted to move in on them with everything we had, for different reasons. Fowler mostly for balance of payments reasons, Bob for--we just thought we had to show them an example or we'd have a lot of others.

Virtually everyone else in the government was opposed to it. Gardner Ackley wanted to do something about it but he didn't want to move into the kind of bruising fight that was clearly in the making. He would love to have done it if we could have done it in a dainty, gentlemanly way. Connor just thought that was the wrong way to handle business. Now Connor had other problems with LBJ, but if I had to pick the turning point at which Connor really started to sour on the President and on the administration, it was then. He just thought we were too damned rough.

There was the price increase and then a kind of frantic Johnsonian weekend. He was at the Ranch but I was at the White House. Maybe it was more frantic to me than it seemed to him. We--when I say we, I mean Fowler, McNamara, Connor, Buford Ellington, myself, Lawson Knott, there may have been others, I forget, Otto Eckstein, was in with the Council on Economic Advisers--met on a Monday, November 1, after the Friday on which aluminum companies had raised their prices.

One of the things we decided was that we'd get in touch with the companies. We thought that Fowler and Connor and McNamara and what have you should get in touch with the companies. But when I got in touch with the President after the meeting and called him, he said no, he wanted McNamara to do it alone because he thought the other guys would be a little too soft, and Bob would drive it home. And if Bob wanted to have

a witness present, that I should meet with him.

(Interruption)

This was the first of many examples where the President had turned to McNamara to deal with businessmen. And unquestionably, although Joe Fowler never said a word to me about it, unquestionably this hurt in the other areas of the cabinet. I do know that Connor, Jack Connor, did have problems with it and if you--

F: You've got two pretty good businessmen in Connor and Fowler.

C: That's right. You'll see, there was a story in *U.S. News & World Report* which cut up Bob a little bit in the sense that it said many cabinet members thought he was overstepping his bounds. And I think Bob always felt that Secretary Connor was the guy responsible for that. Whether he is or not, I don't know.

Secondly, I do know and Joe stated this many times to me, to Bob McNamara, to the President, that he felt very strongly that he was not getting the kinds of figures out of the Defense Department about defense expenditures that he should have in order to make some projections on the economy. But he wasn't alone in feeling that. Gardner Ackley felt that way, as did others.

F: Something you said earlier made me open a train of thought, and that was how much of a part did Ackley take in thinking about the politics of the measures? He did not give his economic advice in a vacuum.

C: No, Ackley, for the most part, did give his economic advice in a vacuum, in my judgment, and quite intentionally. He used to feel that that was his area of expertise. He did feel--and that was in respect to tax measures. I mean, you can go through the history

of the Johnson Administration in terms of recommendations for taxes and what have you, and you'll find that the council was recommending them all the time, but frequently their memos would say, "You have to make a judgment, Mr. President, on whether or not you can pass it."

On occasion Ackley would say that he thought if we'd make a tougher, harder case and really go out and try and sell it, we'd be able to get it passed.

(Interruption)

In the price fights and wage fights we got into, Ackley used to feel that we were pushing him out in front too far, and he was concerned about the public role, and the private role, of the Council of Economic Advisers and whether or not the extent to which their economic judgments would be taken as purely economic judgments if he continually was issuing statements blasting aluminum, steel, wage increases, and what have you. But he was very effective in those areas.

F: He prided himself on at least kind of an aura of objectivity and in judgment.

C: Yes. The memoranda of the Council of Economic Advisers were the clearest, in my judgment, the President got from anybody. They're the best stuff I saw coming out of the government.

F: Was the President dazzled by McNamara? I pick up that feeling among people, that in one sense McNamara just kind of overawed him.

C: I doubt if anybody really overawed the President. I think the President felt that Bob McNamara was the strongest cabinet officer he had and the brightest cabinet officer he had. In that sense he may have been dazzled, I don't know. McNamara was invariably

the best prepared--

(Interruption)

--the most articulate of all the cabinet officers at any meeting I attended. Also, Bob, in most cases, delivered for the President what he said he would deliver. And the department that he ran, as long as he ran it, was responsive to him. That wasn't true with many of the other cabinet officers.

F: Well now, when Connor's disenchantment became complete and he moved out, did you get much leadership in Commerce under Smith or was he just titular?

C: Well, Connor was followed by [Alexander] Trowbridge. Trowbridge then followed by Smith. At the time C. R. Smith was running Commerce, we weren't pushing Commerce to move into any major new program areas, or what have you. Most of my contacts with C. R. Smith were on economic matters or wage problems, and in those areas he had an opinion, he stated it quite strongly and forcefully and colorfully, and if the President went along with him, fine. If he didn't go along with him, fine. He was very easy to deal with. I always felt, and I guess this was in human terms as well as in professional terms, that if Johnson had started with C. R. Smith as his secretary of commerce, we'd have had a whole new ball game in the Commerce Department. It would have been a much more vigorous operation than it ever was.

F: He just came on when there wasn't much to do except manage?

C: There wasn't much to do. It was all about the last year, wasn't it?

F: Yes. That's right.

C: And a good part of it was after the President pulled out and I think most people felt like

caretakers at that stage. And Smith didn't have any real problem with the kinds of economic policies we were pursuing, or the jawboning operation on prices. He went along with it.

F: What brought on that erratic performance there at the end between Udall and the President?

C: I don't know the details.

(Interruption)

Udall, at a cabinet meeting at one point within a month or so of the end, told the President that every president who was a conservationist, and even some who weren't, like Eisenhower, used a little-used authority that presidents had to set aside land in a certain area and that he was preparing an executive order for the President. He thought this president should set aside a hell of a lot more land than any other president ever set aside. The President said that was fine. Udall prepared massive, massive batches of land to set aside and the President was holding that for his last day. At the same time he renamed D.C. Stadium, Robert F. Kennedy Stadium. I was not involved in the fight between them. I talked to Udall once I think during that period, but I think that's what soured everything. And Udall refused to back down on the RFK Stadium, which he had in his power to change the name.

F: I [will] ask him about that later, but I wondered.

Did you develop any real deep enmities within the cabinet or within the inner family, not necessarily the cabinet, but the Council of Economic Advisers, the sort of schisms that did give you difficulty, where certain people couldn't work with certain other

people?

C: No, I don't think so. John Gardner was never able to work with Wirtz. I should really put it the other way around, because I think Wirtz was a difficult person for most people to work with. Gardner just thought he was absolutely impossible. Wirtz periodically resigned during the time I was there. He is a very strange man.

F: Why didn't the President pick up one of those resignations? Did he really think he was valuable?

C: No, most of them he never knew about. They'd never get that far. He's like a petulant child; he'd say, "I am resigning. If this is done then I quit. The President can know what I am going to do." Near the very end Wirtz told the President, he said he was going to resign if he couldn't put the manpower reorganization of the Labor Department through. It was so near the end of the administration that I think the President took some abuse from Wirtz personally in a cabinet meeting, but despite that decided it was so near the end of the administration that he decided he'd just let him hang on. It went to the point where I actually wrote a letter accepting Wirtz's resignation for the President, but it never quite got to that. And I think the President was right.

My own judgment for many, many years later is that Wirtz was barely rational during the last three or four months of the Johnson Administration, barely rational. He'd just had too much. When Moyers was still at the White House, for example, Moyers called me one Sunday at home and said he had just gotten a handwritten, penned note from Wirtz delivered to his house by Wirtz' driver, saying that Wirtz was convinced that I was ganging up with Sarge Shriver to destroy him. And there were all kinds of little

problems like that. But there was no deadly schism with anybody. That's what I think you'll find as you go around and interview people, and you interview about the cabinet relationships and what have you, Wirtz was far and away the most difficult guy in the administration to work with.

End of Tape 1 of 1 and Interview V

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Addendum to the Legal Agreement Pertaining to the Oral History Interviews of

Joseph A. Califano

Interviewed by: Paige Mulhollan, Joe B. Frantz and Michael L. Gillette

I, Joseph A. Califano, hereby remove the restrictions on the use of the transcripts and recordings that states, "During my lifetime I retain all copyright in the material given to the United States by the terms of this instrument. Thereafter the copyright in both the transcripts and tape recordings shall pass to the United States Government. During my lifetime researchers may publish 'fair use' quotations from the transcripts and tape recordings without my express consent in each case." of the sixty-three personal interviews conducted with me by Paige Mulhollan, Joe B. Frantz, and Michael L. Gillette, currently at the Lyndon Baines Johnson Presidential Library. (see attachment for interview details)

Joseph A. Califano Jr. — Donor

5-28-19 — Dated

Susan K. Donius

Director for Presidential Libraries

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