

INTERVIEW XXXIX

DATE: December 20, 1988

INTERVIEWEE: JOSEPH A. CALIFANO, JR.

INTERVIEWER: Michael L. Gillette

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

Tape 1 of 1, Side 1

G: Generally, any insights on his attitude towards India?

C: The President, at whatever point he got me involved in the Indian food crisis, it was in the context of a view that we were giving--that everybody in the government wanted to give them food without asking them to do anything, that it was kind of an endless funnel. We keep sending food over there and they wouldn't do anything, and I have strong recollections that there were three things he wanted done. One, to stop the hoarding, and one province *vis-à-vis* another province and treat the country as a country. Two, to improve their whole agricultural situation so they could grow more food themselves. And three, to have them mount an effective population control program. He felt that he kept getting from the government--and by the government I mean [Dean] Rusk and [Orville] Freeman and Gardner [Ackley] and anybody involved, [McGeorge] Bundy--memos and recommendations, [saying] "Just give India the food." People were starving; just give them the food. And he was annoyed that they weren't more aggressive in trying to use this as a lever, and also annoyed that the result was to paint him as a guy that was

Califano -- XXXIX -- 2

insensitive to people who were dying. After going back again and again, he--I'm going to look at my own steno pad here--February 3 [1966], he talked to me and said he wanted me to. . . . (Long pause) I had a meeting at some point with Freeman and Rusk and Rostow and Bundy--I see one here for five o'clock on February 3, but I had one which led into a six o'clock meeting with the President, but I had one before that with that group, which preceded my memo of February 3. (Long pause) Maybe it was that morning or the day before. (Long pause) He asked me to have the meeting because he said that everything else had failed. It was classic Johnson. Bundy had failed; Rusk had failed; Freeman had failed; nobody understood that he wanted to have the Indians do the three things I mentioned. I had the meeting. They had been recommending that we essentially give India all the wheat they needed. I thought I'd put a reasonable compromise together in which we'd give India an allocation of the prior year, as I recall it, whatever we had given them [before] plus two-thirds of the extra amount they wanted on the ground that the United States was two-thirds of the world food supply, and that India would mount a self-help program which covered the three things I mentioned. I sent the President a memo on it and he exploded all over the memo. I read this here, [he wrote] "No, hell, no," but I mean if you look at the original of this you can see the pencil breaking as he was writing.

G: This is February 3?

C: This is February 3, 1966.

G: Did he talk to you about it in person as well, or was the memo the--?

C: I think he did. I have to--let's take a look here. The difficulty in. . . . That morning I talked to him at 9:34, and I talked to him at 11:16. I must have--I met with these people

Califano -- XXXIX -- 3

either after I met with the President or the day before and then I must have talked to them again, but he clearly, because I refer to an earlier conversation that day. The reason I'm hesitant about it is this is the height of the message to Congress season for legislation and a lot of meetings were undoubtedly related to that. But this shows a meeting at 9:34 with [Jack] Valenti and myself and then another meeting with Harry McPherson, [Marvin] Watson and myself.

G: This chronology that I have shows your meeting at 5:30 or 5:50, and this memo at 1:30--

C: No, I met with the President before then because the memo refers to his things he wanted that morning. No, we met again that night with the whole group, but I notice my memo's at 1:30. He called me at 2:31. My hunch is that's probably what he was calling about. He was mightily disturbed, and thought that I had sold out and been too soft on these guys.

G: He wanted you to ask Freeman if he'd lost his mind. In a situation like that would you just ignore that?

C: Of course. I mean, absolutely. I would never have mentioned anything that was on that memo to--

G: So Freeman was perhaps unaware of his reaction to it, do you think, or . . . ?

(Interruption)

C: In any case, this was all in preparation for a meeting with the bipartisan [congressional] leadership and the heads of these committees. I'm not sure it was bipartisan. Let me just look here. Yes, it was. Johnson was also concerned that, I think, Congress would not give him what he wanted. Abe was always tough to get. But basically as a general matter as with everything else he viewed foreign aid as a tool for which we should get

Califano -- XXXIX -- 4

something, or which we should use as leverage, not just food or money or other things that we would give away. He also was suspicious of letters like the kind he got from the head of the [House] Agriculture Committee because basically they wanted to sell the wheat.

G: Kent [Harold] Cooley?

C: Yes, Cooley. I also, I do have another recollection. I know I met--I just don't see it here--that [Averell] Harriman brought the Indian ambassador by on this subject. It's worth running that down because I have--maybe--I'll give you my recollection. Maybe it won't be borne out, but I have a vivid recollection of sitting in one of the gardens outside on the back of the White House on a warm, sunny day. It may have even been a Saturday afternoon, I don't know. [I have a recollection of] Harriman coming by with the Indian ambassador as a sort of private extra making the case, and Johnson giving the Indian ambassador just one hell of a lecture on India's responsibility to put in place an effective birth control program, to stop the hoarding, and to get on with building an effective agricultural economy, and I mean a finger-pointing, tough lecture. That sort of bedazzled Harriman. He kind of just sat there, gaga, I mean gaga out of his mind, just surprised.

G: Did Johnson feel that the people in government had sort of a pro-India bias?

C: Absolutely. Very much so. He thought they had a pro-India bias and he thought they were not getting what we ought to be getting.

G: The documents seem to reflect that he doubted Chester Bowles' reporting of what the situation was like in terms of the reforms that had actually been implemented--

C: He thought Bowles had an enormous pro-India bias. Remember, he was a guy who always thought the secretary of labor would be pro-labor, or commerce would be

Califano -- XXXIX -- 5

pro-business, and he'd always discount for that and on the Indian thing he really thought Bowles . . .

G: But added to this, Johnson seems to have had a rapport with the Ayub Khan, [president of] Pakistan.

C: I just wasn't, you know, whether that was related to his trip to Pakistan and that famous thing or not, I don't know. I really was very narrow--I mean I was involved in trying to forge a compromise that would achieve what he wanted. He just simply didn't trust the others to do that.

G: Was this leverage used to get other developed countries to contribute their share of the food for India also, France, Great Britain?

C: Yes. But he was--I think that was really a side benefit. He wanted other people in the world to do their share, which, when I said we'd give them six and then we'd give them two-thirds of five he said, "No, let's give them two-thirds of ten." But he was really focused on getting India to help itself. That was the real focus of his attention.

G: Were there any commercial interests in the United States involved, such as the people that manufactured fertilizer?

C: You mean that he wanted to help?

G: Right.

C: I'm sure he was aware of all of that, but I did not have a sense that that's what was driving him. I'm sure he was aware of that, just as he was very aware of Cooley's interests in the agriculture and, for the farmers they're just selling this wheat to pay (inaudible) and making money, but I think he was really driven by getting India moving and helping

Califano -- XXXIX -- 6

itself. He always had many reasons why he did anything but I think that was the main reason.

G: Did Vietnam relate to this issue at all?

C: The State Department people, Rusk and others, were concerned that taking too hard a line on this would make us--along with the problems we were beginning to have in Vietnam and the concerns people in the world were expressing about it--would hurt us there, but I think that argument had no impact on the President.

G: Do you remember the meeting then after your memo, that meeting at 5:50 on the third of February?

C: Well, I know I had a meeting in which I changed Freeman's recommendation and changed what Freeman ultimately briefed. I don't have notes of the meeting with the [congressional] leadership. I don't know whether somebody did take notes at that meeting or not.

G: Do you remember being there at that meeting?

C: I don't remember what people were saying. I do remember being there because--I was involved in foreign aid as a legislative matter because it was part of the legislative program. I was involved in everything that went up to the Hill but I was so much more deeply involved in this for a relatively short period of time because of his desire to forge a compromise.

G: *The Vantage Point* indicates that there was, as the newspaper clippings here do, that there was a lot of negative press with regard to LBJ's reluctance to just--

C: Yes, absolutely. There was a lot of negative press, and that was one of the reasons why he--

Califano -- XXXIX -- 7

(Interruption)

C: --lot of negative press and I think that was one of the reasons why he was so annoyed with people. He felt that these guys were leaking--"leaking" is the wrong word--but were not supporting him when reporters were calling them. For example, saying, "I'm recommending that he give more or do more," and that all was being laid on his shoulders and none of these people had enough spine or strength or--

G: Was he talking about people within the cabinet or--

C: Oh, yes. Well, I think he was annoyed with Freeman. I think he was annoyed with the State Department bureaucracy. I doubt that he was annoyed with Rusk. Rusk was so loyal and what have you but, yes, very much so, and I think he thought Bowles was putting stuff out, and he regarded Harriman as an agent of the Indians.

G: Did he?

C: Oh, yes.

G: There's also an indication that the Indians themselves were really launching the campaign in the press.

C: I'm sure they were, yes. I'm sure they were.

G: How did he react to that?

C: He was angry about that, too. And that undoubtedly had some impact on how tough he became. They all just so misread him in terms of trying to get him to do something. But I just remember it--he just wasn't going to give. He was going to get the damned thing turned his way and he was going to get India to do something, that they were going to get this wheat. One of the side lights is, I think when I look in the papers, I have such a vivid recollection of him being interested in the birth control thing and not much public

Califano -- XXXIX -- 8

attention to it except in that message to Congress in March, but probably because the Pope [Paul VI] kept sending him messages on this stuff and he didn't want to--we had so many go-arounds on population control and birth control with the Catholic bishops he just didn't want to get in a fight with them. But he felt strongly about population control, here as well as there.

G: He did appear to use the Pope's interest in this as a way to get the European allies involved to a greater extent in aiding India.

C: Yes. I just wasn't involved in it. I was really focused, on getting these guys turned away from just giving away the store without getting anything for it. And even though I moved them significantly away from where they were, as you can see from that memo, it still wasn't enough for him. I think he also realized that while everyone was big for this before it got to the Hill, when it got to the Hill it wouldn't sail through. No aid bill did.

G: Was there a process of verifying that India was, in fact, able to institute the reforms it was promising?

C: I just can't remember.

G: The story that emerges from these documents is that LBJ became almost an expert himself on rainfall in India and really [how to] control those shipments of wheat, almost ship by ship, to send enough to prevent starvation.

C: Absolutely. All that was directed at getting them to do what he wanted them to do: in the short run, stop the hoarding from provinces that had more than they needed and force them by taking these others right up to the edge, force them not to hoard, which also forced Ghandi, Mrs. [Indira] Ghandi, to be more of a leader, and two, the population control.

Califano -- XXXIX -- 9

G: What do you remember about Mrs. Ghandi's visit to the United States and his meetings with her?

C: I don't remember.

G: He never talked about her or conversations with her?

C: I don't have recollections of it. Well, no, but I do have a sense of his feeling at every stage of the way that he was dealing with people in his own bureaucracy, particularly the State Department and the Agriculture Department, that didn't want to do what he wanted to do and therefore were going to be more on her side and more on India's side than on his side.

G: Was the issue of nuclear nonproliferation related to this at all?

C: Not in my recollection, okay? I do not have a . . .

(Interruption)

G: Okay, I guess the shortage of molybdenum becomes critical in the early 1966.

C: Molybdenum and other metals were in short supply. We got Congress to pass a bill in early 1966 which is all in the papers in which we got authority to release more molybdenum from the stockpiles and [we] released it. Then in the summer of 1966, Ackley sent me a memo saying that American Metals Climax had announced a price increase in molybdenum, that they had enormous profits--or actually it was Jim Dusenberry--and that the Council of Economic Advisers thought that the increase was unjustified. This was on July 8, 1966. The President was at the Ranch. I sent the memo to him with a little note of my own saying I thought we could roll the price back and I thought it was important to do that to demonstrate that we were still in the jawboning business and we cared about this stuff. The levers we had were the stockpile and, if that

Califano -- XXXIX -- 10

wasn't enough, the ability to put on export controls and stop them from exporting the metal.

G: Prohibit by law or administrative regulations?

C: We had the administrative power to slap export controls on. That's July 1966. (Long pause) I sent him a memo at seven thirty that night I cabled it to him, and he called me at 10:31, and as my recollection is, basically said go. We talked about what we could do and we talked about the council issuing a statement. The following day Gardner Ackley did issue a statement, saying there was no justification whatsoever for the increase. I guess I sent the--probably sent the statement (inaudible) David Ginsburg. I must have gone--actually I went to Spring Lake, New Jersey, to see my parents, or my children, that Saturday, and David Ginsburg sent the statement down to the President for Ackley to issue. The President okayed that. We issued the statement and at some point, let me see if I can find out where. . . . (Long pause) And we looked at all possible levers, I mean, I came back to Washington. We looked at antitrust, we looked at the government purchasing of molybdenum, and on July 12, I sent the President a memo outlining the levers we had. We could lift the duty on importing molybdenum. We could dump stuff from the stockpile. We could slap export controls on molybdenum, and we thought we could, if we did those things, we could break the price. Same time on the twelfth, the president of AMAX [American Metals Climax] and Arthur Dean indicated they wanted to come in the next day at ten-thirty in the morning to meet with Ackley. The President at some point told me to attend that meeting. That was a good news meeting on the thirteenth. By noon that day--we met at ten-thirty. By noon I sent the President a memo

Califano -- XXXIX -- 11

saying that they were rescinding their price increase. I sent the President the memo saying we should roll this story out, and he okayed that.

G: Any recollections of the meeting with the American Metal--?

C: Well, it was a good meeting. I just recollect that unlike most meetings of this kind, it was a good meeting in the sense that they came in with a press release they were going to put out. They were rescinding the price increase. I think they knew we had them. Their profits were high; they'd been a little greedy, and we had the power to roll them back. With the combination of the three things I mentioned, we could roll back the price. We did it, and we would have rolled them back if we had to, because we felt it was important to demonstrate that we were still in the jawboning business. We were fighting inflation every way we could. The pressures with the war spending were increasing so, whether Arthur Dean understood it or whatever, they knew we'd roll them back.

G: There was also some exploration or possible use of Bonneville Power Administration.

C: Well, as a purchaser, not having them buy molybdenum, but it wasn't enough involved to affect the price.

G: (Long pause) You have a note here that indicates LBJ might want to announce a further [William] Paley committee to help with the whole mining industry--

C: Well, this was one of the things that Dean and the American Metals Climax people, who also mined copper and other metals, said to us in the meeting was that they thought, as had been done in World War II, maybe we really should take a look at all the problems of raw materials and mining. And Paley had done that during World War II for President [Harry] Truman or [Franklin] Roosevelt, and maybe we should do something like that and have a more coherent way of dealing with this problem. We did not do that.

Califano -- XXXIX -- 12

(Long pause) One of the reasons I'm glad we have this, let me just mention one other thing. In May of 1966 the *New York Times* carried a front page story by Ed Dale which said, "The Johnson Administration stopped trying to roll back individual price increases. The unannounced modification policy was confirmed today by authoritative sources." That story was totally wrong, and we, from that moment on, were looking for the chance to roll somebody back and make it clear that that was wrong and we got our chance with molybdenum.

G: The metal industry argued that while other prices, food prices, *et cetera*, were increasing that the metal producers were being singled out for rollbacks.

C: No. We just had more leverage. We had the stockpiles and we had a variety of other controls, which just gave us more leverage.

G: To what extent did you have to get congressional approval to release the stockpiles? You mentioned at the outset that the authority of Congress was contained. Was this necessary in each instance?

C: The President had to make findings under the law. We wanted--and we did get the law changed to give him a little more flexibility. I can't remember. There were two stockpile laws. One was much tougher than the other and then we wanted to loosen things up so that he'd have more authority.

(Long pause) But it's an interesting example of a situation in which there is, if you will, an incorrect report in the press, and we were on the lookout, and as soon as--whoever stuck their head up where we clearly had the power to roll it back would have been rolled back.

G: Okay.

Califano -- XXXIX -- 13

End of Tape 1 and Interview XXXIX

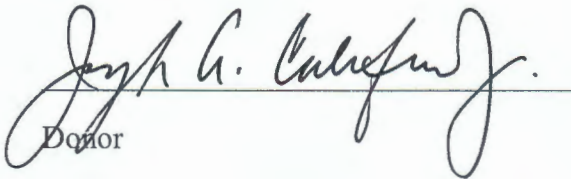
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
LYNDON B. JOHNSON PRESIDENTIAL LIBRARY

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

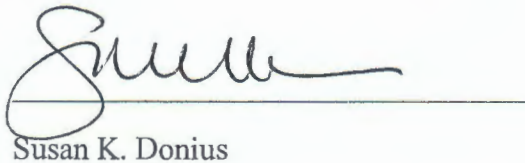
Joseph A. Califano

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)


Donor

5-28-19
Dated


Susan K. Donius

July 17, 2019
Dated

Director for Presidential Libraries