

INTERVIEW XXI

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INTERVIEWEE: JOSEPH A. CALIFANO, JR.

INTERVIEWER: Michael L. Gillette

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

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G: Let me ask you to discuss the whole question of government contracts and President Johnson's attitude.

C: And maybe some contrasts. During the--at least my experience on the receiving end in the Pentagon during the Kennedy administration was that they were--they pressed hard to be deeply involved in awarding contracts and who they went to. Indeed, they wanted a system and put in place a system in which the departments would, at the announcement level, let Democratic senators or congressmen know that a big contract was going to be awarded in their state or district and make the announcement. The Kennedy people also got involved at various points--I remember Kenny O'Donnell particularly--in the direct, who was going to get a contract. [Robert] McNamara was totally opposed to all that stuff. Basically our view was that even if the process had integrity, which we thought it did, it undermined the appearance of integrity. This was particularly important in the Pentagon where we reshaped all the procurement procedures. We had a standard for going to competitive bidding. We wanted to increase the percentage of dollars going out by competitive bids. We created a whole new procurement appeal system with one board

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of contract appeals to get the services out of individually doing it. We changed a lot of procurement rules and regulations. We created a defense industry advisory committee. We did a lot of things. And in the wake of that, and with the secretary and the office of the secretary deeply involved in procurement, the TFX, which was the plane that we wanted both the navy and the air force to use the same plane, and the creation of a defense procurement agency and having twenty different kinds of belt buckles and fifty different kinds of caps, all that stuff. We were sensitive about it.

When Johnson became president, with rare exception, the practice ended. And when I worked for McNamara during that last year or so I was in the Pentagon we did not give advance notice. In fact among the rare disagreements I had with Larry O'Brien and his people was not notifying them in advance. McNamara wouldn't even give O'Brien advance notification of the base closures. I remember. You can ask Larry to check that for you.

G: Well, had McNamara been able to resist the Kennedy White House influence?

C: I think he had blunted it to some extent but what O'Donnell did was go around McNamara. By the time I became McNamara's special assistant we had much better control of the Pentagon and the people worked for us. There weren't the sort of Roosevelts that had their loyalty primarily to Kennedy or the people that had loyalty primarily to the Kennedy White House or the Kennedy staff were out of the Pentagon. Bob in short order over the first couple of years just moved them out.

G: What sort of pattern of White House interest was there? Was it a question of awarding a contract to a contractor who had supported Kennedy or awarding a contract to one--?

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C: Most of these issues came up in terms of guys saying, "I'm bidding on this," or, "I'm trying to get this," or, "I'm"--but you know O'Donnell (inaudible) I can remember--I don't even remember the base--but I remember when I was general counsel of the army Kenny O'Donnell calling me about a guy that ran the cleaning establishment at one of our bases who had helped Kennedy in North Carolina or somewhere--I don't even know if it was North Carolina. That's the context in which this stuff came up.

G: Was it at all connected with the legislative program in terms of a *quid pro quo* with a congressman or a senator in whose district a big contract--?

C: I wasn't sophisticated enough in the beginning to appreciate that. With President Johnson everything was connected to a legislative program or something like that. That's one of the things in the Subversive Activities Control Board file reminds me. But I mean everything was related to the legislative program. I can--

G: You didn't suspect that LBJ would go around you or go around McNamara as Kennedy had done?

C: No. But we wouldn't--the only base we didn't close was the base--in the first billion dollar base closure program which we announced in late 1964 after the election--was [Senator Mike] Mansfield's base. But everything, he viewed everything as something to use. I just think--it's not related to this but while I think of it, [Nicholas] Katzenbach came by to see me one day to tell me that he was about to let the President know that either one or two senators were going to be under criminal investigation and he was itchy about how the President would react. And he went in to see the President and then came out about a half an hour later and he was sort of shaking his head. I said, "What happened?" And Katzenbach said, "Well, he said he didn't in any way want to inhibit the

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investigation of these guys but he didn't want me to make the decision to investigate them until he got two more votes out of them on some legislation on the Hill because that would just tear it for us. And in the interim he wanted to just have that hanging over their heads."

G: Was that Edward Long?

C: God, I can't even remember. I mean I don't even remember who they were but--in any case, on this stuff I think you've got to check and see who Admiral Husbands [Rear Admiral A.C. Husband, commander, Naval Facilities Engineering Command] was. If he was the new head of the defense procurement agency--I don't know whether he was that or he could have been the GSA [General Services Administration].

G: I'll fill that in. But this is a memo from you to the President--

C: Saying that I talked to him and told him that all contracting activities would be above and beyond reproach. The one thing Johnson was big about was having no scandal. He just didn't want any scandal. He was very conscious of the wheeler-dealer problem. Indeed, I don't think we had a single scandal. The Bobby Baker thing occurred in the Senate. He used to say it occurred because--it occurred on Mike Mansfield's watch. I don't know whether that's true or not. But in any case--

G: The theory is that Mansfield didn't keep Baker busy enough, that he was idle.

C: Did the offenses for which Baker was charged occur while Mansfield was majority leader? Then as you can see in a situation like this the President gives me a handwritten note saying, "Prepare memo for files," basically because he wanted the record to be clear. I doubt if I did. I assume this was the memo for the files.

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G: But he wouldn't--even in the case of contractors who were friends of his or had ties to important senators like [Carl] Hayden or [Richard] Russell, he wouldn't--?

C: Well, he was remarkable. No, I think he'd try to help when he could, but he was really--he was remarkable and remarkably sensitive in that regard. The best example was Lew Wasserman coming by when the Justice Department went after MCA [Music Corporation of America] to bust up MCA being--was it both the agent for talent and also making movies at the same time?--I can't remember. And Johnson--you ought to get the papers on that--Johnson intervened to some extent but basically did not overrule the Justice Department.

Now the other one you give me in terms of building up Texas there were no holds barred. I mean nothing improper was done. He wanted to make the University [of Texas] a centerpiece, a gem. He wanted to get more intellectual, scientific activity out in the West, out in the Southwest. And this note here my--and he always thought Texas was being discriminated against, that sort of the Harvards and the MITs [Massachusetts Institute of Technology] and the Stanfords had a lock on the big defense money, the big CIA [Central Intelligence Agency] money, the big NIH [National Institutes of Health] money. And Texas and other universities around the country weren't getting their share. This not only came into the grand area but it came into the task forces when I'd go around the country and want to make sure I'd want to go to the middle of the country and both coasts. And here obviously he asked me, one, to find out how much money was going into Texas from Defense and NASA [National Aeronautic and Space Administration] and from the National Institutes of Health, the Public Health Service, the AEC [Atomic Energy Commission?], the science fund. When I sent him the information he said, "Can't

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we get some subcontracts in this area?" because I had talked about defense prime contracts. And he also wanted a break out of the high tech stuff, the National Science Foundation, NIH, AEC. And then periodically pressed me to encourage people to put more of their research grants which were given out with a lot more discretion. He was very sophisticated about the process. He knew that the research grant went with the big brains. He knew that the way to get big brains--that there was a chicken-and-egg problem, that you both had to move big brains into the University of Texas or Austin or wherever you wanted them or build a regional medical center as we did with the [Michael] DeBakey operation. And that the brains lured the money but that the money also lured the brains. I don't think he minded in the least having the sort of scientific community, the DeBakeys of the world, who are--those guys are both brilliant scientists but very effective hustlers as well--know that they wanted to do top level work there was going to be plenty of money at the University of Texas or Texas would be a great place to go; Houston would be a great place to go, whatever the medical center was there. You know he had the space program in--

G: Was Texas a special case or was it simply a question of going beyond the East Coast let's say?

C: No, Texas-- Well, sure, he wanted to get beyond the East Coast and the West Coast and into the middle of the country, but Texas was also a special case. He wanted to--

G: It's odd that he would single you out to sort of be his--

C: Well, only because I think, one, I was the domestic guy and, two, I probably knew more about Defense and NASA than anybody else on the staff, and in the contracting area. And I had more day to day contact with a lot of these people. And he may well have

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thought--I mean I don't remember. He may well have thought--I'm sure McNamara knew, for example, and I'm sure Jim Webb at NASA knew, and I'm sure that John Gardner, whoever was the head of NIH knew that we wanted to get more stuff in Texas; we wanted to build a better scientific base there. I mean I don't think anybody had any doubts about that.

In [Eugene] Zuckert's memo to Johnson on the Titan--on the [1965] Searcy, Arkansas, explosion; one, Johnson's constant--he may also be--this is Zuckert to Johnson: "You may also be assured the air force is carrying out your request to afford all aid and assistance to the survivors and relatives to the men who lost their lives." Johnson's constantly grabbing for that, making sure of that along the way, that the little guy was taken care of or that the guy in the accident, both the humanity of it and the politics of it. Bingo, right away. Two, where I recommend releasing--I suggest, assume in my memo that we'll release the report of what happened at this tragic accident--almost sixty people killed and what have you--at the White House. And the President says, "Now release the report but let Zuckert release it. Let Zuckert deal with that part of the tragedy but Califano, call [Senator John] McClellan, [Senator William] Fulbright, Congressman [Wilbur] Mills who are most interested in this and let them know that we're releasing it so that we get credit for giving them the advance push on it and the advance notification so that they can make an announcement or leak something if they want too. But, on the other hand, the way I read this--the way I would assume this--I'd call them on the day before I'd tell Zuckert he could release it, so they can get credit for that. On the other hand, since it's not going to be good news--it's never good news when you're reviving the memories of the deaths and the explosion and the accident and what have you--let the air

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force secretary stand there and announce the bad news so to speak. [That is] the kind of judgment he'd make instinctively. And I probably wouldn't--I would have made it had it not been September of 1965 when I was still learning. But that's all.

G: Did that accident and the subsequent--

C: Put that in the miscellaneous. (Inaudible) under Searcy, Arkansas, explosion.

G: That accident and the subsequent--

C: Titan II missile.

G: --report cause locales to be more reluctant to have those sites in their communities?

C: We didn't have that problem in those days that I remember. At least I don't have a recollection of that being any significant issue. My recollections--I don't have specific examples but--on the broad general sense were more that people wanted these sites, they wanted the jobs, they wanted the technology.

G: Federal money.

C: The federal money. This was typical kind of Johnson. He'd get a recommendation from somebody in the government, in this case [Leonard] Marks recommending that we use the extra channels on Apollo satellite to provide capability to transmit broadcasts to Latin America where we had no capability. Also noting the Russians had already launched two communication satellites capable of placing broadcasting on a global basis. Marks recommends that he be chairman of the group. Classic Johnson to send it around to some other people, sent it to [Douglass] Cater because Cater was in the newspaper business and was a good friend of Leonard Marks and because he'd--and sent it to me I think because he just wanted a cold-cocked answer. I knew Leonard but I was not close to him. Recommending that we go forward and do it, adding the FCC--I notice I added the

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Federal Communications Commission to the group, which Marks had not included. And I don't know whether Nick Johnson was chairman of the FCC by that--that's something we ought to go into: Nicholas Johnson, his appointment as chairman of the FCC. That ought to be an item we discuss. I think it also reflected a difference in the way--one of the things that helped me get along so well with the President. The President says, "What do you think?" He would come back to me. Cater says, "Recommend approval. I agree basically." But he doesn't say anything about how to do it, when to do it. I say, "Here's the group. This guy should chair it. We shouldn't publicize it until after they have a report. I'd keep it focused on the narrow issue of Latin America and not a lot of other stuff." And ask him to approve all of this and we'll go. And he approves it.

G: That's all you need. Now what would you do with that memo once he had signed it?

C: I'd call up Cater and I'd call up Marks. I had said that I thought Cater should be the White House representative on this. And I'd tell them to get started. I'd ask them how fast they thought they could do it and I'd set a date by which it should be done, in which they should get their report back to the President. And then I'd put the date in some kind of a tickler file with one of the people working for me or one of my secretaries when the date came up we'd ask for it if it wasn't there. That's basically what I'd do. But that would be it. I mean this is ten minutes outside.

When I first went to the White House--I didn't realize I was long getting into [Bill] Moyers' office. I thought I was very fast. When I first went to the White House I was in a tiny little office somewhere in the basement of the West Wing. And I learned enough about government to know that if I was going to start with no knowledge of the domestic programs, no knowledge of the domestic side, and no prior relationship with Johnson, I

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needed all the accoutrements I could get so that people would understand I indeed had power. I didn't realize how fast he'd give it to me at that point in time. And Bill had said to me, "When you come over--when I move out of my office and move into the press office, you move into my office." So Moyers was in both offices for quite a while cleaning one out and getting set up in the other. I see--this is a note from Marvin [Watson] to the President saying, "First of all, I understand that Joe Califano will be moving into Bill Moyers' old offices,"--is his way of giving the President a shot, "Nobody told me; I'm supposed to be the administrator of the White House." Secondly, "May I take the space Joe presently occupies downstairs and move various sectors and other personnel from this floor?" "No, hold until further notice and let some secretaries go. It is disgusting the number we have." Okay, LBJ. That is classic Johnson. He wants everything done instantly but he wants this austere, tight, limited number of people and we would periodically go through things like that. I mean I can remember [Harry] McPherson coming to me--and Marvin would do everything he said exactly.

G: Literally.

C: He bitched about pencils once and--have I told you this story?

G: No.

C: And McPherson came to me one night. Marvin stopped the use of all those sort of wing-tipped eraser pencils, black pencils that Harry used to write with. And Harry was bananas and came to see me. He said, "I really I think to go down--to have my secretary go down in the supply room and be told, 'No more pencils like that; you have to use these cheap yellow pencils'"--and it was an order from Marvin. And he talked to Marvin and Marvin had told him that the President wanted to stop using all this expensive writing

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equipment or whatever. So I intervened with Marvin to get Harry back his pencils. I mean it was really--but we'd periodically go through things like that.

G: In this case would he actually--

C: The other side of it was there was no expense to be spared to make sure he could reach you at any time. I told you about the phone in my john I'm sure. No?

G: No.

C: He called me one day, in the morning; I was in the bathroom. He just had a way of getting terribly annoyed when he'd call people.

G: This was at home or in your office?

C: This was in my office. I had a bathroom in my office. There were two offices besides his that had bathrooms. One was the press secretary's office, private bathrooms, and the other was mine.

In any case, so he said to her, he said, "I want a phone put in that john. Put a phone in that john." So I came out and she said she was going to call the--the President wanted me to call him right back which I did and she was going to call the signal corps to get a phone put in the john. I said, "Hell, no. There's no phone going in that toilet. None." The very next day he called me at the same goddamn time and I was in the john. And he just raised hell with my secretary, Peg, Peggy Hoxby. And by the time I got out of the john there was a--and then he obviously called the signal corps--there was a guy from the signal corps standing with her. There was a phone in that john that day. I mean that was just one--he called once (inaudible) long time about the baby sitter. Did I tell you about that?

G: No.

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- C: We had these signal corps phones in our houses, too.
- G: What was the difference between a signal corps phone--?
- C: It was a White House phone. The army signal corps set it up.
- G: It worked like a regular telephone?
- C: It worked like a regular White House phone. Pick it up and an operator answered. It was sort of overload. The signal corps--White House Communications Agency was run by the army signal corps. When they put in phones outside the White House like the White House phone that the cabinet secretaries had or the phones we had at our homes, they would go through an army signal corps switchboard. It was still part of the White House Communications Agency. It was just an extension of the system. I went out with my wife to dinner to a little restaurant in Washington, Gusti's. Still here, not very good but . . . and there was a babysitter there. And I forgot to tell the babysitter where we were going or maybe we didn't know where we were going. In any case, I arrive home and there is the babysitter in tears. There's her mother sitting there with her and she tells me, "The President's dying and he's trying to get you." And I said, "What?" And she said--the President tried to get me and he gets on the phone with the babysitter and he tells her, "This is my lawyer; Now what do you think of a lawyer--suppose I want to change my will and I'm dying and I can't find my lawyer. Now you've got to find him." Well, it was just incredible. In any case, the point is no expense was spared.
- G: What about the use of White House limousines, was this something that only a few of the special assistants--?
- C: Yes. He was tight on them but when we had them, we used them all the time. I can't remember how many people but, for example, only I--I may have had four people

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working for me, five; none of them were allowed to use it. Just the top assistant. They could call the motor pool to go somewhere but in the context of really having in effect twenty-four hour a day access, no. It was tighter than that.

G: Would LBJ ever cut back on these kinds of the perks in order to let you know that he was displeased with you? Did he ever do that in your case?

C: No, but there were times when he wouldn't talk to me. He would literally give my secretary messages to give to me. Personally, he would call her and talk to her and tell her to tell me to do something, because he'd get so annoyed at one thing or another. There was an extended period when he wouldn't talk to Jack [Valenti]. I mean I say extended, it was maybe a week or--

G: Really?

C: It was--I remember it hurting Jack. And I remember wondering how the hell we were functioning because Jack was sort of the guy that was there as the appointments secretary. But no, I didn't have--he did do that, I believe, but he never did it to me.

G: What was the significance of office assignments in terms of your--?

C: Now the reason I had that office--I mean the major reason--it was a big office, and it was because I had so many meetings of these task forces, putting these programs together. There was big table. I didn't change any furniture.

G: But that office--it was in essence Moyers who had given you that office, or was that a decision that the President himself made?

C: Moyers would not have had the power to give me that office without the President saying it was okay the way LBJ ran that White House.

G: Is that right? And no one else would have moved in there ahead of you at that point?

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- C: Not under the flag I was flying. Remember I had come over to be this great whiz kid to be the domestic advisor and the [McGeorge] Bundy of the domestic side and all that stuff.
- G: But what--I guess what I'm wondering is what prevented you from ending up as another Bob Kintner or somebody who had immediately had all of this--?
- C: I don't know. What I think--I think the combination of all those crises happening right away--Watts, the power failure, the aluminum controversy, selling the stockpiles--
- G: Steel negotiations.
- C: Steel--all working out well, as well as some of those tragedies can work out, and his getting some confidence in me and then that legislative program which he really . . .
- G: So in other words, it was the productivity that confirmed the title in essence.
- C: I think as I say--I've written the first part of the book--as I say McNamara said it was a job description not a job--or an opportunity. And what turned into a job was the day to day relationship. And remarkably it worked well because we were very different. I mean when you think about the fact that he was from Texas and I was from Brooklyn, that he was a consummate politician and at that point in time I really was--I was a whiz kid. I was a technocrat. We were very apolitical in the Pentagon. We were just very, very different people but something clicked. And I really do think he didn't think I had at least--you don't sit in a job like that unless you have ambitions. But I didn't think he ever felt I had any ambitions that would interfere with my loyalty to him, that I had any ambitions that would conflict with him. And that became important over time especially as he grew suspicious of Moyers' loyalty and what Bill was backgrounding the press and what he saying to them, and that kind of thing. So I think all of that worked, and I didn't suffer the terrible problem that people suffered when they came independently to him.

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While it was undoubtedly the biggest shot of my life, I didn't get there because he'd known me for ten years. I wasn't another son to him the way Bill and Jack Valenti and [Horace] Busby and Walter Jenkins and all of those people were. And I think when I reflect twenty years later, that was very important that I came in as McNamara's star with a little--you don't have much independence when you work for any president but at least I had a little going in and that was important. But had all of those things screwed up, had I screwed up Watts, had I screwed up the steel negotiations and ended in a strike that was a disaster and busted the wage-price guideposts, had we not rolled back aluminum, had we not rolled back copper, had the power failure been badly handled, I think my life would have been different. The other thing was I think Kintner--I mean people were good to me in the sense that I found Valenti and Harry McPherson and Larry O'Brien--particularly those three--as being very helpful. I mean not worried about their own fiefdoms or their own areas, not trying to publicize themselves, not trying to--so that they would--I got a lot of good advice. And when the President would say to me, "I want you to read every paper before it comes into my office and I want you to be at every meeting and I'm never going to make a major decision without talking to you," I had guys saying, "He says that to everybody." Kintner either didn't have guys saying that to him, which is possible because he wasn't a particularly likable guy, or two, they did say it to him and he ignored them. If Valenti told me something like that, I just backed off. I did what I was supposed to do. And I think that was important, too.

G: Was there a rivalry between your staff and Moyers' staff?

C: No, I don't think so. Bill didn't have a--there never was a staff with a level of substance, a substantive engagement to it on the domestic side until I brought it. I brought it very

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gradually. I first brought Larry Levinson and he was there several months before I brought [James] Gaither and [Matthew] Nimitz and Fred Bohen, one. Two, I suppose in the first couple of weeks or the few weeks there was some idea, maybe some of--I mean Bill only had Hayes Redman, that's all the I remember.

G: [Harold] Pachios I guess was identified with him I guess.

C: Yes, but he wasn't--Pachios was not--I mean he was a nice guy but he was not--he then became the Democratic state chairman in Maine. He just wasn't in the ballpark with these other guys. I mean I had, you know, we're talking about Supreme Court clerks, very, very bright guys. And I think maybe for a few weeks they thought there was some way they could still do a lot on the legislative program but the reality you know--the White House press secretary has to brief every day, every single day, okay? All you have to do is go over there and you can see what it's like. So you've got that problem; he's got to get ready for that. And then secondly, he's got to do all the other stuff, so there wasn't anything there. I think the only thing which I'm sure everybody felt in the beginning--well, Bill left when? In 1966, didn't he?

G: Yes.

C: Early sixty--

G: That's right.

C: He was not there a long time after I was there, maybe--

G: I think it was February or something [1967].

C: Yes. March--was you know publicity. Everybody loves ink. It's almost like a sexual substitute in Washington. And I think there would occasional resentment that Bill and the press would take credit for something somebody else had done. And that wasn't me.

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I mean that was Harry, Valenti, Busby, O'Brien. I mean O'Brien would work on a bill--ask Larry about highway beautiful, which he really broke his pick on, and finally muscled out with a lot of help only to pick up the *Post* and see a story about Moyers and how Moyers had saved highway beautification; the list goes on. You can ask Larry. And there's a little of that but, look, that staff--that was really--you know a pimple; it was nothing. That staff worked well together. It really did. It was remarkable. Considering the pressure cooker we were in, it was astonishing.

G: Was there a difference say between the way the White House staff worked under Johnson and the way it worked under [President Jimmy] Carter, realizing that you had a different perspective but--?

C: Well, I had a different perspective. I think there was no comparison in terms of just sheer talent.

G: Well, was then the press secretary job actually a demotion for Moyers?

C: No, I think he wanted that job and I think George Reedy thought he wanted that job, too. I think Bill wanted to be the press secretary. But you know you never got out of one job and into another--you have the papers here on O'Brien as postmaster general. When he made Larry postmaster general, I don't think he thought for a minute that Larry was going to stop being the congressional liaison. In 1968, before he withdrew from the presidential race, he called me in one day and said he wanted me to run the poverty program. [Sargent] Shriver was going to France and the poverty program was in real trouble. He said, "It's got to be shaken from top to bottom. We've got to get control." And I said I really needed to think about that. And what it made me think about was that I in my own mind decided I would leave in March of 1969.

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G: March 1969 after the election.

C: In January--March 1969. I was going to--he still hadn't decided not to run and we all assumed he was running. I would do the legislative program and go. And I didn't know what to do and how I'd tell him about that. So the next day I went to see him and I said, "Mr. President, I'm sort of honored by this, but I think you should know that I think it is much more important for me to stay here than go run the poverty program. For this legislation to get through we had a lot of important stuff on the Hill." And I said, "I think the first legislative program of your second elected term is a big thing and it's going to set the tone for the term and I should stay here and do that." And the President turned to me as though I was crazy and he said, "Of course. You just take on the poverty program as another duty." So I don't think he ever thought--I think he always thought you could just do more and more. As I said, he never formally--did he ever formally appoint Barefoot Sanders to the post of legislative liaison?

G: I don't know. And Shriver held on to Head Start and poverty at the same time for several years.

C: But in any case--

G: Let me ask you about George Reedy's departure. How would you analyze--?

C: I really don't know personally about that. There were a lot of rumors that Reedy had been moved, helped out by Bill Moyers, that Moyers wanted the job. I don't know whether there is any truth to that or not. I think usually those things happen for a variety of reasons. I mean I think Reedy was probably tired. He'd been 1963, 1964--two years. The best press secretary in terms of the personality in dealing with the President was George Christian. The tumultuous, the tension--George was calm, constantly calm. He just was

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built cool. And that was very helpful. And my hunch is that both Reedy and Moyers were so emotionally engaged with the President on so many levels that--that's a very difficult job. That is really a tight job.

G: Yes, okay.

C: This was kind of typical of LBJ. I can't even remember whether he met with [Ted] Kennedy. Did Kennedy come in, do you know, later that--before the end of the year?

G: I'll check. With regard to the Springfield Armory?

C: Yes, well, obviously Kennedy wanted a meeting with the President, so he'd have that on the record. I don't think anybody had any illusions that the armory wasn't going to be closed, would be closed, in the wake of Vance's memorandum. I just don't remember this. I'm sure I called Kennedy and told him exactly what the President told me to tell him, that he hadn't made any such commitment. I doubt if he had. But it would be typical of him to see any senator in a situation like that, give them ten minutes, partly because he knew how much it would annoy senators if he didn't do it. But we did close the armory.

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C: I can't remember how this auto price issue turned out in 1965. I do remember we did send word to the auto industry. You have to understand two things. One, [Walter] Reuther, as [Gardner] Ackley notes in his memo, is in part trying to set up a situation in which he gets the government to say that no price hike is justified. Then if the automobile raises prices, when he goes into his negotiations in 1967, which was a year and a half hence, he says they didn't need this price increase. These profits are incredible. And they were. They were mind-blowing profits as Ackley points out. We opposed any price increase in autos. I think you probably should get--I think you should probably see

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if there are other papers on this, okay? And it probably came up damn near every year. I think it's more than a miscellaneous item. I mean I have recollections not only of meeting with Reuther as that indicates, but of talking to some of the auto companies, maybe talking to Jim Roche, maybe talking to Henry Ford, McNamara talking to them trying to hold the line. But I think it's worth--

G: Okay. Anything on this--

C: Walter Heller had this great idea about revenue sharing in which the federal government would raise tax money and give it to the states and share it with the states. The President was unalterably opposed to that. I think he thought it was terribly unrealistic politically. I mean it was great for the states. The governors didn't have to be subjected to the burden of raising taxes. And secondly though, he thought that--and I thought--I'm sure you've got memos by me on this subject--that you should never separate the obligation to raise money from the spending function so that the person in political office that had to raise money--the person in political office that was going to spend money had to raise it so he had to be subjected to the problems of raising it. That was one way of keeping some focus, some limit on when he'd spend money, forcing him to have some sense of priorities. Heller--you know filled with the impact of the tax bill, lowering the rates and getting a lot more money, tremendous prosperity--thought this was a great idea. But I mean Johnson opposed it at every turn.

G: Did he meet with Heller about this?

C: Well, I know Heller knew that the President was opposed to it. I know he knew that because I talked to Heller about it. I can't--did he take him on head on on it, I don't know. It didn't stop Heller from writing about and talking about it. The second item here of--

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G: Presumably this was a way to even--to redistribute the finances among the states, is that right?

C: Sitting where we're sitting, the idea was that the federal government would raise money and would then distribute money to the states in a way in which the states would decide how they'd spend it. But there was no way--as Johnson could see, there was no way Congress was going to tax and tax and let the governors in the states spend and spend. It just wasn't going to happen. Politically the idea did not make sense and wouldn't fly. And I'm obviously even reflecting it. I mean I notice in my note I say, "Governor [Edmund "Pat"] Brown's a member of the governor's committee studying the Heller and other tax plans. He said there's tremendous support for the plan among the governors quote "quite naturally" close quote. My own comment. I mean obviously they'd love it. They wouldn't have to tax. And I think the President thought it didn't have a snowball's chance of passing but I don't think that's why he opposed it. I think he thought it was a lousy idea. I think he thought it was a lousy idea because he thought the guy that spent the money ought to have the problem of raising the money. I think also you have to remember we very much--we viewed grants of federal money to the states as leverage to get things done that we wanted to get done, whether it was desegregating schools or employment programs or what have you.

G: Which meant that you wanted to specify--

C: Absolutely, those full categorical programs. Absolutely. It's just--Governor Brown reports that Negro unemployment in the twenty-one to sixty-five age group is not improving in California. Fifty thousand new jobs are needed to have an impact. The cost of this would be two hundred fifty million. Brown's discussing this with [Willard] Wirtz.

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And I told him, Brown, to continue to talk to Wirtz and we would await recommendations. If anything Wirtz would make the President through budget bureau. I was basically brushing Governor Brown off. You notice the President's question, "What will private industry in the state do?"--which was typical of another part of our philosophy which evolved, which was let's get them to put some money up; let's get them to get something of their own in these programs. Let's get the states to match in one way or another so they've got to demonstrate that they're going to put something on the line before we keep providing stuff. And then the third point which goes back to the procurement point we talked about before, Governor Brown also began discussing military aircraft contracts for California. I asked him to pursue any such discussions with the Defense Department and informed him politely that we did not get involved in any procurement matters here in the White House. We also had a rule on regulatory cases, cases before the regulatory agencies. I think we even had a written instruction out around the White House on that. He didn't want people interfering in particular cases.

G: White House staffers wouldn't on their own call up an FCC--?

C: Well, he wanted to make sure nobody did. He was constantly worried that somebody would, because there was a lot of pressure to do things like that. Senators calling, congressmen--you know you desperately need their vote on a bill and they say, "Well, for godsakes . . ." So he was sure of the stuff on that.

G: You want to move to appointments now.

C: Yes, let's do. I don't have a lot for you on some of these. Let's do these--

(Interruption)

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C: --was not deeply involved in the appointment of Thurgood Marshall to succeed [Archibald] Cox as solicitor general or in his later appointment to be Supreme Court justice. I guess I assumed that once we made him solicitor general unless he really blew it he would clearly be the next Supreme Court justice because the President was determined to put a black on the Supreme Court. The only thing in that connection which I remember is when we were trying to decided whether to put Marshall on the Court--what was the vacancy? Whose vacancy did Marshall . . . Did he replace [Hugo] Black? Well, we can figure that out later. You don't have the Supreme Court one here--here is it, yes. Tom Clark. I remember a discussion in the President's bedroom of who to replace Clark with and I remember Mrs. Johnson urging the President to put a woman on the Court, put the first woman on the court. You might see if there isn't a file on that because I have a recollection that we even had some names.

G: Well, did she have a candidate in mind?

C: Well, I just have--I think there's more on this appointment somewhere. The solicitor general thing I really don't--

G: That was really before you got there I think.

C: Yes, he was cooked. I do remember--but it was clear to me that the President was going to appoint a black as he was going to appoint ultimately [Andrew] Brimmer to the Fed and [Robert] Weaver--he was going to put a black on the court.

G: But you were there when she argued directly about it?

C: Absolutely. I remember it vividly because she rarely did that. She didn't--she may have done that when they were alone but she wasn't Nancy Reagan and she wasn't like that. And I just remember her in her own way--not arguing--just suggesting, "Lyndon, why

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don't you put a woman on the court? Have you thought about putting a woman on the court? You can appoint the first woman to the court." But I think the day he got Marshall to step down off the Second Circuit and become the solicitor general was the day he decided unless Marshall really screwed up to make him the first black Supreme Court justice.

G: I'll check the files on this but how did he respond--

C: Don't just see whether there were names. See if there aren't memos back and forth, or names. As he always did, he'd listen with great respect. He didn't make the decision at that meeting. I don't think he ever would. But I remember it because it was so rare for her to get involved in something like that. Usually she would be lying in bed with the covers up around her neck and the staff standing around working.

G: Did he talk about Thurgood Marshall in terms of the significance of either of the appointments?

C: Absolutely. Of the significance of putting a black on the Supreme Court. You have to remember we had our own litmus test for federal judges and our litmus test was where they stood on civil rights. I've often told people it's not unusual for presidents to have litmus tests, and all the flak that [Ronald] Reagan takes for having them is just because he has got the wrong litmus test, not because he's got a litmus test. And we ought to get into that. You ought to get that appointment of that judge that we had the fight with Ramsey [Clark] on and Dick Russell.

G: Alex Lawrence.

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C: Our litmus test was that they stood with us on civil rights and he certainly wanted a court that was going to uphold both the laws we were passing and be in sync with us on that issue.

G: Let's see. The next one is--

C: I guess Brimmer was already on the Federal Reserve Board (inaudible).

G: Yes. That's all Marshall. (Rustling of papers)

C: This is just all Thurgood Marshall. I think I'll just file it under his name.

G: The naming of Larry O'Brien, postmaster general and John Gronouski, ambassador to Poland.

C: I think that was--I think I was there, wasn't I?

G: At the Ranch that--

C: Yes, I think I was. I'll have to just check. No, he talked to me in the D.C. office. Isn't that amazing how your mind can play games like that? I wonder what was going on then with me, you know. He spoke to me three times that day? Well, we find out. I thought I was there. Isn't that amazing. We must have had something going on, crises starting every day with me.

G: That's August--

C: No, this is November 3.

G: November 3.

C: I was not a big part of this. I just remember--I remember that joke. I guess that got on television or something. He's standing at this little post office in Hye, Texas, which was his post office when he was a kid. And he says, "It was about fifty-three years ago that I mailed my first letter in this post office and Larry O'Brien told me a few moments ago

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that he's going to find that letter and deliver it." I just remember his . . . I don't remember when--I know Gronouski wanted to be ambassador to Poland and it would be classic for Johnson to give somebody a reward like that as he gave Ackley the ambassador to Italy when he wanted out. Was Gronouski Kennedy's appointment?

G: Yes.

C: And I think Johnson sort of, as he said in the speech, in the tradition of Jim Farley and what have you, he wanted--he offered Larry the job of being postmaster general.

G: Do you think this was a way to keep O'Brien around?

C: I mean you'll have to ask O'Brien. My hunch is it may have been. He liked Larry and he respected Larry. I think they respected each other as real pros on the political scene. As I said, I don't think he for a minute thought that this in any way would interfere with O'Brien's obligations as the congressional liaison for the White House.

G: How did this reflect on LBJ's suspicion of Kennedy holdovers?

C: I think he had a profound suspicion of anything Kennedy. But I do think he trusted O'Brien. Now you know we used to say the only person LBJ trusts is Lady Bird and her only 90 per cent of the time. But I think in that context, as much as he trusted anybody--he was conscious of human frailty and how easy it was to tempted or lured, and how history was certainly marked with disloyalty. But I think he trusted Larry, and I think it was also part of his--Larry had done a hell of a job for him. When he used to talk about running for a second term, he'd say, "You'll be a great attorney general."

G: Did he really?

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C: And I think he did that in part to keep me around but I think he also would have delivered if he had run again. I think he was built that way, rewarded people that were loyal to you and worked hard for you. And Larry certainly worked hard for him.

G: Interesting point.

C: One, on the issue of the constitutionality of officers in Congress--of elected officials of Congress holding a commission in reserve, we were ahead of Bundy. This is Bundy memo to McNamara on November 16. We had already decided to try and throw them all out of the reserve. I don't think we succeeded, I can't--we didn't. That was one of the many initiatives we did with McNamara. And part of it was in part based on a constitutional argument. On the promotion of Bill Lewis, Lewis was I guess Margaret Chase Smith's top aide, had been for years and she pushed very hard for him and it was one of only two occasions when I can remember getting in touch with the Pentagon--the other being Jaunita Roberts--and telling them that we wanted somebody promoted. And Lewis we wanted promoted to major general and here he is promoted to major general. I notice Howard Cannon being a major general and Joe Kilgore. The President making all those calls. But that's my only--I just remember the President or somebody--I wouldn't have done it if it hadn't been the President so . . .

G: Would this be a *quid pro quo* or--?

C: Oh, I think it's the kind of thing he'd do--from his point of view it wasn't a big deal. It was something that she wanted, make somebody very happy, do it. It was a very nice carrot.

G: How would the Pentagon react to this?

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C: They didn't like it. And I think we made either Juanita a colonel or a general. Have you gotten the papers on Juanita yet?

G: I'll get that.

C: Put that on your list. That was tougher.

G: Why didn't they--

C: That was actually tougher.

G: Was it really?

C: Yes, I think because Juanita offered them nothing and here this guy was a general in the air force. She was on Armed Services Committee. The air force was happy to make him a major general and the nudge didn't have to be very hard. It was an abominable practice. I mean they were really--the military departments really didn't require these guys to fulfill their reserve obligations or anything. They just--Goldwater--they just racked them all up.

G: Was this a way for the armed services to strengthen their ties on the Hill independent of the White House?

C: Absolutely, independent of the secretary of defense, too. Sure. I'd just make that miscellaneous defense.

G: There is a--

C: [I] do not really have any present recollections of this. What I do remember is that Johnson--[Edward] Weinfeld, who just died a couple of weeks ago--that Johnson was going to put--and it's another example of where our heads were. The thing I remember when I go through these papers in Constance Baker Motley, the federal district judge. The first black woman who we made a federal district judge in Washington even though I think she was marginally qualified, just barely got by the ABA [American Bar

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Association]. But I notice that--and it's an interesting revelation about how these things get done. See where it is . . . Give me the file back on Thurgood Marshall, will you?

(Interruption)

C: This is when the President is appointing Marshall as the solicitor general, and the issue is what to do with his vacancy which ultimately gets filled by Abe Feinberg's brother [Wilfred] but also there was--one of the options was to move Judge Edward Weinfeld, who was a district judge in New York, up to the Second District Court of Appeals and move Constance Baker Motley into her slot. Here's a note from [Nicholas] Katzenbach to the President saying that Bobby Kennedy is saying we ought to put Mrs. Motley on the bench even if we couldn't get ABA characterization of hers qualified. And you'll have to check. My recollection is that Johnson put Motley on the federal district court there.

G: Yes. He did in 1966.

End of Tape 1 of 1 and Interview XXI

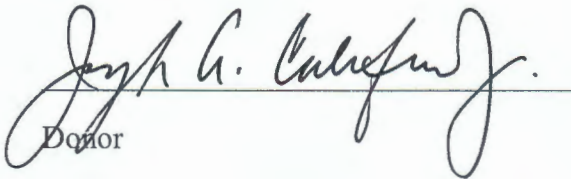
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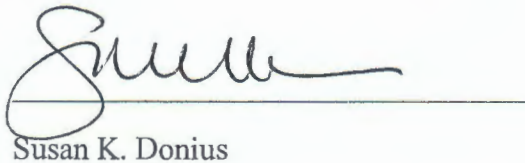
Joseph A. Califano

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

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