INTERVIEW VII

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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: Let's talk a little bit about the crisis that erupted in the fall of 1968 over the Department of Labor reorganization plan that put the Secretary of Labor and the President at cross-purposes and took a great deal of healing to keep it from becoming public.

C: The Labor Department--well, I have to go back a little bit.

F: Yes. You and Jim Gaither and a couple of people from the Labor Department worked on the plan?

C: Back even before that, as we got more and more manpower programs early on in 1966, it became apparent to me and to Charlie Schultze that the Labor Department was badly organized.

F: It never was any question that it needed reorganiation?

C: No, that's right. And we started pushing [Willard] Wirtz towards reorganization, but both of us had had a large number of problems with Wirtz in a variety of areas.

(Interruption)

F: We were talking about the need for reorganization and Wirtz' initial reluctance. Let me ask one question. The need for reorganization had nothing to do with the way that Wirtz had run the department but it was merely the fact that it had grown a parcel at a time and not everything integrated, right?

C: Not everything integrated, and too many elements of the Labor Department were in control of the unions.

We had problems in addition to putting the boxes in the right place, so to speak. Both Schultze and I felt that Wirtz was a very poor administrator, and I think the record will bear that out. Also, we had enormous difficulty--and I'm trying to put this whole 1968 thing in context--in getting Wirtz to work with other people. I had numerous meetings in my office where either the meeting would start five minutes late and he'd walk out because he wouldn't wait any longer, or where he'd walk out of meetings at which he was present because he thought that John Gardner was trying to take over something that he deserved to do in the Labor Department, or Sarge Shriver.

F: Just an unduly sensitive man or tended to be completely the lone wolf?

C: Extraordinarily sensitive and insecure.

Then there were two other kinds of problems. Well, we'd run into problems like this. He at one point told Bill Moyers that he thought--or Bill told me that Wirtz told him that he thought that Sarge Shriver and I were trying to destroy Wirtz. This was in 1966.

F: That's pretty early.

C: Also Wirtz was very sensitive on two other scores. One was the way in which the President handled labor crises, either strikes or potential strikes, in terms of a) the injection of the White House, and I was always the image of the White House being

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injected because I was the guy, and the fact that the President would have the information funneled to me and, in effect, through me to him, except for the monumental moments which were involved.

And lastly, in terms of any legislative messages that involved the Labor Department--there is an annual manpower message which is almost solely Labor Department message, but there are other messages related to that--those were almost invariably rewritten. This was nothing exceptional. They were totally rewritten, partly because Larry Levinson was such a sensitive craftsman he wanted something exactly the way he thought it ought to be, and partly because the President just rewrote everything that came from the departments. We'd reach enormous problems in a situation like that, literally having to set up a mediator. I'd come to agreement with Wirtz that somebody could mediate it because I just didn't want to bother the President with all this stuff.

So in all those areas now, labor strikes--and that included the appointment of board members, even though they were presidential appointments; Wirtz felt he should have the final say on them. And of course, I'm sure you've interviewed enough people now to know that LBJ was going to have the final say on them. And one other element of that: bringing in outside advice. He really became very distressed and infuriated and annoyed when the President would consult Arthur Goldberg or anybody outside on a labor matter. He even became annoyed when he'd bring in the Secretary of Commerce, Jack Connor, or somebody like that.

So across that spectrum, labor negotiations, the people that operated in them, the messages, the relationship with those departments, and his own personal manner of administration--but independent of all of that, if we had had the expert secretary of labor,

Charlie Schultze and I in the beginning--he'd come to be budget director around the same time I came to the White House. Within about six months it was clear to us, for whatever our judgment was worth, that the Labor Department had to be reorganized. It was a very difficult problem, and the reason I gave you that other background is to make a point that I think Charlie will agree with, others I think will: Wirtz was the most difficult individual that I worked with among all the government people.

F: Let me intrude one question here. Is there a natural, automatic, built-in conflict between members of the White House staff and the various heads of departments?

C: I don't think so. You know, you've talked to them a lot more than I have. I don't think so. I think I had no problems with Nick Katzenbach when he was attorney general. I think I had . . .

F: In general, they don't try to run an independent agency. They don't get proprietary toward it to the extent that they resent White House--

C: Oh, they all would like to have less of it, but there are no really major problems. There were some along the way with--I suppose I'd have to say there were some with Jack Connor and some with Sarge Shriver. But I think they were less attributable to the White House versus the department head than they were to the fact that the President wanted something done. He wanted to go course A, and they wanted to go course B.

I made it a practice, I always presented differing views of the cabinet officers. Now, I didn't pretend to be what [John] Ehrlichman says he has done for the past eighteen months. I mean, I didn't just funnel material to the President; I expressed viewpoints on it. When a cabinet official disagreed, I expressed that viewpoint, and I either did it in the form of a memo he himself wrote, which I asked him for so he could present his

argument to the President, or if I laid out his argument, I'd call him up and read what I had written to him. And whenever they felt strongly enough, the President would see them, or I'd suggest that he see him. If there were any exceptions at all to that it would be when the President already was way down the road on a course, and so much further than even the cabinet officer or I may have realized. There was just no point.

In any case, we started pushing for the reorganization. Secretary Wirtz did not want it. And he didn't want it in 1967.

In 1967 essentially I told Jim Gaither, who worked on labor matters for me in the White House, that if he did nothing else I wanted a jobs program related to businessmen, getting business involved in the hard-core unemployment. And he spent a lot of time doing that and we went through several experiments. Some worked, some failed. But we learned how to put one together and we put one together. There was a major bureaucratic fight over that JOBS [Job Opportunities in the Business Sector] program because Secretary Wirtz thought that it should be run out of the Labor Department. He thought we were putting too much emphasis on business, and he was very concerned. The Commerce Department wanted to run it. I didn't want either of them to run it, because it was such a difficult program I thought it had to be run from the White House, in effect. We did set up the JOBS people, we set up the men that ran it--Henry Ford, Leo Beebe, and Paul Austin--in a building across the street from the White House, that Federal Office Building 7 or 5, whatever it is.

F: Does the Secretary of Labor have some directorial responsibility for the federal mediator, [William E.] Simkin in this case?

C: No. If you want to get into that, that was another--

F: That was a conflict there? We'll come back to that later because I want to talk to you about Simkin's role one of these days, but not right now. I just wanted to see if--

C: When we had the JOBS program on the ground--by this time Charlie Zwick was budget director--I talked to Charlie and I told him I thought the next thing we ought to do in this area was to get the Labor Department organized. And we ought to make another attempt at it. So this time I decided to try and do it another way. Rather than having the Budget Bureau and the White House staff say, "Secretary Wirtz, isn't this a good way to reorganize your department?" I talked to Gaither, and I said, "Jim, I'd like you to start working with some of the staff people in the Labor Department, and if you can convince them, if we can get them on board, let's get them to recommend this to Wirtz. And maybe coming out of the Labor Department, he'll be willing to go with it." Not an ingenious thing to do; it was just one of the ways of getting something done in the government. I told Jim to go forward on that course.

The President then pulled out of the race. I talked to the President about whether he wanted to go forward in general terms with programs and what have you, and he said, "Yes, just keep going forward. Develop them," and what have you. "I'll have a State of the Union [Message], and if there's a Democratic administration after me, we'll be that far ahead." So we went forward and some of the elements of programs involved reorganizations, of which this was one. Others involved Head Start, I remember, and some of the medical programs in OEO [Office of Economic Opportunity], the concept being to move Head Start into the Office of Education, or at least into the Department of Health, Education, and Welfare, maybe off of the Secretary's office, and to move some of the health programs in there.

F: Was he taking an active interest in your Labor reorganization?

C: No, I was proceeding on these the way I proceed in terms of any program, and I really didn't discuss it with him. Whether I sent him a memo occasionally, or said these things around the burner, I just don't remember, but that'd be in the files down there. But I just went along. Normally I--literally, as we probably talked--normally I just put the whole program together. I'd make sure that he was in line with the major elements. I wouldn't send twenty people off working for seven months if I thought Johnson wasn't going to buy it. But by 1968 I had a pretty good feel on where he wanted to go.

So Gaither did indeed work with the Labor people and some staff budget people, and they indeed liked it and they started urging it on Wirtz. And Wirtz became very high on the plan.

Now, Nixon--I can't remember whether we started to run into trouble before or after Nixon's election, but sometime--

F: It was before.

C: All right. Well, sometime then in the fall of 1968, we began to get a hell of a lot of proposals--changing welfare rules, oh, just across the board. [Stewart] Udall had proposals for the Interior Department for changing land around. There were proposals relating to social security, and this was one, and we had OEO reorganization proposals and what have you. The President started to take the attitude that he was not going to do anything that would bind his successor in any extended way.

As I recall, the first time I met this was something that--another sort of pet project of mine, and Charlie Schultze's I guess, which had been to set up regional offices for the domestic side of the government, to divide the United States into about eight or nine or

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ten regions, I forget the number, and to put the main office of every domestic department in that region in the same city. I had served up this proposal to the President some time way before this and he didn't like it.

A part of the proposal had been to virtually wipe out the federal establishment in Austin. I decided that maybe if I made Austin the regional office for that Southwest region and moved all this stuff into Austin, he might buy it. So I had the Budget Bureau redo the proposal and do that, even though in a short run it was a little more expensive. In the long run I thought the importance of getting this done would be enough. I served that one up to him changed. And he said no, he wasn't going to do it. And I talked extensively to the President about that and I argued that it was a very controversial thing to do politically, but it was very good for the government and the time to do it was at the end of his term. He wasn't running for re-election; he could get it done and get it on the road, and it would be a great service to Nixon. And he said no, he didn't want to do anything that would bind the Nixon Administration for any extended period of time.

This gets ahead of the Labor thing a little bit, but let me just finish it to make sure the context is clear. Nixon was elected and I went back at the President and I said, "Mr. President, would you let me try and sell this to Nixon's staff people? And if I can get them to buy it, maybe you can start it." So I tried to sell this.

F: He said okay?

C: He said okay. He said, "Okay, you can do that, and we'll talk about it if you do that." So I talked to [Daniel Patrick] Moynihan about this, as I recall, and Sam [Phillip S.] Hughes, who was the deputy budget director, talked to Ehrlichman or [H. R.] Haldeman. I also talked to [Robert F.] Ellsworth and I think some of us talked to [Robert P.] Mayo, I don't

remember. They thought it was a good idea. And they purported to speak for Nixon in saying that he thought it was a good idea. I went back to the President on it and he ultimately said, "Well, if Nixon thinks it's a good idea, let Nixon do it." And he went back and said, "I'm not going to do anything. Let him do it. I'm not going to bind him well into the future."

Well, I knew about that attitude and I was beginning to meet it on some other things, and the Labor reorganization proposal came over. It was not much different than the proposal that Charlie Schultze and I had suggested in early 1966. It was much refined and better, but the basic thrust was the same.

F: As it came over, was it basically written out of Wirtz's office?

C: I just don't remember. If it was, it was done with a lot of help from Gaither, and Budget Bureau people.

F: I would presume we have a memo on the details of this.

C: Oh, yes. You've got several written by me and I'm sure even more detailed papers from Wirtz and the Budget Bureau.

We ran into two problems. One was the President's general attitude that I've mentioned. The other one was that there was a guy over there--I can't think of his name--who was running one of the bureaus, who either directly, or through a friend of the President's, or through a congressman or what have you, got wind of it. He was a guy whose job would have been abolished in the process.

F: That's in Labor?

C: Yes. And the President didn't want to hurt him or affect him. Whether Wirtz ever knew that second fact or not, I don't know. I certainly never told him and I don't believe he ever said anything to me, at least.

F: This is the first time I've heard it, for what that's worth.

C: I think [Larry] Temple was probably aware of it, and you may ask him when you interview him, if you haven't already on this.

F: I have, but I'm not through.

C: But I really don't think that was as important as this main element of, "I'm not going to do anything."

Well, Wirtz came to me and said, in effect, "You've pushed me on this thing for I don't know how long. Now I've finally got it. You've been trying to get this done. I now think it's right and I want to do it and I have authority to do it." I said, "Well, you can't. The President just won't go with it." He said, "Well, I don't have to go to the President. You never should have gone to the President. I would have just done it on my own."

F: Did he have the authority?

C: That's one of those tenuous things. Technically, yes, I suppose.

F: But Johnson is responsible for anything that goes on.

C: But, you see, the President then has all the powers that his cabinet officers have, so I suppose you could argue that he didn't. But if you just read the United States Code, the Secretary of Labor could have effected this.

F: Why didn't he?

C: I'll get to that in a minute. Wirtz then, at some point, and I don't remember the time, went to George Shultz, who had been designated as secretary of labor by Nixon, and took him

through this. Shultz was briefed and thought about it, and said he thought it was a great idea and he hoped Bill would do it. Because it was controversial, it would create some flak, not much, but a little flak with the unions, and certainly a lot of flak in the department because a lot of jobs were changed around. Then Wirtz was even more anxious to do it. Finally--I get very fuzzy, Joe, I don't remember whether Wirtz ever made a public announcement or not.

F: Well, let me give you the story, as I understand it, for a refresher. You have a confrontation between the President and Wirtz when the reorganization is leaked, almost undeniably from Wirtz's office. The way I get the story, the first you hear about it is when you read it in the *Washington Post*, and the first the President hears about it is when you tell him, or somebody tells him from the White House staff. And that he sends for Wirtz, who is flying in in the middle of the night and is unreachable. So the next morning there is a meeting with you and Wirtz and Larry Temple and the President in the Cabinet Room. And this would be mid- to late-October, before the election.

C: Well, whenever it was--

F: Or November, it's two weeks or so.

C: Okay. I'll tell you. I think I know when one of the meetings [was].

(Interruption)

Maybe that's the way that meeting ultimately came about. I think I had several meetings with Wirtz before that, though, arguing over--

F: You had sent it in to the President twice?

C: Oh, I'm sure, at least.

F: And it was after this then that--

C: At least twice. Wirtz had told me several times during the course of this that he was going to resign if it wasn't done, or he just was going to do it and tell the President to go to hell publicly. Now that wasn't the first time Wirtz threatened to resign. Before he even got to the White House he told Lee White on one occasion he was going to resign.

F: Over the same [issue]?

C: No, over something that didn't get in the State of the Union Message, or didn't get in something. I don't think the President ever knew that. He told me on three or four occasions that he was going to resign: once over bringing foreign laborers into Florida, I think; a couple of times over legislative issues or bureaucratic issues relating to other departments. But he was very, very volatile.

F: Was Wirtz the type that was going to resign at nine o'clock and is pacified at twelve, or when he got on these anti- kicks, he stayed on it?

C: Well, he changed. He never resigned, so he changed at some point, but I think in retrospect that it all started to fester and he was just--

F: So that anything could kind of bring him to a boil.

C: Very little could bring him to a boil. Let me give you an example. During the airline strike in 1966, or 1967, I forget which, we had legislation up on the Hill--it was airlines or railroads, one or the other--which was coming to a vote on the next day, and that night for some reason I had to go somewhere and make a speech or do something for the President out of town. The President had dinner with Larry Levinson, one of those late eleven o'clock dinners.

F: Upstairs?

C: Upstairs. And in the course of the dinner told Larry to tell Wirtz to write a letter to Carl Albert signed by Wirtz giving three or four reasons why we needed this legislation right away in order to help get the votes on the floor of the House and for Wirtz to bring that letter to Carl Albert the following morning. Larry called Wirtz that night, and I guess woke him up at home, and Wirtz was very annoyed about it. The next morning Marvin Watson called Wirtz and asked him to call several senators, and Wirtz was sort of annoyed about that.

By this point in time--although I don't think he ever liked it, he at least had gotten used to my asking him to do things for the President. He called me when I got back in town that morning and said he had had a call from Larry Levinson asking him to write a letter and bring it to Carl Albert, and did Larry Levinson have authority to do that or was Larry Levinson acting on his own. And I said, "Well, what did Larry say?" And he said, "Well, Larry said he was calling because the President told him to." And I said, "Well, Bill, if Larry said that, the President told him to. He's not the kind of guy that goes around saying, 'the President wants you to do this' if the President hasn't said that." Well, he said he wanted to be sure. And I said, "If I were you, I'd write the letter and get my ass up to see Carl Albert."

Somehow or other later that morning Marvin and I were in the President's office, and the President said, "Has Wirtz delivered that letter to Albert?" And I said, "I don't know." And he said, "What do you mean, you don't know?" I said, "Well, I'm sure he's working on it, but he wanted to make sure that you wanted him to do it." Then he turned to Marvin and said, "Has Wirtz called those senators?" or what have you, and Marvin said he hadn't heard back from him yet. So the President said, "Get him." So we got him on

the phone and he hadn't called the senators and he was still sort of toying with the letter. Wirtz said some things about, you know, he didn't know whether Larry Levinson was speaking for the President or not. And the President said, "Bill, if you get a call from a charwoman around here and she tells you that I want you to do something, you do it, because that's the way I work." And I'm sure that didn't sit well.

But I just want you to know that Wirtz was a very tense guy and there was an obvious personality conflict, not just between Lyndon Johnson and Wirtz, but between Califano and Wirtz, I think between Charlie Schultze and Wirtz, between John Gardner and Wirtz, [Robert] Weaver and Wirtz.

F: Is there a protocol in this when you're dealing with someone like a cabinet official, head of agency? Are the magic words something akin to, "the President says"? If you leave that out, do you unnecessarily ruffle feathers?

C: That depends. After a time, if I asked anybody to do something, they'd do it. That just depends on time.

F: They took it for granted.

C: Well, they either took it for granted that the President wanted it, or they thought it was a reasonable request and could understand the reason. I mean, I didn't pick up the phone and tell guys to do crazy things.

Back in that, in any case. I had met a couple of times with Wirtz in which he had threatened to resign. Ultimately there was the meeting with the President in the Cabinet Room, and Wirtz said he would not obey the President's order and kept saying something to the President about, "There's a way for you to handle this," or let him do it on his own, or what have you, and the President said no, he didn't want it done.

F: Was this a shouting session, or was it relatively low key or what?

C: The President was not shouting. He was in absolute total control, as I recall. Very, very cool; very annoyed, but very cool.

The meeting ended with Wirtz finally saying--well, the President, I guess, firing him, in effect, or Wirtz saying he was going to resign, I can't remember which. Or I guess Wirtz at some point said he wouldn't resign. He was going to do it. And the President said, "I'll remove you from office." It's very hard now for me to remember whether it ended with Wirtz saying, "I will write a letter of resignation," and the President saying, "You write it," or my talking to him. I know that I talked to him afterwards and told him to do it. And I know that I drafted a letter either accepting a letter of resignation, or saying because Wirtz wouldn't write a letter of resignation and assuming what he said at the Cabinet Room was in effect a resignation, I accepted that.

I called up Jim Reynolds. The President told me to call Jim Reynolds and ask Jim if he would accept the secretaryship. And Jim said he could not if Wirtz left under these circumstances, because he'd get in the same bout with the President and he'd have to quit.

F: He believed the reorganization should go through?

C: No, I think he just felt sorry for Wirtz. In any case, eventually Wirtz backed down, did not do the reorganization--

F: Any idea why?

C: --and did not resign. I think largely because the President handled, I thought, the situation very well. He was very cool. He went right to the brink. I think if he had to go all the way, he would have gone all the way. But he didn't put Wirtz in a corner, in a closet with

no door. He did have a way out, and Wirtz ultimately, I assume on his part, decided that it wasn't worth it to mar this administration the last month or so.

October seems early to me, Joe. I may be wrong, but Larry may be right. You may have the dates on that. I don't know.

F: I have talked to some go-betweens, whose memos indicate it's around October 25.

C: Why October seems wrong to me is that I do know that--

F: One of the arguments used was that you can't do this to Humphrey.

C: Well, but I also know that at some point during the course of this thing Wirtz talked to George Shultz. And I don't think Nixon announced his cabinet before he was elected. In any case, the papers will show the dates. Temple did a detailed memo on this, which I assume is in the Library somewhere. Well, in any case--

F: [Did] that quiet it for the remainder of the administration?

C: Yes. There was really nothing else going on for the remainder of the administration. I'd like to say one thing, just to get it while I think of it, as much for you as for me when I read these tapes. But, in retrospect, I believe that the President was right in not moving on a dozen or so proposals we had that were within his power in the last few months of the government. I didn't really believe it with respect to some of the proposals because I thought they were well staffed out. I do understand, it was clear to me after a while, that every cabinet officer and agency head was trying to get the President to bless his pet project before it was over.

F: In a sense this is a time to do it; it's a time you can do it without any retaliation to the vanquished.

C: That's right.

F: I know most of the enlargements of civil service have been in that interregnum after the new administration had been voted in but before it had taken over.

C: So, that's Wirtz.

F: Now, have you got time to go into Simkin?

C: Simkin ran what now?

F: Federal Mediation Board.

C: I think I first met Simkin in the steel-labor negotiations in August 1965. Wirtz did not think much of Simkin, nor did Jim Reynolds, as I recall. And Wirtz always wanted Simkin to report through the Labor Department. And, indeed, I might say I ultimately came to believe that the Federal Mediation Service and--is there a national mediation service? There's another one like it. Not the National Labor Relations Board, but another mediation-type service. Both should be folded into the Labor Department. I even said that at a briefing once on the kinds of organizations that we were considering. And I think there may have been something about those things in the proposal to reorganize the Department[s] of Commerce and Labor and set up one department.

Simkin obviously preferred to talk to me and thought he should because he was legally an independent agency. Legally he didn't come in through the Secretary of Labor. My contacts with Simkin mostly involved major labor disputes that reached a point in the White House--

F: You all got together during crises, in other words.

C: Yes, where it was important enough for me to really get read in. And at those times Wirtz was always there. Connor or [Alexander] Trowbridge or [Robert] McNamara, whoever the other guys were, were there. Simkin was there sometimes, sometimes he

wasn't there. He wasn't there sometimes because he was out with the parties in some other city where they were negotiating, or because Wirtz didn't want him there, or because--I've got to say I am a great guy for holding down the size of meetings; the longer I was in the government the more I disliked large meetings. Or because the President didn't want him there. And I don't mean that in a way in which the President consciously said, "I don't like Simkin." He just said, "I don't want another body beyond the ones we absolutely have to have." And then I'd make the detailed judgments, so to speak.

Simkin also, I saw him two or three times, I guess, in relation to the Mediation Service and his budget. He did provide us with a very good summary, sort of an alert list, of all the pending strikes that were coming up.

F: To a certain extent, though, did he tend to get bypassed when things got sticky?

C: I'm sure he did. I'm sure he did. But that wasn't unlike anybody else in the government. That's just a common practice.

F: You mean the cabinet agency deals with the routine and when it gets to the point that it really gets rough, then it, in a sense, kicks it upstairs to the White House?

C: And also, if you were the president and you're in a steel negotiation or you're in a big airline or railroad problem, you talk to the Wirtzes and Connors and maybe the Goldbergs and the Wayne Morses of the world. I think the only way a guy like Simkin in that job would have had the kind of access that somebody on the White House staff had or a cabinet officer had would have been if he were a good friend of the President's, if he were a Bill Deason, or an Abe Fortas, or a Clark Clifford or somebody like that.

F: Were you aware personally of a dissatisfaction on John Gardner's part with the President? That is, did Gardner, as the press indicated, feel that he had not had sufficient support?

C: I think Gardner may have felt some of that. I think more than that Gardner felt that the President, as president, had become a symbol of division in the country, and that his effectiveness was sharply limited, and that the President should not run again. I think Gardner felt in his own terms that he was getting further and further out of touch with the President. I don't believe, except for rare occasion, that I had any problems with Gardner. God knows we're good friends now, I mean on a personal basis. He wrote a couple of magnificent notes to the President about me, and one about me and Charlie Schultze--which I kept; I kept a copy of to this day--in which he said he thought without Schultze and me the whole domestic part of the government would fall apart. It was just a very nice note.

Now, Gardner did not get along with Doug Cater. I don't know whether that was Cater's fault, or Gardner's fault, or an organizational point that I would make and have come to believe, which is that you should not have a guy in the White House whose sole function is an area that's within one department of the government. And when you had a guy for education and health on the White House staff who had nothing else to do, you immediately create a sort of another cabinet guy who--

F: You've got two secretaries.

C: And you've got one that has no responsibilities to any constituencies, Cater in this case, and one which does, one which has no responsibilities for any operations, the White House guy, and one which does, the cabinet officer. And that's an enormously difficult problem.

You also have this element, which I think is very important. If I made a judgment on a legislative program, I think that the people sitting around the table felt I was making

a judgment that was the best I could make for the overall good of the domestic side of the government. With that, aside from aberrations like Wirtz and the Shriver thing which I mentioned, I don't think anybody felt I was trying to favor Poverty or favor HEW or hurt Labor or hurt HUD [Housing and Urban Development]. When you have a guy who has nothing but that area to work on, if he disagrees with the cabinet officer involved, it then becomes an argument over a pet educational theory, or a pet health program, or a way of organizing the department. And that, you know, becomes an issue of who runs this department, this guy or me, not an issue of this guy in the White House saying, "Well, when you look at the training programs and Labor and OEO and the VA [Veteran's Administration] and the Defense Department and the Commerce Department, you really should limit the vocational education program to this sphere in HEW." I'm not making a judgment substituting how I'd run HEW if I were John Gardner. I'm saying when you look at the whole government, this is about the way it seems best for the President.

The other thing is the reverse of what happens on some issues where the people in the department begin to feel that that guy is their voice to the president, rather than the cabinet officer, or in addition to the cabinet officer, and therefore that that guy should support them. And the one thing you can't have on a White House staff is any misunderstanding on that issue. You've got to have loyalty to one guy, the president, because there's no other place in the federal government where people have loyalty only to the president. They've all got constituencies, and on the White House staff you've got only one constituency.

F: Did you have a tendency of people to try to enlist Cater independently of the President?

C: Oh, I'm sure that happened. I'm sure that happened. I can't remember specific programs, but I know I'd say something at a meeting and the meeting would end and Gardner go back, and I don't know whether Gardner would go to Doug or [inaudible] I think probably some of the other people in HEW would go to Doug, and Doug would come to see me and we'd argue it or he'd send a memo to the President.

F: Did you get involved in the move toward increased support of public TV?

C: Yes, but Cater did a lot of the work on that, and I can't remember who in my office--either Levinson or Gaither, I think. I did arbitrate some disagreements between Cater and, I think, John Macy and the Budget Bureau on that. I can't remember what they were, but there were disagreements about organization and personnel. And I did get involved in the funding for that, because the President threw out all the funds one year and I was besieged. I mean, Gardner, Macy, Cater, all kinds of guys came to me and I took up their cudgels to get some funds. We ended up with something.

F: Was the President just looking for some place he could cut with the least inconvenience?

C: Yes, and this is not going to get off the ground right away. There is no answer to that one.

(Interruption)

It was something that wasn't yet off the ground. I don't think the board had been selected and it was a question of how much money did they really need. And when you're on a tight budget, do you spend nine million dollars for public television or do you take six of it and put it in the civil rights program and three of it and get the fair housing program off the ground? You've got to make those judgments. And I did edit that message. I think if you want to get into the details of--I think Larry Levinson [worked on that], the more I

think about it, because I think he did the draft of the message. In fact, Larry is the guy, Joe, because Larry and I, when we did the message--I don't remember the issues--there were a couple of things we didn't like and we rewrote it again. We not only rewrote the message, we rewrote the make-up of the corporation. And we had the Budget Bureau change it. We moved with it so fast that we left some ruffled feathers behind. I think we told everybody before we went public with it, but I don't think they had much time to comment on it.

F: I've had some comments from the people I've interviewed, none on the White House staff level but in other agencies and on the periphery of government, who have felt that the President was something of a master at including all elements in a newly-named commission or committee or whatever, without seeming to.

(Interruption)

C: What do you want me to say about that?

F: I wanted to know how the process worked out. Did John Macy pretty well handle that and suggest a panel from which the President chose? Did the President just pick them out of the air? Did he use the staff?

C: It varied widely.

F: How would he come up with old Joe Frantz down somewhere?

C: The task forces, which were set up as off-the-record operations, were all set up by me. They were all approved by the President and he'd frequently add a guy or subtract a guy.

F: You'd come in with an initial list though?

C: I came in with an initial list. I'd make that list up. We'd have identified the area we wanted studied. I'd have had several meetings and conversations with the people in the

government. And if it were a task force on child development, I'd talk to Gardner and Sarge Shriver, and maybe Phil Lee, the health guy, or the head of the Children's Bureau--half a dozen people in the government. I'd say, "Get me names by Friday of who you think ought to be on it." The Budget Bureau. I'd then get the names. I'd then do a little checking. I might talk to two or three people I knew in that area outside, or if I didn't know anybody in that area, I'd get somebody else to do it, or I'd find somebody in the area. And I'd come up with maybe ten names. And then I'd call all the guys that had participated and I'd say, "What about these ten names?" and they'd say, "Fine." I really didn't have any problem there. And I'd send them in to the President.

In the beginning he made a lot of changes, but after a while I got to understand what he wanted, and what he wanted on those groups was a mixture of the most advanced thinking in the area, like Urie Bronfenbrenner or somebody for child development, plus some practical people, a pediatrician or an obstetrician who was first rate but who was actually doing pediatrics. We did not, on those groups, put a black or a labor man or a businessman on every group. But it was the most advanced thinking and some practical people that were really working on it.

And even on those groups, [he wanted] geographical representation. He did not want everybody from the East. He was very sensitive about that. He used to say to me, "You think the country begins with the Atlantic Ocean and ends at the western part of New York State, and then there's nothing until you get to California. You never send me anybody unless they're from California or New York or Massachusetts," or what have you. So he wanted somebody from the Midwest, somebody from the South, and as often as possible, somebody from Texas. And he wanted somebody from Texas--

F: He wasn't sensitive to the charge that he appointed too many Texans?

C: These are off-the-record task forces. I'm not dealing with the public ones yet. I used to think in the beginning that he wanted somebody from Texas because he wanted a friend on it. I had already learned that little bureaucratic tactic, and I always made sure that even on the task forces I had somebody I could talk to. But I began to feel, and I became convinced after a year or so of doing this, that he wanted somebody from Texas on it because he wanted to broaden that state as much as he could possibly broaden it.

F: In other words, this fellow went back to Texas as an advocate?

C: Yes, and also, as he said, he used to say he wanted to bring them into the twentieth century, and no reason why the East should be so far ahead of them in thinking or progressiveness or social action or what have you.

F: Could you see evidences of that unfolding?

C: I'll tell you. You put fifteen guys on a commission and any one of those guys that goes to all the meetings, if you've got a good chairman and a good staff and they get exposed to all points of view and they get the facts, there may be some disagreements, but on the main thrust they'll be together.

F: You didn't necessarily stack your commissions then so that they'd come out with a type of answer?

C: These task forces, no, absolutely not. The task forces always worked in secrecy. They were told to come up with the right answer regardless of how much it cost and without consideration of the political feasibility of anything they suggested.

F: Now, a task force which does not surface, how do you get that taken care of from a budget standpoint?

C: Well, we didn't have any problems until the last year. What we did was we'd make a department pick up the tab for the traveling expenses.

(Interruption)

F: What happened the last year?

C: Well, the last year Congress started passing laws that made it harder to fund task forces. We were still able to do it.

The public commissions were of different kinds. There were some public commissions that we appointed because we had a major crisis on our hands and we thought that a lot of public education was necessary for the country.

F: [Otto] Kerner [Commission on Civil Disorders]. [National Commission on the Causes and Prevention of] Violence.

C: A consensus was necessary, and that would be Kerner or Violence, that kind of thing. There were other public commissions we appointed--and I might say on Kerner and Violence, we didn't really know what answers they'd come up with. Neither of them came up with anything that was particularly new, as you know, although they were helpful in terms of public education. Violence was.

The other kind would be something like the Income Maintenance [Programs] Commission we set up that Ben Heineman chaired. There we knew we wanted an income maintenance program. We did not know precisely what kind of a program we wanted in that area. We did know that we had no establishment support for that kind of thing.

F: Is that one reason you'd pick someone like Heineman, who is an incontestable businessman, that he gives credence to the recommendations that you were seeking?

C: Well, and a liberal businessman. That's right.

F: Which old Professor So-and-so with his varied background couldn't [provide]?

C: That's exactly right.

F: In your reorganization proposals that didn't get off the ground because you didn't change, was HEW one of them that was seriously considered?

C: Yes, we would have--I might say, if you want to go back--

F: This is currently with [Robert] Finch's resignation. There may be other things.

C: Shultz did put into effect our Labor reorganization plan. They did go with the regionalization, although they have backed off and slowed it down a little bit. But they went with the plan I submitted to the President, and ironically he lost Austin; they went the other way and they put it in Dallas-Fort Worth, I guess. They did move Head Start into the office of the secretary in HEW and they have consolidated the children's medical programs, pulled them out of OEO and put them over in HEW. All of those we had. All of those I was trying to get the President to do. None of those did he do for the reasons I indicated before.

F: Yes, do you think, in a sense, that you served an educational function in preparing the Nixon Administration to do this, or was it just so blatant and obvious that it had to be done that it was inescapable?

C: I think it was obvious, and the time was right. No, they didn't have to do it, but I think anybody that wanted to run the department--and I believe that the time to reorganize is at the very beginning. You can do it then; you can't do it later.

F: Is HEW unmanageable?

C: No. That's a controversial answer, but in my judgment, it is not.

F: Well, I have seen reports that it's like the old OPA [Office of Public Affairs]; it'll ruin any secretary except that Wilbur Cohen seemed to enjoy it.

C: Well, it's not just that. Look, HEW spends twenty-five or thirty billion dollars; the Pentagon spends two-and-a-half times that amount. It's not unmanageable; it's just never been managed. There's never been a secretary of HEW that knew how to run anything.

F: Are your cabinets--they're not self-manageable in a sense that your bureaucracy will carry them on, that you've got an administrative chart here that works the thing? The secretary is really important in the management?

C: Absolutely. It can't be done.

F: Why?

C: Because the leadership has got to come from the top and we saw that. I mean, Nick Katzenbach wanted to reorganize the State Department and [Dean] Rusk didn't. The number two man can't do it. Early in the Kennedy Administration--

F: Why can't the number two man do it?

C: Because they'll just go to the number one man. They'll just go around him. They'll appeal.

F: They'll bypass him, huh?

C: Early in the Kennedy Administration, when Vance was general counsel of the Defense Department, he was offered the job of assistant secretary of state for administration, and he turned it down on that ground, that you couldn't reorganize it unless you did it from the top. Now if you do it from the top, you can do it. The Pentagon is a different place. I don't care what anybody says. It is permanently different. You can run these departments.

F: A lot of the reorganization of the Pentagon took place before Johnson became president, but some of the brass over there never entirely forgave McNamara for some of the changes and I'm sure continued to try to resist or to obviate certain things that were working. Did Johnson tend to see the side of the generals against McNamara, or did he go down the line?

C: Oh, no, he went with McNamara. On that stuff he went with McNamara. Look, the Pentagon was one of the few places in the government where the President was able to feel that he had a guy that was loyal to him and was running his shop.

F: I think that's enough for today.

End of Tape 1 of 1 and Interview VII

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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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