INTERVIEW XXII

DATE: February 23, 1988

INTERVIEWEE: JOSEPH A. CALIFANO, JR.

INTERVIEWER: Michael L. Gillette

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

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G: We were working on the [Wilfred] Feinberg--

C: Had we finished Feinberg?

(Interruption)

C: I don't think Kennedy was treated differently than any other senator. There is a note here for [Nicholas] Katzenbach to call Kennedy. I don't think there's anything directed at Robert Kennedy here by Johnson. The appointment--[Edward] Feinberg was well qualified, as [Myer] Mike Feldman's letter shows. He was Abe Feinberg's brother. That certainly wasn't irrelevant. Weinfeld was just--I think in general from our point of view Weinfeld was, while very well qualified, was just too old. Who would know that he'd be alive until a few weeks ago? But he was almost sixty-five at that point. As far as Constance Baker Motley was concerned I think both Kennedy and Johnson were agreed. I mean she was a black woman. What's interesting is Kennedy's point that even if she's not qualified he'd put her on the court, even if the ABA [American Bar Association] wouldn't qualify her.

G: Did the senators have more input on the district court judges than on circuit court candidates?

C: I think it probably depended on the senator. As a general rule I think the answer would be yes. But I think, you know, a [Everett] Dirksen or a [Mike] Mansfield would have a lot more influence than just a senator. But I think Johnson was pretty sensitive about all those sort of courtesy issues. As I said, we had one litmus test. I mean, we wanted qualified people, but we wanted people who would stand with us on civil rights. And in that connection we thought the ABA, American Bar Association, committee was by and large so tilted toward what you'd I guess call the white establishment that their judgment in this area was not worth a hell of a lot, that they just wouldn't know these lawyers, that a Thurgood Marshall [who] spent his life litigating for the NAACP [National Association for the Advancement of Colored People] is not going to be at ABA meetings drinking cocktails and going to bar association dinners and they're not going to know him or how good he is.

G: Well, how significant was the fact that he was Abe Feinberg's brother in this case?

C: I don't remember. I mean, it would not have been decisive but he was Abe Feinberg's brother. He was also Phi Beta Kappa from Columbia, editor-in-chief of the *Columbia Law Review* which is the highest honor you can get in law school, had been a district judge since October 1961, which meant he was appointed by John Kennedy, which sort of took the wind out of any objections Bobby Kennedy could have. He'd never been reversed in five years on the bench. There's no question about the level of his qualifications. Eddie Weinfeld was an enormously popular judge as well as being a brilliant judge. Weinfeld tried one of the big communist cases.

G: Okay.

(Interruption)

C: Very strong for family planning.

G: LBJ was?

C: LBJ. I think we've covered the stuff about the Catholics and [Monsignor] Frank Hurley.

I don't remember Phil Lee's appointment as being any more than the tiniest ripple. I did not think it was a big controversial issue. We did not appoint Phil Lee because of his family planning advocacy. I'm not sure I ever talked to him about it. I have no present recollection of it. We appointed him because we wanted a strong assistant secretary of health as we were moving all these health programs into HEW [Department of Health, Education, and Welfare]. It was part of the whole concept of moving John Gardner in and putting [Anthony] Celebrezze on the court [U.S. Court of Appeals, 6th District] to get highly qualified people, people who were not part of the old, sort of social-welfare establishment. I'm not denigrating the Wilbur Cohens of the world, but the point was we wanted to get a different level, different kind of person into HEW. Bill Gorman, the evaluation and planning whiz kid from the Pentagon, that I got to move over, Phil Lee, Frank Keppel.

G: Was this with an eye of cost efficiency or--?

C: Howard--what's his name--Harold--

G: Harold Howe?

C: Harold Howe. No, the idea was that we were putting complicated, sophisticated programs into HEW, that we were giving them work to do that they had never done before, and we better get some people that understood this stuff. In retrospect what I

didn't realize until I became secretary, was the--I did in the later Johnson years--this is grossly oversimplified. But [when] we started we really [were] conceiving of programs. We were not just finishing the New Deal agenda; we were coming in with a whole lot of new ideas, new roles for government. And that was the first couple of years. The last year or so we really were involved in the management of programs and it's political management. And many of the people, the Gorhams and Phil Lees of the world for example, who were tremendous on the conceptual end, were not the right kinds of guys on the management end.

G: What do you mean by political management? You mean with regard to the Hill?

C: No, I mean that it's different than managing a corporation. You're dealing with a whole host of interest groups and you've got to deal with the problems on the Hill. You've got to deal with the reaction of interest groups as you do things. If you have a family planning program, you've got to worry about the Catholics, the fundamentalists. At the same time you've got to keep Planned Parenthood from going too far. Even when I was secretary [of HEW] they had a terrific anti-Catholic streak. They had material, cartoons, and it was much stronger then. You've got to cool them off on that part of it. You've got to get the Catholics not to explode.

G: Contrast the type that you brought in with the Wilbur Cohen, let's say.

C: Wilbur was out of the world of Social Security, social welfare in a kind of traditional 1930s sense. You provide some money for people to retire on. You give them some public works, leaf-raking, building benches, what have you. What we were doing was something much different. When you pass Medicare and Medicaid we were moving in on the whole health care system. We were not just providing people money to buy health

care. We were providing health care which put us in the business of how efficiently health care was delivered; how do you administer millions and millions of claims? When we got into areas like family planning, like training, like health clinics, like the poverty program, we were teaching people. We were trying to draw the lines between--we were trying to make people more politically aware. It was just a different kind of world and--

G: But were you searching for a different philosophy or a different technical expertise?

C: Well, in the appointments of people beginning with John Gardner we wanted to say this is a very classy place; this is where guys with lots of brains go. You know, you don't have to go to the Pentagon if you're a genius or a whiz kid. You could come over to HEW and start trying to evaluate programs there and apply the planning-programming-budgeting techniques over there. That was what we were trying to do. What I was saying was when I went back as secretary, and in the last year I was with Johnson, I realized that we needed sort of hands-on political managers, people that could operate programs day-to-day. And it's a difficult kind of operation. It's not where Califano can tell Gillette what to do. Califano is sitting in the federal government. He's running Medicaid or a welfare program; the states are putting up half the money. They're administering the program under guidelines put out by the federal government so you have it one step removed. You have that problem. Then you have all of the attention for a variety of reasons, objections, controversy about the program: black women demonstrating, the single-parent family taking their anger out. It's like a kid with a can of spray paint [who] writes some obscenity on the wall. He's really screaming about so many things. He's not really just destroying the concrete on the bottom of this building. So the programs become difficult from that point of view. When you get into the business of what do you do about the

single-parent family, then you find yourself in the business of do you get the father to pay his share. It's all those kinds of issues that really government was never in, that we became deeply embroiled in.

G: And Lee was representative of a larger group?

C: Lee was representative of a kind of intellectual, very--he was sort of a brilliant, young health policy guy. There were very few of those people in 19--now we've got them all over the country. There were damn few of them in 1965. He was not brought in on the birth control issue. The President was very strong in that area. He wouldn't give the Indians wheat--we'll get to that--without birth control programs, and he was strong on family planning in the United States. I remember negotiating with Wilbur Mills on either some changes in the welfare program or in connection with a kind of cap on spending. We tried to devise a cap on spending at one point--that ought to be one of your topics--cutting out the worst, [as] part of the tax surcharge bill. But I remember a discussion in the Oval Office with Mills in which Mills exploded about the fact that the welfare program paid more money for each child you had and [he] wanted to end that--either have one payment regardless of how many children you had or after the second child you didn't get any more--and the President talking about family planning and how we had to get into that in a much more aggressive way. And indeed the cutting edge of family planning, the controversial programs in that area were not in HEW. They were coming out of the Office of Economic Opportunity and there we had a quintessential Catholic in Sarg Shriver running it. I'm sure, although never stated, that was part of why Johnson put him in that job.

We wanted Howe--well, this is sort of half right, this memo. The reality was we had a terrific problem. Frank Keppel was not an administrator. Harold Howe we thought would be. We had two big problems in education. One was the Elementary and Secondary Education Act coming down for the first time, just getting that money out. In its earliest incarnations that law was not--today, the Elementary and Secondary Education Act is a formula. It's just computerized. It's run right off the census. It's per capita poverty and I forget how much. It wasn't quite that clear in those days, one. And two, the way we gathered numbers was not as sophisticated as the way we do it today. So we needed someone who could administer billions, as it turned out. Secondly, and of much more controversy, Title 6 of the Civil Rights Act of 1964 said we cut off funds where schools were discriminating against blacks or were segregated. We needed someone to run that program. This was particularly on our mind because by this time, by December of 1965, we had gotten into the fight with Mayor [Richard J.] Daley and there was a hope that Howe would be a little more politically attuned than to pick the city of Chicago as the first place to cut off funds under Title 6. And that's why Howe was put in and Keppel was moved up. Ultimately, legislation was passed making Keppel's job an assistant secretary's job and making the commissioner's job a presidential appointment as well. Both of them requiring confirmation by the Senate, creating an impossible situation that persists to this day of having an assistant secretary for education and a commissioner of education. You really don't need both. But that's why--

G: How did Howe work out in that spot?

C: Howe was pretty good. In the early years in 1966 certainly on all the sensitive stuff we were driving the train and the Justice Department was much more involved than they are

today because all of it involved litigation and Justice had been so deeply into the issues of desegregation.

G: Do you want to move to the legislative program in 1966?

C: Okay.

G: What was the background of this book that you prepared for the President in December 1965?

C: I'm smiling about Operation Trim. I just remember that. But I remember him being taken with it.

In putting together the legislative program I just thought we needed some coherent presentation. We would start with task forces. We'd start with ideas coming in from around the government. This is all during the year that--it was scrunched up in the last few months because I just got there in July and there really hadn't been much done. There was some stuff percolating but not much. Whatever we had from the task forces, any ideas we got from around the government, any ideas we got from anywhere else, I put in a great big, thick book which I would go through--and I'm sure that book is there. I can't remember whether it was a book in 1965; it was certainly a book in the next few years--and I would knock off a lot of the stuff and pick stuff that I thought we ought to pursue. We'd also include in that anything that was in Congress that we hadn't gotten passed that the President sent up.

G: Was there congressional initiative at all in this as well?

C: Well, some of the ideas came from Congress. I mean truth-in-packaging, for example, was an idea of Phil Hart's. He was very much for it and indeed somewhere in my papers I have a very nice note from Phil Hart thanking me for putting it in the President's message.

Yes, senators would come and see me and say--and everybody wants a mention of something in the State of the Union--"I'd like you to mention this bill or mention this program in the State of the Union." Some would get in; some wouldn't. That's another topic, the State of the Union. I mean, that is some topic. In 1965--

G: That would be the 1966--

C: 1966, January of 1966. And I decided I would put together the best of the ideas and go over them with the President along with a proposed set of messages that we'd have. And that was this book.

G: You said in your cover memo that the proposals have the concurrence of the director of BOB [Bureau of the Budget], the appropriate cabinet officers, and the appropriate White House staff members, with few exceptions.

C: I mean, I can't remember which they agreed to. I'm sure I indicated to the President what they didn't agree with. I'm sure [Charles] Schultze was always worried about money. For example, [Robert] Weaver and Bob Wood did not want to go with what we were at this point calling the Demonstration Cities program because they were just starting HUD [Housing and Urban Development] and they thought it was too much to take on a major legislative battle. There were a lot of things like the Transportation Department, I doubt if at this point in time I had, for example, [Henry] Fowler agreeable to the Coast Guard going in.

G: The Coast Guard is not mentioned in here as I recall going through it. At this point.

C: Well, we had a--

G: I wondered about that.

C: Well, we had an argument over that. I don't know whether you want to do that now or--

G: You've described that.

C: All right.

G: But in this early version at least I saw no reference to the--

C: I don't know when we resolved the issue with Fowler. It was close to sending the message up, but there's no doubt in my mind that from the earliest stages the Coast Guard belonged in the Department of Transportation. (Inaudible) One of Fowler's arguments was that it had always been in the Treasury Department. Then I got some researcher and the Bureau of the Budget found out it had once been in Commerce or something. I mean it was really--[I] used that argument against him.

G: Was there any significance to the organization of the different elements of this set of proposals or, for example, placing international matters first?

C: No. No. I would I guess mention a couple of things. One, I was big--and I can't remember whether the President was or not, and he may have put this in my head--on pushing health strongly in the international arena as something for which we could get money. It was so hard to get money for AID [Agency for International Development]. It's remarkable when you think about [it]. Here, wipe out smallpox from the face of the earth by the year 1975 and it was done. I don't know whether we did it by 1975, maybe by 1980. Malaria, yellow fever. There was an element undoubtedly of spreading the Great Society all over the world with Head Start programs for foreign countries, sprucing up Food for Peace. The population problem I'm sure--you'll notice by this time we had made our deal with the Catholic bishops and we were talking about the population problem, not birth control. I'm sure the population stuff came from the President at some point in my discussions with him, I just don't remember where, but he was very strong on

that. International education just fit in with everything else we were doing. I mean this was very much bringing the Great Society to the world. Was it this year when we moved with the--it was later when we moved with the East-West Center in Hawaii?

G: Yes. As you would go through these different programs would he reject some and emphasize [others]?

C: He would reject some and accept others. Let me give you the picture. He's sitting behind his desk at the Ranch, in the office at the Ranch. I don't know whether that's the way it was or not. Are there any pictures of that?

G: Yes.

C: Can you give me a couple of pictures so I can describe that?

G: Okay.

C: And I had a book like a loose-leaf book sort of set like this, okay?

G: Yes.

C: I mean it still won't get on your tape but folded back. And I would just turn page after page and he'd go through it. And I'd take him through every one of these things. Do you have the day? I forget what day it was.

G: December 30 I believe, wasn't it?

C: Was it?

G: I'll get the--twenty-ninth or thirtieth. But the way you depicted that book was folded to resemble an A-frame structure almost.

C: That's exactly what I mean. And then he'd go through it. I may have had it like--when I look at these holes. I don't know whether this is from the actual book I sent him or my

copy of it. But in any case, I would just go page by page, taking him through each one of these items. And he'd say, "Yes, go with this." "Don't go with that."

G: And his decisions were based on legislative feasibility or--?

C: No, we were--I'm sure that was part of his own judgment but whether he wanted it. We didn't really get into--there was inevitably some discussion with senators and congressman who might be deeply interested in some of this stuff. And as I indicated some of them would have suggested some of these proposals. But in terms of a detailed analysis of legislative feasibility, I don't think--let's just take a look here--I don't think I really got started to get into the nuts and bolts of that until after I had met with the President because I notice when I came back I had a meeting with Charlie Schultze and with the legislative people. But I mean he had a lot of instincts about that. And he'd also say, "Call up Senator X. See Senator [Allen] Ellender. Call this guy, ask him what he thinks of this." If I have notes from this day left, I'm sure they were full of--I went back with the need to talk to thirty or forty people off of this briefing who he knew were interested in some piece of this program. And he was to a greater or lesser degree familiar with these, either because I had talked to him about them or because he knew so goddamn much about the government and about every idea that had ever been floated on the Hill or in the Washington that he just was with it.

Operation Trim was the reorganization. I was trying to put some pizzazz, you know tighten, reorganize, invigorate, and modernize. I remember that. I was trying to put some pizzazz in the reorganization programs. The President was not--aside from the Transportation Department, he wasn't consumed with organization issues but he did recognize that we were dramatically changing the federal government with the

substantive programs we were passing and we had to make major changes. I shouldn't say transportation. He was interested in HUD, too. And he was willing to put some capital behind this stuff.

G: Was he sensitive to the charge of creating a larger bureaucracy?

C: Well, we did it all under the statement that we were making a bureaucracy more efficient. And I mean I don't think that was one of the more serious charges we were worried about but we had done HUD. I proposed the Department of Transportation. He was all for it.

G: You also had the Department of Natural Resources which--

C: Which would have made a lot of sense.

G: That looks like essentially the Interior Department.

C: Well, what happened was, as it rolled out [Stewart] Udall basically waged a subterranean war. He agreed to transfer the Bureau of Indian Affairs to HEW which is where it belongs to this day. It's a tragedy for the American Indian it isn't there. And he wanted the water resource planning functions out of HEW. What ultimately happened was that we moved the water resource planning and programming functions out of HEW but he kept the Bureau of Indian Affairs. We never renamed it a department of natural resources. Water Pollution Control Administration which is in HEW. The corps of engineers never gave up any of their authority and it just wasn't worth the battle.

G: When you say he waged a subterranean--?

C: Well, basically I think if you talk to John Gardner, Gardner would say he double-crossed him. I mean they agreed in my office the Interior would transfer. These things take enormous amounts of time compared to what appears to be the immediate return. I mean all these reorganizations, they're terrific for the next administration. They don't really get

you a hell of a lot in your own administration. They agreed in my office sitting around my table that the Water Pollution Control Administration would go from HEW into Interior and the Bureau of Indian Affairs would go from Interior into HEW, and within days it was clear that Udall was not going to keep that agreement. He was saying, "I can't. They're disturbed. The Indians are worried, and they don't like it on the Hill." I think he just probably never had any intention.

G: What would allow him to resist that, would it be--?

C: Well, nobody would want it anyway. The Bureau of Indian Affairs loved it in the Interior Department, okay. They thought they were--there was nobody running them. There were no skills over there to run them. They weren't part of--the Bureau of Indian Affairs is allegedly land management. What had it done? It has basically subjugated the American Indians, kept them on the land. The health part of that stuff is run by the Public Health Service. We provide health care. The things that the Indian population needs--the Indian population is still living on tribal lands--are education, health, job training, all the things that HEW is involved in. They still haven't gotten them. We give them help. I went out there when I was secretary but it's not enough. It just gets bureaucratic. What's in my turf? What do I have control over? The organization plan for HUD was not a legislative thing. The presidential appointment of the ICC [Interstate Commerce Commission] chairman I believe we got. Reorganizing the health services of HEW was to begin to take account of all the programs we'd moved into HEW. We were unable to transfer the Small Business Administration to Commerce. We were unsuccessful in that regard.

G: Why was that?

C: The small business people--I don't even know whether we sent the proposal forward; I can't remember--the small business people were so opposed that it wasn't worth the fight. That's where it belongs. It would be better off if it were there. That reminds me of--while it's on my mind. When we brought in C. R. Smith to succeed Jack Connor as secretary of commerce, Howard Samuels was the undersecretary of commerce at that time. And one day C. R. Smith knocks on my door in the White House and he sticks his head in. He says, "I want to talk to you about something because I know the President will talk to you about it." I said, "Fine." He said, "You know that Commerce Department Building, that's a big building? It's a whole square block." I said, "Yes, I know that." He said, "Well, as big as it is, it isn't big enough for me and Howard Samuels." So he said, "I'm going to tell the President that, and when he calls you and tells you to find him another job, I want you to find him another job." Within ten minutes the President was on the hotline and we moved Howard Samuels over to the Small Business Administration. We gave him a plan for small business which we ought to put on your list of things. And he still screwed it up. In any case, transferring--

G: Was it a problem of him being more closely allied with Jack Connor or simply having--?

C: He just wasn't. He was on his own track.

Transferring Community Relations Service to Justice, we did that. We had announced that I think earlier and we did that.

G: Part of the civil rights reorganization.

C: I think we created the federal, state, local government study. That was a reflection of the fact that we were dramatically changing federal, state, and local relations with all of our programs and we had to look at that. Streamlining the stockpile disposal really was to

enable us to sell stockpiles faster. That's what that was all about. And the President had a strong feeling, partly because of his own investigations when he was a senator, that the stockpiles were built up more to hold the prices of the commodities that were in them than because we needed them as a matter of national security. That view also coincided with our desire to get as much money in as we could to keep the budget deficit down. Expediting sales of surplus realty and include financial returns, that was all directed at the budget. We did--I can't remember how far we went with the civil service system but we did have a major program to change the whole civil service system. We had the concept of the senior executive corps which didn't get enacted until ten or fifteen years later. A single AEC [Atomic Energy Commission] administrator, I think we got that. But then that whole world started to change so dramatically since then. The exchange program. The four-year terms for House members, we did propose and it was stillborn. You probably ought to get the stuff on that and we ought to talk about that.

G: Was that something LBJ was enthusiastic about?

C: Yes, he was, but we clearly couldn't move it. I mean Manny Celler didn't want it. The Senate didn't want a free shot.

G: That's right. It would create more opportunities for congressman to run against incumbent senators.

C: The senators did not want to give House members a free shot, but we couldn't even move it out of the House because Manny Celler didn't want it. But now, today, the fact that's killed it has been the Senate. You might be able to pass it today if you put a provision in it that said if you ran for the Senate you had to resign your House seat. I guess it comes at

a later stage; we had the eighteen-year-old vote. We have public financing of campaigns. That comes later?

G: Yes.

C: Okay.

G: What about electoral college reform?

C: I don't know whether we ever got it passed or not. I can't remember. That was to get away from the idea of having the electors. It's the ancient--it's the academics' desire to clean that little glitch up so you don't have these electors meeting two months later. I don't know whether we did or didn't.

G: Didn't.

C: Okay. Transportation, the new department. The appointment of the ICC chairman. Highway safety. Just look at how--designing new highways-- the kind of stuff we were into. Medical service. I mean helicopter evacuations. Driver education. Vehicle inspection. Safety standards for parts. I mean, we were really down into the intestines of the states with this stuff. When the President did the State of the Union Message and the news stories came in January of 1966 the next day, and auto safety was mentioned in the opening paragraph of virtually every story as one of his proposals, I remember noticing that and I remember him saying, "Every member of Congress noticed that too. We're going to have just an army of people for auto safety so let's get it up there and let's roll it out." That we were going to do as a separate thing. I mean auto safety, Henry Ford--

G: You did go into that.

C: Did we? Okay.

(Interruption)

C: A year later--I just digress--I mean, he gets in the Lincoln a year after we've got this bill in place and they're changing the cars and the dashboard is recessed for the first time. He's bitching about that. He can't find the knobs. I said, "It's the auto safety bill."

The SST [supersonic transport] we never proposed unless I'm mistaken. I'm very puzzled by this and how this got here, because I thought at some point [Robert] McNamara's committee, which I was the executive director of, recommended against it. Maybe we ought to trace the SST.

G: Okay.

C: The merchant marine, this was a dream. The merchant marine was--the Maritime Administration basically operated, was terribly inefficient essentially. Management would agree to whatever labor wanted because they would just come to the government and get a subsidy to pay for it. So there was no incentive to be efficient. It was a disaster. Nicholas Johnson was the head of the Maritime Administration and we ought to deal with that and with his move to the FCC [Federal Communications Commission].

G: And he was unpopular there, is that right?

C: He was incredibly unpopular because he called it as it was and he was certainly not a politician. And we never got a merchant marine program. There were also constant suspicions of mob, racketeering, stuff like that.

Improving the quality of American life, crime was--firearms control. A program for the District, we had dreams of making the District a model city on crime. Bail reform was very important and we did go with that. That two-year total revision of the criminal statutes wasn't completed until about three or four years ago. Narcotics. But the big

crime push didn't come until the following year with the Safe Streets and Crime Control Act.

G: How about organized crime?

C: Well, we had meetings on organized crime. We went after it. I even have a picture I think of a meeting with [J. Edgar] Hoover, and a briefing on organized crime that Katzenbach and Fred Vinson and Hoover gave us. I don't think it occupied a lot of the President's time.

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C: The President's concern about organized crime was focused--drugs was not the big thing it is today. I mean it was big, and as you can see from that legislative program it was focused on the cities, 80 per cent of the drug offenders being in the cities. But we really didn't have it clearly in our sights as the problem it would turn out to be and as bad a problem as it was for minorities. It wasn't then. Heroin wasn't what it is today. The President's concern was focused on the corruption of government by organized crime, the corruption of state and local government. And that's the thing to which he turned Katzenbach and Fred Vinson.

G: Did he have particular locales that he was--?

C: He just was worried about--you know his whole life was the government. Government was a big thing to him, and he was a career public servant, if you will, in its own way. He was just worried about state and local governments being crooked and in turn people losing their faith in government, because we were looking upon government as a tool to do all these things and the integrity of government. We could make mistakes but to be crooked would be terrible and we were also putting all this money into government,

giving it all this power that goes with that kind of money. So that was his interest in organized crime. That's where he was coming from when he met with Hoover or what have you. He was committed by this time publicly to a jury selection legislation. These were picking up the civil rights thing but the big FBI agencies, these were things we needed and would also help with the civil rights groups.

G: Was the FBI sort of blind to civil rights violations?

C: Hoover, that was not high on Hoover's list of crimes to investigate. There weren't many blacks in the FBI at that point in time. I think they probably were--they were not revved on it, but they were no more blind than the rest of the government. It was a situation in which they did what they were told to do like the U.S. marshalls, not one step more. Fair housing was the big piece, was the piece which created the most controversy, and we ought to do a separate thing on fair housing.

G: That really comes later.

C: Well, but we first proposed it here. Incidentally, when we do the State of the Union, give me a copy of it.

G: Okay.

C: We started out calling this bill a demonstration city program. The concept was that we would demonstrate that we could rebuild cities, taking, as you can see, a small number of cities. This is worth a whole session in time. It ultimately became the Model Cities program because demonstration got related to demonstrations on the streets, and even though the title of that bill, if you look in the law, is Demonstration Cities, when he signed the bill we called it Model Cities and nobody's ever called it anything since then.

And you can see we started out with six large, ten medium, and fifty small cities. We ended up with a hell of a lot more.

G: But this is still a lot when you think about the--

C: Well, we started out with the idea of one or two.

G: Oh, really?

C: Yes, that's what we were going to do. In the earliest conversations about this, which I guess I had with Walter Reuther among others, we were talking about one or two or three cities, just take a part of Detroit, take a neighborhood, rebuild it, and show that you can make it a gleaming gem. The rhetoric on this program is tremendous as I recall, sparkling diamonds in the sky or something. Then we gradually--and we ended up with even more. I think we ended up with a hundred fifty when it was all said and done.

G: Was this a legislative consideration that in order to get it passed--?

C: Yes, in order to get it passed we had to have large, medium, and small. And even then--we'll get to that; that, as I said, is worth a whole thing. The guy that carried the water for us in the Senate was [Edmund] Muskie and I don't think there were--we had to get it down to a size where we could at least have some city in Maine that was covered.

G: This seems to have been an effort to focus all of the federal programs in one project, the health, education--

C: The idea was to take a slum, Bedford-Stuyvesant in Brooklyn, and totally rebuild it, everything: transportation, schools, medical care, housing, parks, recreation, everything, streets. And say, "Look, you can do it. You can rebuild the cities of America." It was quite a dream. The unfortunate thing about it--I still to this day think it was a good idea--the unfortunate thing about it is it didn't get passed until the end of 1966. We only got

funding to get planning grants. We were really at the planning grant stage when [Richard] Nixon was elected and [John] Ehrlichman and Nixon and those guys decided to junk the program. So it never got a chance, never got a start. And it was to try and pull all these things together. This gives you a sense, "If D.C. were selected, one out of three families in the slums, 10 per cent of the whole housing supply would be affected; the face of a two square mile area could be changed. By 1972, the living conditions of almost a million people would be raised. Seven to ten program estimate 1.8 billion, very modest." I mean it was probably more like ten billion. "Low cost until fiscal 1969." That's another piece of the model cities thing we ought to get into, how we costed it.

G: You mean started small and--?

C: Yes, to get it passed.

Organization of HUD, not much of this required legislation but we planned to announce it as part of his message on the cities. Improving rural life, this was the beginning of the National Health Service Corps, in which we came up with the idea of providing scholarships to medical students in return for their going to rural areas. The problem (inaudible). The Department of Natural Resources, which we never went with, we did get the California Redwood Park passed. We did get North Cascade in Washington state. I think we got all of the parks eventually. The National Trail System, we got the legislation. This is my copy of this thing, because that's my handwriting. That's interesting. Johnson was very big on this stuff. I mean he was very interested in land and parks and protecting them and preserving them in wilderness areas. I wrote here, "Picnic areas. Planning a national scenic roadway system." He wanted to make sure there were places for people--people could go there. And when you look around the

Ranch and you drive you see those little places to sit, that's him. I mean we took [John] Connally around one day and there were none of those places and he said, "I want--you've got to have places where people can pull over by the side of the road. It's beautiful. Look at all those wildflowers. And have a sandwich and eat and what have you. It's got to be simple and something that will last. And it's got to"--and he get down to it--"it's got to have a place to put the trash." It really was quite extraordinary. This note in my handwriting is obviously him saying, "Make damn sure there are picnic areas there, places where people can go."

G: The note says picnic areas.

C: Yes. Pollution control, we were very conscious of pollution control. Clean Rivers Bill which we passed. I notice here I cross out three selected river basins. He just didn't want to indicate how many we'd go after. That was typical. That enabled us to promise ten guys we'd clean up their river basins in time. It was just a matter of time we'd say. You also notice here the junk auto problem. We had passed highway beautification the year before but Lady Bird was bananas about junk autos. And you know you'd see all those automobiles piled on the side of the road and he wanted us to figure out some way to get us into the business of how you dispose of those things. But pollution was another area in which he was very big. Clean air, the Clean Air Amendments I think we passed in 1965 but water became the big issue in 1966. He was very strong on that. Health, we were already beginning to worry about health care costs. I think in 1968 we had a message that dealt almost entirely with health care costs or a lot but we were beginning to worry about it. This was focused on community health service grants, building new hospital beds because we also had a program--manpower, we doubled the number of doctors. Stop and

think about the fact we passed Medicare; we realized we needed more doctors--graduating 8,000 doctors a year in this country at that point. We wanted to graduate 16,000. We passed a bill, in four years we were up to 16,000 a year. And we never realized that creating more doctors would just create more health care costs. We never really focused on that, that competition didn't work. In any case, this was modernizing our hospital system, getting the medical schools--and the medical schools were resisting all the way.

G: Because it would lower the quality?

C: No, they thought it would create competition and they'd make less money, the doctor would. The AMA [American Medical Association] was resisting all the way. Then we had the whole concept of paramedicals and health professionals, to increase them. Mental retardation. Then on education, this was to build--we wanted to build more schools. We wanted to raise the poverty line so we could--raising the poverty line--the Elementary and Secondary Education Act grants were geared to the poverty level. Raising the poverty line enabled us to get more money out under that. We knew Head Start worked and we were--I don't know if [Project] Follow Through came this year or not. It may not have. It may not have come until the following year. Enriching the existing inadequate kindergarten programs for eighty thousand poor five-year-olds. The object was if Head Start worked--we may instinctively have fallen into something we later empirically found out was right: namely the kids were getting out of Head Start programs and then losing it. So that's what created Follow Through, to put a lot of money in the lower grades. I don't know what this--these, my notes here, "More money" and--I can't read it. But he obviously wanted more money in these program for needy children

which we did I'm sure. The school feeding program, a pilot school breakfast program, is kind of an interesting thing. It's a sense of what was happening in the country and I hope we can find some of this when you go through the files. The kind of hope we were giving some people. A priest came to see me. I think he was from Denver. He fought for days to get in to see me.

G: Really?

C: And finally came in and he said, "I have run a program in Denver in which we give breakfast to poor kids and it has had a tremendous impact on attendance and on the marks and on the discipline and everything else." And as a result of that--and he came in with some stuff and we looked at it. I sent somebody out and it was absolutely right. You know we took a parochial school and a public school. One of them got breakfast and one of them didn't and the school that got breakfast was just tremendous change. That led directly to this program, the pilot school breakfast program, which worked.

Cold War GI Bill was just another way to get more money into education, higher education. The miscellaneous new legislative items, the blackout was related to the power failure; the mutual funds was a guy that was chairman of the SEC named Manny Cohen. Mutual funds were very hot stuff and we moved to regulate them. Authorized domestic showings of USIA [United States Information Agency] films, I don't think we ever got that passed.

G: Why did you want to do that?

C: It must have been Leonard Marks. The Kennedy movie, I'm sure Johnson saw it as a wonderful opportunity to have films about himself as well. Saturday mail delivery, just look at that in the context of today. Provide Saturday mail delivery, over six thousand

communities now without it. Establish a national commission on code zoning, I think we did that. White House Fellows program. Bicentennial Commission, we created the Bicentennial Commission. The unfinished tasks were pieces of legislation that I'd go with that we hadn't been able to pass. The Fair Labor Standards Act, we ultimately passed something there. We did increase the minimum wage. We won that battle. We amended the Unemployment Insurance Act. We extended federal benefits for the second thirteen weeks. 14-B we were never able to get repealed. I forget what 14-B was.

G: Taft-Harltey. That was the right-to-work provision.

C: Yes, it was--Rent Supplement Program we did get passed in 1966. It was wonderful because the key--that ought to be a topic too. Ultimately I found, I don't know who found it for me, an article in the thirties in which [Herbert] Hoover or [Franklin] Roosevelt proposed it. It may have been Hoover. I mean it was really quite extraordinary because we were being attacked as a terrible sort of socialist idea. Teacher Corps we got funds for. Home Rule for D.C., we had lost the--when did the Home Rule Bill come up, in 1965? That's another topic incidentally you should have.

G: Yes.

C: Losing the Home Rule Bill and then our reorganization of the D.C. government because that's very interesting.

Reform the electoral college. Transportation user charges. Truth-in-packaging and truth-in-lending, both of which we passed. Wild Rivers we passed. Pesticide control. I don't know what the (inaudible) agreement was. Then I give him a list of messages. There were more than these that we were going to prepare for him. I forgot about this, the Asian Development Bank. We must have had that done before this

because that was a given and we did set it up. As it turned out we didn't have a message on the quality of American life. I think we had several separate messages.

G: I notice one thing in here was a proposal to move Community Action from OEO [Office of Economic Opportunity] to HUD, do you recall that?

C: Is that in here?

G: Yes.

C: You should have a separate session on poverty and the Community Action Program.

G: Okay.

C: We did try and move it. I'll tell you something interesting about that. When I was--this is not related to Johnson, but when I was secretary of HEW Grace Olivarez who was running what is left of the community action service--I forget what they call it, community relief something [Community Services Administration], about a half-billion-dollar program--came to see me, and said she wanted to be folded into HEW because she had lost total control of--it was completely run by members of Congress. She had no power to resist and it degenerated into just an absolute pork-barrel program. And I said I can't--and [Jimmy] Carter had sent her to see me and I said I just can't take another major controversy. I've got women out there--on Monday they'd be out there with hangars with nail polish on the end on abortion. The next day they'd be out there with roses. I mean it was really--have the disabled occupying--I said I just can't do it. In any case, we ought to talk about all of that. HARYOU-ACT [Harlem Youth Opportunities Unlimited-Associated Community Teams], that's another one.

G: Okay.

(Interruption)

C: After that session--you have to remember that was one session [with the President]. There were lots of budget sessions for which I was down there with Charlie Schultze around this same time at the Ranch. And he'd comment on some of these programs or add more other things during those sessions. I'd come back to Washington and I would go through it with Schultze to get his people both drafting and making sure there was enough in the contingency funds and putting some dollars on this stuff, more serious dollars than I had. Then I'd go through it with [Lawrence] O'Brien and his people, [Mike] Manatos and Henry Wilson, to get their views on the legislative hurdles. And then in a selective way begin the process of talking to the chief congressional people which ultimately led--and we ought to--when I'd send him a message to sign, and these memos must be there, it would say who we'd talked to, what the votes were in the subcommittee, when the bill was going to be introduced. I mean he wanted all that stuff before the message went to Congress, which is part of why we passed so much stuff. By the time the message went up we had commitments to open hearings, and then those charts he had of where legislation stood and how we'd move it along in those leadership breakfasts which we can talk about.

G: Did you get a sense that this approach was more organized than it had been in the past?

C: Yes, and he loved it. I mean he loved this part of it. I got a sense that he had never seen anything like this before at this early stage and he liked it. There were times when he was really happy and he was really happy the day I went through this. You can just feel it. I remember once legislation was up there we were very well-organized. I mean we had that big chart and we knew where it was in committee and you have the [congressional] leadership breakfast and we'd go down every damn bill with the leadership and say,

"Where is this? Can you get [John] McClellan to get this out? Why don't we have this? Why don't we have hearings on this? What's the problem? Let's move it along." I mean it was quite an extraordinary thing in the context of today. It's inconceivable; I'm not sure you could do that today.

G: Okay.

End of Tape 1 of 1 and Interview XXII

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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

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Director for Presidential Libraries

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