

INTERVIEW VIII

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INTERVIEWEE: JOSEPH A. CALIFANO, JR.

INTERVIEWER: Michael L. Gillette

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

Tape 1 of 1, Side 1

G: Let me ask you first to just sketch the background of the steel negotiations, August 1965.

C: You have to remember something about me. I had just arrived at the White House. Less than a month I'd been there; [I'd] come on the twenty-sixth of July or what have you. But one of the things that was headed for the front burner from the day I was there was a steel settlement with no strike, with the wage package coming in within the 3.2 per cent wage-price guidelines. There was deep concern that if steel broke the guidelines every wage settlement coming up in the future would, and there was real fear that that would happen, in part because the aluminum industry had made a wage settlement that was substantially above the guidelines, 4 per cent or more. Secondly, there was great concern about how much spine the administration would have, *vis-à-vis* labor; part of this came from a view that Gardner Ackley had of [Secretary of Labor Willard] Wirtz not being tough enough, not sending out strong enough signals to [labor leader I. W.] Abel. And part of it stemmed from a concern that the Council of Economic Advisers also had, that if the wage

Califano -- VIII -- 2

settlement didn't come within the wage-price guidelines we'd be headed for a round of steel price increases, and we'd be off to the races.

The build-up in Vietnam and the underlying commitment, decision, view that that shouldn't withhold any of the Great Society programs or an aggressive domestic program made it even more important that we not put any more pressure on the economy with an inflationary settlement. So it was a very critical problem for the administration.

Before I got on the scene the President had been in touch with Abel. I notice from the notes here he apparently sent him a *Business Week* editorial or talked to him about it. He also, as we later learned, had sent him at least one of Gardner Ackley's memos on the subject and if I had to guess, knowing the President, I'm sure that he had everyone from [Henry] Joe Fowler and Jack Connor and anyone else with business contacts in touch with the management people. I think everybody understood for better or worse what the position of the administration was. There was no secret about that even though it might not have been publicly enunciated until we got closer to the crunch.

It was complicated, as you reminded me, enormously by the fact that nobody knew how Abel would act. It was his first big negotiation. He had beaten David McDonald. The perception of McDonald's defeat was that he didn't get large enough wage increases and that he made back-room deals and sort of sold out the workers, the rank and file. So we were all concerned about whether I. W. Abel would be able to stand up to that kind of pressure, and even if he did reach a 3.2 per cent settlement, get the rank and file to approve it, not blow himself out of the water. (Long pause)

I notice here, in the middle of August, Abel was in direct contact with the President, because I'm sending the President a note analyzing a proposal Abel gave the President on

Califano -- VIII -- 3

August 17. It was bigger than the steel union settlements in aluminum and in cans and it busted the 3.2 per cent wage-price guideline. At that point the President also--that was when we brought [Arthur] Goldberg in because Goldberg was up in New York and Goldberg had as a lawyer, if my recollection is correct, represented the steelworkers, which gave him terrific lines into the steelworkers before he became secretary of labor and then went on to the Supreme Court. Now, of course, he was often at the UN.

So the President had me send Ackley's analysis to Goldberg. He also asked me to see if Ackley or [Otto] Eckstein--who wrote it, I guess, Eckstein was an expert in the steel industry. Otto Eckstein was one of the members [of the CEA]--whether they had any objection to the President giving Ackley's analysis of Abel's offer to Abel. I can't remember what reaction I got from the Council. In line with the way the President typically operated, he'd either have already given it to Abel or in the absence of any tremendous resistance from the Council was going to give it to Abel. That's all around the nineteenth and twentieth of August.

By Monday the twenty-third I see myself reporting to the President on a meeting I had with [Secretary of Commerce John] Connor, [Willard] Wirtz, Ackley and Eckstein on steel. At some point off of that first memo--one of the points Ackley made in the earlier memo and one of the points Ackley had made to me and Eckstein was that to get a responsible settlement we were going to have to get involved. Whether it was going to have to be the President personally or not, I don't know. I think he had just settled either a railroad strike or a maritime strike--I can't remember which--a few weeks before. Off of that he said, "Get Connor, Wirtz, Ackley, and what have you"--something I was later to

Califano -- VIII -- 4

learn would be the traditional Johnson way of, "Get them in a room and find out what we've got."

When we got together what we found really was that Connor said, and it was his view as well, business didn't want the President involved. They feared, I guess, presidential involvement meant higher wage increases. A federal mediator is always viewed by management, I learned then and later, as the guy that is going to get a settlement; he doesn't care what it costs. Wirtz didn't have any strong reaction to whether the President got involved, although Wirtz persistently took the position in this and other labor matters that it was really the secretary of labor who should do this, not the secretary of commerce, not the Council of Economic Advisors and not the President and certainly not a White House aide.

G: Did you feel awkward because of dealing with these cabinet officials?

C: No, I didn't. I had had very good training from [Robert] McNamara in connection with the supersonic transport in which we had cabinet members on that committee and in which he dealt very toughly with them. And I felt that I was doing what the President wanted me to do. I mean I was at all times, I hope, respectful but when they didn't want to do something the President wanted done and didn't have a good reason, I'd get them to do it.

I always had difficulty dealing with Bill Wirtz. He was a nice, dedicated guy but I think he really had enormous problems of personality, insecurity, turf, everything, and he didn't know how to delegate so he was chronically exhausted. If we asked him to write a draft of a speech or a draft of a section of a speech, he would literally write it himself, often staying up half the night to do it. And then he'd have tremendous reactions when it would be totally rewritten as you might expect anything to be done. In contrast, when they'd ask McNamara to write a speech, McNamara would call me up and say, "Give me five pages on

Califano -- VIII -- 5

the Polaris missile or this. Just make them clear. They'll rewrite it anyway." And I'd do it and he often wouldn't even look at it. I'd just send it over to [Jack] Valenti when I was working in the Pentagon. So we had that.

Also, as I note here, I said to the President, "Be prepared when the steel management people come in. They'll come in reluctantly but they'll say of course they'll see the President. But they'll expect the President to see them again later in the year when they raise their prices." That first meeting was really directed in part at the issue of whether or not, in a large part, the President should become the central player. Keep in mind that there was never any doubt about objectives. The objectives were: no strike, which we were headed for at the end of August, a settlement within the wage-price guidelines, and no price increases.

G: Let me ask you one thing here. Were Fowler and Connor as determined to avoid a strike as, say, Wirtz and the President?

C: And the Council.

G: One of the memos seems to indicate that there was an issue regarding the desirability of a strike.

C: I think there is no question but that Fowler and Connor, and particularly Connor, would have had less concern about a strike. Part of that is why I started calling around the government to McNamara, for example, to get memos, reports on what the impact of a steel strike would be, so I had some ammunition to deal with Connor and Fowler and the President did in terms of, "Look, we have this war effort in Vietnam. We can't have an interruption. We can't do this."

Califano -- VIII -- 6

Also, there was great disagreement on whether Taft-Hartley should be invoked. I think the steel management people always thought that the President would invoke Taft-Hartley, so it was easy for them to take a hard-ass position about how much they'd give in terms of wage increases and let the strikers go out. While I think I always thought that if everything I was hearing from the Pentagon and the Council was right, we'd have to invoke Taft-Hartley to block a strike, it became important at some point to leave that issue very fuzzy and keep management very much in doubt about whether we would invoke Taft-Hartley. And maybe even important to keep Abel in doubt, because in a sense that got him off the hook for a while. He took the big gutsy move of striking but the government came in and blocked it. The President played that very close to his vest. I remember because I was just starting to work for him. He was an absolute sphinx on it. There was no way I could read him on whether he'd do that or not do it.

G: Give me an example.

C: Well, I'd take him through the pros and cons of Taft-Hartley, telling him where people stood, and he'd just go "Huh. Huh."

G: Nodding his head.

C: Nothing. And I could read him on a lot of this. Maybe if I had been there a year I would have been able to read him but I'll tell you that while that was going on I didn't have the slightest idea. Part of it was, I'm sure, he didn't want me to be able to tell anybody in the heat of hours and hours of negotiations what I thought he'd do.

G: I wanted to ask you one question of causation here: was the overriding interest of the administration in avoiding a strike something that was caused by the Vietnam imperatives or, conversely, was all of this material, arguments that came from the Pentagon with regard

Califano -- VIII -- 7

to the impact on Vietnam, were these generated in order to advance the administration's desire not to have a strike? Which was the motivating force here?

C: I think there was some of each. I think we knew if we asked the Pentagon whether they thought there would be damage from a strike, they'd say there'd be damage from a strike. You know if you ask the secretary of labor a question about a labor-management issue, you get a different answer than if you ask the secretary of commerce. We knew we'd get a different answer from the Pentagon than if we had asked the Office of Economic Opportunity whether a strike would have any impact. So, in a sense, we wanted the answer we got. It was not a situation in which I was calling with some impossible problem saying, "Bob McNamara, what the hell would you do about this? What do you think we should do?" I was calling saying, "Give me a memo on what the impact of a steel strike will be on the Pentagon." I may have even said, "We want a memo that will indicate that it will hurt." If you're asking me that, it wouldn't surprise me if I did. I just can't remember whether I did it that explicitly.

G: But did you want the memo because you thought that it really would hurt?

C: I think we thought that a steel strike would be bad for the country in the broadest sense, that we were rolling along, that we did not, under any circumstances, want to endanger--it wasn't just the strike. We wanted no strike, 3.2 per cent settlement, no price increase. I think we all believed that a strike would make it more difficult to get a 3.2 per cent settlement and therefore make it more difficult to withstand a price increase. And we also . . . If it were doable, it was a great feather in the President's cap. One of the considerations in terms of whether he should get into this thing was whether he could have an impact on it. The last thing you want when you bring the President in, and even though I had only been there

Califano -- VIII -- 8

about three weeks I was searingly conscious of this--once the decision is made to get the President in, it's got to be a settlement, it's got to be a 3.2 per cent and there isn't going to be a price increase. There was no alternative at that point.

I don't think, to my surprise, that people on the management or labor side--and the management people were much more sophisticated in the sense that they'd been through steel negotiations more directly than Abel had before--realized that there was no alternative, that we would have done anything to come out with those conclusions, that once we got into it and once the President of the United States called them in and had them in the Cabinet Room and said, "Go across to the Executive Office Building and settle this thing and settle it within the wage-price guidelines," that there was any way we could let it come out in any different manner.

G: Initially, I gather, the leading administration figure was [William] Simkin, the federal mediator. Do you recall his role in--?

C: No. The only thing I recall about Simkin--Simkin became a minor player once we got into it. Minor may be unfair to him. The Council was concerned about Simkin because he would come in above the wage-price guidelines, just as we were all concerned about Wirtz on that score. The President because of that was not happy with Simkin, nor was I. Once we got into it, Simkin really became the staff guy crunching some numbers but even that job was taken out of his hands or Wirtz's or Connor's as time went on.

G: Okay. Do you recall the relationship of the maritime strike that was going on at the same time too, as the steel negotiations? It seemed that there was a--

C: Wasn't the maritime strike blocked by Taft-Hartley? I don't remember.

Califano -- VIII -- 9

- G: I think it was a question of not wanting Wirtz to get directly involved in this until they had settled the maritime strike.
- C: I do not remember that issue.
- G: Then there was also a question of bringing Ike into this.
- C: Yes. In fact, I met Eisenhower. I don't know when. Was he in town during this? You'd have to go look at the logs but--I think he was in town during this. Eisenhower came to town--we'll have to look at his diaries. Have you looked at the diaries for that?
- G: Yes. Let's see. Here he is.
- C: What day?
- G: This is Monday the thirtieth.
- C: Okay. Did I go in? Because I remember briefing him on the steel thing.
- G: Yes, you were there.
- C: Okay. Eisenhower came to town on the thirtieth which is the same day that--that's the afternoon or the morning?
- G: Yes, it's the afternoon of that Monday when he came back.
- C: Eisenhower came by to see the President in the late afternoon of the morning in which the President met with the steel negotiators. The President called me down and asked me to brief him, Eisenhower, on the steel situation, the bottom line of the briefing being to get Eisenhower to say, "There shouldn't be a strike. There ought to be settlement within the guidelines and there shouldn't be a price increase." I can't remember what Eisenhower said publicly but in the briefing he seemed to agree with that, but he was no match for Johnson.
- G: Is that right?

Califano -- VIII -- 10

C: It was a setup in the sense that at least a week before the President had talked to me about Eisenhower. Could Eisenhower help? Couldn't he help? Should we bring him in? Now, whether the President knew Eisenhower was coming into Washington that following week or a couple of weeks later or around the time we'd be all wrapped up, I have no idea. It was also part of using every tool at his disposal.

G: Was this for a bipartisan thrust?

C: Just to have two presidents say, "We need this for the country. We've got a war. We've got our boys over there." Eisenhower was a general as well as a former president, but--

G: Can you describe the give and take between Johnson and Eisenhower in that meeting?

C: I don't remember it. I think Eisenhower just listened and then agreed, on the stuff that I was there for. I don't think I was there for the whole meeting but it was a long discussion--I say discussion; it wasn't a three-minute briefing. I may have spoken for five minutes and then the President went on and on. Then Eisenhower agreed. Now, what he said publicly, I just don't know. I can't remember whether he said anything publicly or not. Even if he didn't, I'm sure we did. I'm sure even if Eisenhower went out without seeing the press that we did not let the opportunity go by to say that he'd been briefed on the steel situation and he agreed with what we were doing.

G: Okay. Well, let's go back. Anything on your conversations with the President while he was at the Ranch the weekend before or on the decision to call the negotiators into the White House?

C: I am sure we talked about that.

G: Did he want to be involved, do you think?

Califano -- VIII -- 11

C: Yes. I think he wanted to be sure he could win in the sense of achieving the objectives but I think he wanted to be involved. And we were still riding very high and he may have settled whatever it was, railroads or maritime. He had done one. I know he had done one big one.

G: It was the railroad.

C: Was it the railroad? He'd done one big one. Also, as I look at this stuff, during that week of August 19, as it became clear to me at least, that Wirtz and Connor were partisans in the sense of being for labor or management, with Connor sort of indicating well, if they're pressed, you're going to have to let them raise their prices and what have you, that we would have to bring somebody else in. It was not, I'm sure--I didn't know Wayne Morse well, if at all, at that point in time except by reputation. I'm sure it was the President that came up with the idea of bringing Wayne Morse in. I notice here in the cable, there was also some concern that Wirtz could not walk out on the maritime thing if that weren't settled. So I assume maritime got settled though I can't find it here. And the issue became whether to send Wirtz and Connor to Pittsburgh on Saturday--this is a memo from me to the President on August 27, but I remember the issue became--let me go back a little bit in all this stuff so that I do remember.

Simkin came in and Simkin made a suggestion, and his suggestion broke the guidelines. Everybody came back at Wirtz or Connor or what have you and asked whether this was the administration's proposal, and we told them to send the message back that this wasn't Wirtz's proposal, Connor's proposal, and it sure as hell wasn't the administration's proposal. That's when Simkin was blown out of the water. That was the end of Simkin, in terms of--he felt his credibility had been destroyed. He never should have made that offer, that suggestion, that proposal. And the question became how do we go the next step.

Califano -- VIII -- 12

Before making a decision whether to bring them to the White House, we began to think about sending Connor and Wirtz to Pittsburgh and let them see what they could find out.

I can't remember for the life of me now how Morse became a player. It may have been in part because Wirtz was involved in the maritime situation. But he became a possible key negotiator. I see I wrote here, "It may be desirable to send both Connor and Wirtz or Connor, Wirtz and Wayne Morse to Pittsburgh tomorrow in a Johnsonian move to indicate that the administration is on the side of neither labor or management but only of the nation." This is 8:55 p.m. on August 27, which is a Friday. By Saturday, I think the decision was to send Morse and [Undersecretary of Commerce LeRoy] Collins and we never sent Wirtz and Connor. Is that right?

G: I think so.

C: We'll have to double check that.

G: And I'll find out the background on Morse.

C: I'm sure it came from the President to me but I can't remember when. By the time I'm sending him this cable he was obviously asked me to think about it, so it would have come sometime a day or so, before the twenty-seventh.

And we sent Collins and Morse on Saturday, if I recall, from the White House--you may want to check it--I think even by helicopter. I don't see it in these papers but I have a recollection that we wanted to do it with some drama. We wanted them to know that they were coming and it's conceivable that even the President may have seen them off, or maybe not. Maybe we sort of did it in my seeing them off. But I think we let people take pictures of them deliberately to show where they were coming from. And off they went in the chopper and then I guess to an airport and then to Pittsburgh.

Califano -- VIII -- 13

At some point Saturday they would have reported to me--Saturday or Sunday.

Again, I can't find it in these papers but at some point either late Saturday or sometime Sunday, we made the decision to bring them to the White House. I think one of the things Morse and Collins were supposed to do was to give us a sense of whether or not we thought bringing them to the White House would help do this. We obviously did. We brought them to the White House and the President had that first meeting with them. What's missing from here, and maybe he didn't need them, is whether--in the normal course, and maybe my relationship wasn't that normal with the President at that point in time . . . My last memo in these papers is Friday at 1:20 to the President. I believe, whether it was orally or whatever--it was sometime after that point--then I have the late cable to him.

That's right. He went down for his birthday. We did bring Morse and Collins to the White House on Saturday. I did see them off. You'll have to go check the public records. Now, my recollection is I saw them off. The President told me to go to the helicopter, get a picture taken of them getting on the helicopter from the White House to avert the steel strike. I also had Goldberg in my office that Saturday unless I'm mistaken. I had Arthur down and talked to him alone. It was classic Johnson. Everybody alone; all the corners taken about this situation. Goldberg had no great affection for Wirtz. He didn't dislike Wirtz but he didn't think Wirtz was in his class in terms of experience or this kind of thing.

G: Did they represent different views, though, in terms of what was desirable and what was feasible?

C: Both of them had enormous egos in their own ways and I think both of them were instinctively pro-steelworker. I think Johnson used Goldberg as a back channel, if you will, to Abel. One, he thought that Abel might be more candid with Goldberg than he would be

Califano -- VIII -- 14

with Wirtz and we wanted to double check on the reactions of people once we made Wirtz and Connor participants. We wanted to double check on anything that Wayne Morse and Collins did. I learned actually out of this experience the importance of all of that stuff. Secondly, he used Goldberg as a channel to the steelworkers. After working for the President for a while you got to realize that he would say things on the phone to Goldberg because he wanted Goldberg to say them to Abel. They were stronger than what he really meant because I was talking to him alone as well as with Goldberg.

For me it was the first beginning, the first inkling of the fact that the guy was a constant manipulator in the best sense of the word. I can't remember the exact things he'd say but, you know, "We'll have to break this union if they don't come in at 3.2 per cent," some thing he'd never do but he really had people worried about. He'd say, "They hate Taft-Hartley. I'll invoke Taft-Hartley tomorrow morning." I'm not saying those are his exact words but it's that kind of thing. He, knowing that Goldberg would--or he'd say, "Don't tell Abel this, but--" knowing that that would make Goldberg even more want to tell Abel that. I began to learn that about him in the course of this.

In any case, Goldberg went back to New York. At some point Saturday night or Sunday, we decided to bring him in Monday. I can't remember when and I can't tell from these papers. See, this memo says August 30, 1965, at 2:45 a.m.

G: Now, this is after the long meeting that you had with the--

C: Wise men. I don't know whether . . . Okay, it was. So I met Sunday night. I'm sorry.

This is with Morse and Collins having reported back that, "Morse, Collins and Simkin agree with the statements the parties have made and if left to their own devices they will not be able to reach a settlement. No progress since noon on Friday."

Califano -- VIII -- 15

At some point either Saturday night or early Sunday we decided to bring them to the White House, and Sunday I met with this whole crew of people listed in the 2:45 a.m. Monday memorandum, and then laid out a set of recommendations for the President. That's why I didn't have a talking paper for him because I notice now this memo in effect--

Tape 1 of 1, Side 2

--is the talking paper. It's got all he needs and it suggests what he should say. And I guess the memo that Gardner Ackley did goes through the damage that would come from a steel strike, and [Cyrus] Vance's memo on the Pentagon--all of this was used as part of the--they were the President's talking points. I'm sure he read from Vance's memo and what have you. He met with them and sent them over to the EOB [Executive Office Building] with Wirtz and Connor to reach a settlement.

G: Now, describe as much as you can his talk with them.

C: Oh, boy, it's hard. I've been thinking.

G: Let's see, the diary gives the--

C: I was there.

G: It was in the morning. It was Monday morning.

C: It was Monday the thirtieth. I notice when I look at the diaries--got a call to Katzenbach at 7:40. I don't know what that was about, but it may have been because Katzenbach was working up the Taft-Hartley papers and we have no leak on it. He didn't want any leaks on that. The breakfast meeting I was at--I don't see if I'm listed here. [Inaudible] maybe it's . . . I was at the breakfast meeting. I remember the breakfast meeting. In fact, that's the meeting you've got a picture of, I think--that I've got the picture of. That was largely a report by Wayne Morse and Collins. The President making it very clear then as he did do in

Califano -- VIII -- 16

the meeting--I do remember him making it clear--that nothing more than the wage-price guidelines would be acceptable, as much to send the word to Simkin as to send the word to the parties. I just can't remember the specifics. I'm confident there was a lot of stress on Vietnam and the war and patriotism, on our weapons systems, all the stuff Vance had on these guys having nothing to gain and on putting the national interest above all other interests. I notice she's got here--1:47 p.m. Well, we met with this crew. We had the breakfast; we must have used some time. There may be some talking points. I may have done it between the breakfast and the meeting and then we had them in, I see, at 1:01 and they were sent off. I see [Abe] Fortas here. I wonder if he talked to Fortas about the labor thing. Are those belts [Dictabelts?] available?

G: No.

C: Okay. Is there any way you can check just to see whether he talked about the strike? He wonders why he got the reputation for--

Well, then I know we briefed Eisenhower. Well, I take it these logs are not widely available either, are they?

G: They are.

C: You might make a note--maybe you can just see if in Oki's [Okamoto's] pictures there are any pictures of the President and Eisenhower and me. I'd love to get one. Okay?

G: Sure.

C: Okay. Now, this whole series of meetings I'm sure was all on what was phase one, which was to get the agreement to have no strike. Okay?

G: Yes.

Califano -- VIII -- 17

C: When I see [Press Secretary Bill] Moyers here, we were obviously getting ready for the press. The reason for 8:56 is we wanted the announcement to come right at nine so it wouldn't break any of the broadcasts. That I remember well. In fact, when I look at this now I remember, one, we didn't want to let [R. Conrad] Cooper, Abel, Connor, or Wirtz out of the EOB. My hunch is that at 7:20 we had--what does F stand for?

G: From, I think.

C: Okay. At 7:20 I called him and said I thought we had it, would be my guess. Okay? Then he talks to Moyers to figure out how to do it, what to do. He said, "Hold it; just hold it." He talks to Moyers. Then at 8:05 I call him--I guess that is "from" again--I said, "We've got it." He says, "Get on over here. Hold them there but you get on over here." I come over at 8:27. By that time I probably had a one-paragraph statement for him and meanwhile he's got Moyers busting his ass to get us on the air at nine o'clock and Moyers does that. And he said, "We got it. Let's bring them over." So we bring them over just before so they can't get to any press or anything and we bring them to the White House theater. I don't know whether Johnson went on alone. He probably went on alone. He had them tell him at 8:45, so he could say, "I've just been told," when he goes on the air at nine o'clock. Okay?

Then--what is LO versus--?

G: Local or long distance.

C: SANITIZATION SANITIZATION SANITIZATION
SANITIZATION SANITIZATION

Okay. I'm sure he's calling Goldberg, "What are the next steps?" Collins. Okay?

G: Yes.

C: That ends the day.

Califano -- VIII -- 18

G: Why don't you describe the environment of the labor-management meetings? They were in the NSC [National Security Council] offices, is that right? In the EOB?

C: They were in basically cold, dingy--the Executive Office Building was not spit and polish the way it is now. They were just blank walls.

G: How large was the room?

C: Indeed, I have more pictures at home I just thought of on this, sitting without my shirt. It was a small room; it was no larger than the room we are now sitting in and if this is, what, 15 feet by 40 feet--it was no larger than that. Steel management had a room. Steel union had a room. We had a room in which we met. We may have had another room in which they'd confer together. We may have had another room in which Jack Connor and Wirtz and I--I was constantly going over there. This was a consuming project for this week.

G: When they were brought into the White House, was it with the understanding that they would be there until a settlement was reached?

C: Whether it was their understanding or not, there was no way we could let them go without a settlement. The first step was to get them to agree not to strike, because Tuesday--we brought them in on Monday. Tuesday was the last possible day in which they could bank the furnaces if they went on strike. So that was it; we got that done. Then they turned to negotiating and I think the negotiating thing kept getting turned up. Well, we have no indication from these records that the President met with them. (Long pause) See, we'll just have to go look at the clippings but I would be surprised if--maybe he didn't meet. Maybe he didn't get back into it until--we settled it you said on a Friday?

G: Yes.

Califano -- VIII -- 19

- C: Maybe he didn't get back into it until Thursday or Friday. That's possible because Monday, a couple of days, back and forth. There is a point at which, as I said, he said to me, "You can't solve this until you get Connor and Wirtz to agree. Get them to agree." And I needed Ackley, I remember, to crunch a lot of numbers for me. We finally got them to agree.
- G: I think that was Thursday night, too. It was late in the week.
- C: But there was a big deal made of going to the Ranch for the weekend. Let the President get off for Labor Day weekend; let everybody have Labor Day weekend off. If that was Thursday, we went deep--there was one night for sure when we went deeply into the night. We went so deeply in that I think I just went home, took a shower, changed my shirt and came back. But I think Wirtz and Connor went every night. I think we all went every night. The press may have said it was twenty hours and it was only eighteen hours or twenty-four hours and it was only twenty or seventeen, but they were long sieges. What happens in a situation like that is that people tend to sleep in the morning. I mean I didn't sleep in the morning but the negotiators tend to sleep. If they're up till three or four negotiating, they don't get up until ten. The hours were long.
- G: Did they resist this sort of captivity, the negotiators?
- C: Well, they didn't know we'd turned the phones off on them, I don't think, on Thursday for quite a while. I don't think they resisted it in a sense that--they were the focus of so much and it was very glamorous. Johnson had made it very glamorous. In that sense, I don't think they resisted it.
- G: Where did they stay when they weren't in the--?
- C: They were in a hotel. I can't remember what hotel.

Califano -- VIII -- 20

G: Here's a list of the people involved. Why don't you just briefly reflect on the personalities involved?

C: The only ones I remember are--I remember Cooper being very cold, and I thought he was constantly angling to make sure management was positioned for a price increase. We were constantly making clear that that wouldn't happen. I thought Abel was a terrific guy. I got to like Abel a lot during this thing. I think it's Elliot Bredhoff, not Ellis, [it is Elliot] but you'll have to check that. These guys were all labor guys. They were ten, twenty years into the U.S. steelworker's movement. That was their world. Abel's plus was that he wasn't. This was the first time for him. Of everybody involved in that operation, Abel was the most patriotic in the sense that he was the guy that I remember as being most willing to put the country first, reluctantly, but most willing. And I always thought that if Wirtz had been stronger and not just been a mouthpiece for the steelworkers, we would have done this thing faster. Connor did not like any bit of it.

G: Really?

C: He really didn't like it. The comment he made about what a way to make a living--I just don't think he liked government. I think part of it was that he had been brought in as everyone else was brought in by the President, "I need you. I want you. And on every decision I make I want you in my bedroom in the morning and when I go to bed at night." That was one part of it. The second part of it was he did not like the tumultuous way in which--I remember calling Jack Connor and saying, "We're going to meet Tuesday at eight." He'd think it was 8:00 a.m. and I'd say, "No, 8:00 p.m." He'd say, "Doesn't this man realize that we have a lot of other things to do?" I think he left town almost every weekend, and didn't become part of Washington. He wasn't in there banging away on Saturdays. I don't

Califano -- VIII -- 21

blame him for that. I just use it as an indication of the difference between a guy that really had a zest for government. I think he was a Republican; he may have been a Democrat. He may have voted for Johnson but I think he was in his heart a Republican.

And I don't think he liked brash, young kids like me telling him what to do, because when we get to the civil rights reorganization, it reminds me of something else. One of the things we did, as part of that reorganization, was move the Community Relations Service out of the Commerce Department and into the Justice Department and he was in New York making a speech that night. I called him and told him I wanted a memo from him recommending that and I remember him getting very, very angry. I don't know if we ever got the memo from him. He wanted to come down and talk about it and think it through and where did the boxes belong, and this was something we were going to announce the next morning so there wasn't a hell of a lot of time to do that.

When he ultimately resigned, I went to get the outstanding young man of the year award from the Jaycees--one of the ten. And Johnson was very proud. In fact, there is a picture in there. Several people in the government, two or three, got the award and he had us in for pictures. I went Friday and he was telling me about it. Then Connor came in to see him that Saturday morning to tell him he was leaving and Jack later told me that in the beginning of the meeting Johnson was telling him, "There is no other President that had a young aide that was one of the ten outstanding young men of the year." Then Connor told him what he was there for and then Johnson hit the hotline to me and I wasn't there and he slammed the receiver down and said, "He's never around. Christ, he's off getting some goddamned award. These kids, they're--" (Laughter)

Califano -- VIII -- 22

But Connor didn't like this. He didn't like the way it was done; he didn't like the unmitigated pressure. By and large, from the day we got into it, I said, "Whatever we have to do to get these three things done; no strike,"--we got that done quickly--"nothing above the guidelines and no price increase, we're going to do. That's it." And whenever he'd come in with some little variation I'd say, "None. That's it. We're going to do that." He didn't like that and he didn't like the operation in the fishbowl that Johnson put them through and I think he also realized--I don't know whether we used Clark Clifford to talk privately to the steel companies the way we used Goldberg, but I do know that we probably did. I mean we kept all kinds of lines open.

See, I have my own phone logs which I probably better get up here. As I said, I'll give you all that stuff when this is over.

G: There is an indication that Clifford was involved.

C: Well, he was at the meeting and he obviously was involved enough to send that nice note to the President and I think we may have used him. But all that kind of stuff Jack didn't like. Like Wirtz he didn't like. He didn't have Wirtz's psychological hang-ups about turf, but he just didn't like doing things this way.

G: In terms of having a command of the complexities of the issues involved, who would you say really stood out in that respect?

C: Ackley. Well, Ackley [and] Otto Eckstein. In terms of me sitting where I was sitting trying to get to that objective and trying to understand these numbers with all the games that everybody was playing with them, Otto Eckstein was the key.

G: What did LBJ think of Cooper?

Califano -- VIII -- 23

C: I don't know. He never trusted [Roger] Blough because of the Jack Kennedy experience, and when we get further into this, one of the things you ought to pull together is their attempt to raise steel prices. There include the newspaper clippings because he asked me to give a background briefing saying they were endangering our boys in Vietnam.

End of Tape 1 of 1 and Interview VIII

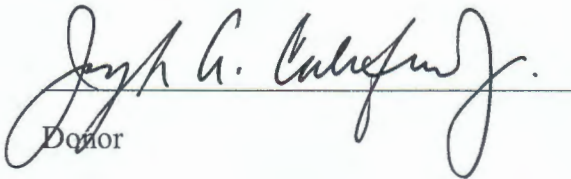
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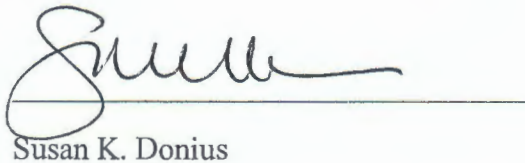
Joseph A. Califano

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

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