**INTERVIEW LIV** 

DATE: September 11, 1989

INTERVIEWEE: JOSEPH A. CALIFANO, JR., with comments by Marcel Bryar

INTERVIEWER: Michael L. Gillette

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

Tape 1 of 2, Side 1

G: Do you recall the extent to which the traffic safety legislation was caught up in the move to create a Department of Transportation?

C: I knew the President wanted a major transportation program, and I knew he wanted to do something about getting the federal government organized properly for transportation, create the department, and other things. I don't have a present recollection of him talking to me about auto safety as part of that.

In any case, when I looked at what we had in transportation, it became clear to me that the department, or as I said in this memo to him of September 22, a summary organization, was appropriate, that a major highway safety program would be a big thing. At this stage highway safety and auto safety were essentially the same thing. You have to understand that. We didn't think of it as a highway bill, as to how you construct highways and make the curves and grades better and stuff like that, and an automobile safety bill, as to what you do with the auto; it was all one ball of wax. So when we said highway safety that's what we were talking about, and some kind of deregulation. Deregulation was

related to making trucking more competitive, making the airlines more competitive, what have you.

Johnson loved it, as you can see. He wrote, "Hurray." I don't know how many memos he wrote, "hurray" on. I think that's the only one he ever wrote, "hurray" on that I wrote.

- G: This was a memo from you to the President--
- C: It was a memo from me to the President, September 22, 1965, telling him what we were planning on doing in transportation, [what we were] trying to get [Alan] Boyd and [John] Connor to do.
- G: Do you think that his reaction was a reflection of doing something innovative that wouldn't cost the taxpayers much money, or simply--?
- C: Well, I think it was that, but I think it was also doing things he knew had to be done. I know he was worried about transportation. I know he saw transportation as something we had to get organized to deal with the future. I do have very distinct recollections of that. Where he got that from, I don't know. And I think he probably saw the auto safety and traffic safety bill as one of a piece.

(Interruption)

(Long pause) [It was] in July--actually before I got to the White House--that

Connor told the President that he was working to put together a voluntarily program with
the auto industry. This is a wonderful paragraph because it sets a little bit of the tone we
got from Commerce during this thing. I quote, "As you know, the subject of safe
automobiles is a very sensitive matter to the manufacturers. We do not intend to

publicize our efforts until we have developed a cooperative program or failed in our attempt to do so."

I had a transportation meeting as I had on all the other subjects, and as I reported in that memo to the President, I found out what was going on was not very imaginative. And that resulted in my memo to the President on which he wrote, "Hurray," and that, in turn, resulted in my sending Alan Boyd a memo telling him to develop proposals relating to reorganization and the highway safety.

- G: Now Boyd was still under Connor?
- C: Boyd was still the undersecretary of commerce for transportation.
- G: Did this create a problem for him?
- C: Boyd wanted the Department of Transportation, and on that score, I think remarkably, I don't think Jack Connor ever disagreed with that. I don't remember any bureaucratic fights with Connor over the Department of Transportation. Have we done that yet?
- G: Yes.
- C: We have. Then we had this OMB [Office of Management and Budget] or Budget
  Bureau, this bureaucratic thing about how to get ready for highway safety. I guess it must
  have been becoming an issue. But we were not, as I recall, inclined to do anything
  administrative that would in any way--once we got into this and saw, one, how many
  people it touched. It wasn't just the fifty thousand people that were killed; it was the
  millions that were injured, which meant that every man, woman and child, every person,
  every voter, every constituent in America had a friend or a relative or knew somebody
  that had been either killed or crippled in an automobile accident, or seriously injured.
  And that was the thing that made us know we would touch everybody with this.

(Long pause) Then we have all this bureaucratic stuff about how they're going to organize. William Randolph Hearst [Jr.] was chairman, I guess, of the President's Committee on Traffic Safety, and the Hearst papers had made a big issue of traffic safety over the years.

- G: Did it favor a more voluntary approach?
- C: Well, they favored a more voluntary approach, but nobody had really--we're in September here--we really hadn't focused on a serious, hard, tough bill, setting standards. This was really virgin ground. I don't know whether we ever had the meeting about who does what on this bureaucratic stuff, do you?
- G: No. Well, was it then Ralph Nader's testimony in November that--?
- C: Ralph Nader's book [*Unsafe at Any Speed*] came out in November. He didn't testify in November, did he? I think it was his book that came out in November.
- G: --that caused the issue to become . . .
- C: (Long pause) I don't know when--what's the date of my "hurray" memo? September 22.

  So I guess what must have happened is when Art Okun and Gardner [Ackley]--yes.

  Gardner sent me a memo that indicated that the Commerce Department was just not serving up anything worth a damn and was thinking very small except for the Department of Transportation possibility. And off of that I must have had a meeting--no, off of that I must have gotten disturbed enough, checked on what was going on, found out it was lousy, and that's when I sent the President the memo in September to go with an imaginative transportation program. Then I had that meeting.

But from the moment the President gave me that shot, we were in another world. We had the stuff from the Budget Bureau, and that led to just off of that sending out this memo which set tasks and dates for Boyd.

(Interruption)

You can see how weak the Commerce Department was thinking when you look at Boyd's memo of November 2, 1965, to establish the highway safety program. It's [saying], "Have a new government facility to look at accidents, public education,"--nothing--and the most powerful piece of it was in 1970. 1970! This is 1965--"Give the secretary of commerce stand-by authority to enforce safety performance standards if an industry voluntary program was unsuccessful." This against a world in which fifty thousand Americans die and almost two million are seriously injured every year. I do remember that just striking me as not even in the real world.

- G: Was Nader's book a factor as far as you were concerned personally?
- C: Well, all of this is happening pre-Nader's book. At this point in time, the answer is no.

  When did Nader's book come out?
- G: November--
- C: --thirty; wasn't it the end of the month? November 30. This is all pre-Nader; it's clear we're not in the right world. What Nader's book, and perhaps even more important, the front-page cover the *New York Times* gave it, did in November was just say, "We"--the guys who were trying to do something--"were absolutely right."
- G: In your own case though, it was the statistics on traffic fatalities and injuries that seemed to move you into this new direction, is that right?

C: Yes. It was the basic need. We had the need; there was a terrible need here. [There was] a sense that we couldn't rely on the auto industry to do much about it. That there was a role for government to represent the car buyer was part of the terrible tilt of the world against the individual. How could he deal with General Motors or Ford or Chrysler?

That's what was driving me, plus the fact that once the President wrote, "Hurray," you've got to understand what that does to a young aide. This is 1964 [1965], so I'm just thirty-three. I was just thirty-three. It was incredible. I was kind of giving him a big traffic safety program.

Then you have the Commerce people saying, "We don't have enough people that understand safety and what it's all about, and therefore we have to spend millions to get them in place and get the surgeon general." We're saying basically the guys in the auto industry, they've got to be worried about safety. There are people out there.

This is all the Department of Transportation. I do not think we talked to them early on about auto safety. I think most of our conversations on the Hill were with people about the Department of Transportation, because that's what we were worried about. See, there's still data and information research and program expansion and health fund stuff. Nobody in--Boyd didn't; we're into December now. We're still not focused on some mandatory set of standards.

Then Ford comes in. Rod Markley, who was Ford's lobbyist in Washington, comes in with a non-program program, which [said] we would provide leadership but we wouldn't provide any standards or have any teeth in it. Here's where my three million--I thought that was right.

(Interruption)

Eleven billion dollars in property damage, three million people.

What I'm trying to look for here is--okay. Even when I'm briefing the President on Christmas Eve basically, we're still not--or just before New Year's--we're still not in the briefing materials talking about setting the standards. No, I'm sorry; we are. I'm sorry. We are. This says, "Develop safety standards for vehicles and parts, tires, headlights sold in interstate commerce." So at some point before I went to the Ranch--and what I can't recall is when and how it happened--but at some point we had decided in the White House, at least I had and [Lawrence] Levinson had, that we were going to have safety standards. What puzzled me was there's a memo here from Charlie Zwick which doesn't really include that. And the President loved it; he liked highway safety. He liked it a lot more after the State of the Union Message, but he liked it even before.

- G: How did he react to it? Do you recall what he said specifically?
- C: Obviously, on January 7 I'm sending him a memo saying, "As a result of our conversation at the Ranch, I understand that it is all right for me to indicate that he would [be] your choice as the public chairman." Certainly this is [William Randolph] Ray Hearst. "To recommend this course of action would guarantee passage of the highway safety package on the Hill. It would be most helpful to me if I could so indicate to him at the luncheon. In talking to him, I told him you had asked me to discuss the highway safety program on a completely confidential basis since it would not be sent to Congress for a couple of weeks, even though it would probably be mentioned in the State of the Union Message."

  Obviously he told me to call Hearst and get him aboard.

(Long pause) Okay. Then comes the State of the Union on January 12 [1966] in which Johnson says that he's going to propose a highway safety act to seek an end to this mounting tragedy. Are these in my folder on the State of the Union stuff, these stories?

- B: I'll check.
- C: Because they're important stories. This is the [Washington] Post, I guess: "There with an agenda rivaling the original Great Society program in scope, President Johnson last night laid before Congress a staggering work load for 1966."

In any case, highway safety got picked up in every story as one of the major measures, even though it was kind of a throw-in in the State of the Union. It had separate stories written about it, and that was it. I do remember pointing that out and Johnson saying at some point, "Every politician, everybody on the Hill saw that, too." Then we knew we were--it became from an adjunct to the Transportation Department program or part of it; it became a major, major piece of legislation.

(Long pause) Then Lee White's memo of January 25 saying to the President we've got to have a greatly stepped-up federal highway safety program. Connor then rushing out, knowing what's happening, urging the auto manufacturers to move fast before the government moves in on them. Then the President starts to get into this with his message to the Trial Lawyers Association, "We must stop the slaughter on our highways." And the Trial Lawyers having this conference--God, I do remember that--the greatest unsolved murder mystery of our times: death on the highway. And they come out full blast for our program, and the auto industry is looking for money.

(Long pause) And [Abraham] Ribicoff became a major player.

G: Was [Robert] McNamara's input ever received during this--?

- C: You know, it's interesting. I don't think--[reading LBJ's comments on memo] "Why, oh why?" (Laughter) I hadn't seen that. I'm starting to understand it now. When did we actually send the message up? February--
- B: March 2, 1966.
- C: (Long pause) On February 14 we had the package ready to go and I send the President this memo saying we're set to go. The President had slowed down sending it, slowed down sending it until every piece was in place. Then he writes this marvelous note:

  "Why, oh why, not wait until next week? Congress will be back. I won't protest this anymore, but candidly, I think it very foolish," underlining "very." Needless to say, we didn't send the message up the next day.

Also in the attached list of--this is also an illustration of something Johnson already wanted. He wanted a head count on the comments of all the congressional people interested in the message or in the bill and where they'd vote and how they'd stand.

Needless to say, after how difficult it was to get guys to come in on a bill they'd never seen, but just off an oral description. But we did pretty well. And I don't remember why he soured on [Vance] Hartke, but he came to conclude that Hartke was corrupt. In this memo where we say, "Hartke claims he'll have to see the program, ask questions," blah, blah, Johnson circles Hartke's name and says, "Let's don't ask him anymore on anything." This is all in back of my memo of February 14, 1966.

- G: There was a leak at this point, too, apparently of the draft.
- C: Which we couldn't ever run down.
- G: Do you have any thoughts?

No. We're talking to a lot of people and the thing is getting spread out. And we're also.... And basically Connor [was] not wanting us to endorse the tire safety standards that[Warren] Magnuson had in his bill.

The *Times* ran the story indicating we were now looking at mandatory standards, and that set off the President. It also set off Henry Ford [II], who wanted to come in and talk to him about highway safety on February 17. I must have seen Ford that same day, too. Is that the day I saw Ford?

- G: And [John] Bugas? [The] eighteenth is my note.
- C: Is it Bugas or Ford?
- B: Bugas.
- G: That's right. Mark William [?] Bugas.
- C: I saw them twice though didn't I? I saw them before they testified too. No? Maybe not; we'll see. Maybe that was it; that was an incredible meeting.

What time did the President see Ford on the seventeenth?

- B: 11:40 a.m.
- C: 11:40?
- B: Yes, to 12:30.
- C: Okay. He brought me into that meeting. I see on the sixteenth of February I met with what we had come to call the Tire and Safety Bill with Connor, Boyd, [Charles] Schultze, and Hughes [?]. I don't know if others were there. But Connor was very much opposed to standards right away, and he was very much opposed to any penalties for auto companies not complying. I don't think he ever agreed to it; I think we ultimately just overruled him, just said that was the President's decision.

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(Interruption)

G: We were talking about tire safety.

C: Well, we had an issue with Connor over standards, putting them into place right away or giving the auto--we had an issue with them over penalties, and we had an issue with them over tire safety. I guess my recollection is that on all three he lost; we put penalties in the bill, we had immediate standards, and we endorsed Magnuson's tire safety bill.

G: Were there politics within the industry over tire safety? Were some of the manufacturers in favor of it and others not?

C: I don't have a recollection of that.

Ford came in to see the President, and I do remember the President calling me down to his office to talk to me, to have me talk to Ford about the Highway Safety Bill.

But I don't--

Ford was opposed to any--well, in my memo to get the President prepared for the meeting with Ford, I alerted him to what I thought Ford would go after, which was what the industry was mostly focused on, which was the setting the standards and not letting industry voluntarily set the standards, let the federal government do it and pre-empting state standards. You have to understand that while the President is going through all these meetings, we're getting tremendous cheers on the Hill from the Congress saying, "Go, go, go." And we're also looking at Ribicoff on the other end of the spectrum saying, "Be tougher, be tougher, be tougher." The President met with him on what date?

G: The seventeenth, I believe. Yes, February 17.

Tape 1 of 2, Side 2

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Tape 2 of 2, Side 1

C: I met with Henry Ford. I guess what happened was that when I met with the President, the President talked to Ford in generalities, had Ford come back to my office with me. I must have met with Henry Ford because I'm sending him [LBJ] a memo the day after his meeting with Ford or the night of his meeting with Ford telling him what I thought Ford thought. I had two meetings with the Ford people, with Markely. And maybe this was the one, but one [time], they came in and said they were going to fight our bill, they were going to fight having the secretary have mandatory standards, and they were going to fight penalties. I said that they would be blown out of the water; that, if anything, our bill was going to be regarded as too soft up there. At a later day, either at that meeting or another meeting, they literally gave me Bugas' testimony. Bugas as I recall was an ex-FBI agent working for Ford. Bugas' testimony did that and I told him he'd be hung out there, that they had no idea what the sentiment was like on the Hill.

Then on the seventeenth we have the last remaining issue, whether the states should be required with a 10 per cent penalty clause to develop highway safety programs, [or] whether the state should merely be encouraged to do so.

- G: This is on the highway--
- C: Yes, this is my memo of February 17. I assume he agreed with that, but I can't--
- G: Well, that was--
- C: This memo here.
- G: I don't have that. I think that was something that Congress added, didn't it, rather than the administration?

C: We proposed it. I wondered how the President reacted to my memo recommending--my memo of February 17, 8:30 p.m.

(Interruption)

- G: Now how about the President's reaction to your discussion with Bugas? (Interruption)
- C: On February 18 he said--I asked him, he answered in a confusing way. He said he did not want the 10 per cent penalty clause. Okay? So you're right.
- G: But his response to your discussion with Bugas and Markley.
- C: I have no recollection of a response. All I said to him in the memo was they have no problems with our bill.

(Interruption)

Bugas came by with his testimony. Do we have when Ford testified?

- B: You've got an April 4 meeting with John Bugas [inaudible].
- C: That's it. I think all I just said was, "So be it." Because there wouldn't have been hearings then. They handed me Bugas' testimony and that's when he said, "You shouldn't give them a chance to change their testimony."
- G: Bugas testified April 26, right.
- C: Is that when he testified? And when did I meet with him? The twenty-fourth?
- B: No, the fourth.
- C: The fourth of April?
- B: With Bugas and Markley, yes, the fourth of April, 1966.
- C: Okay. Did I meet with them later than that? He may have testified twice. I thought he testified pretty soon after I--

- B: You met with Markley on May 5.
- C: Let's not get hung up on that. We're just there trying to sell all these crazy proposals.
- G: Any recollections of how these two bills were separated and became a highway safety bill and a traffic safety [bill] rather than being one package? Was it a question of committee jurisdiction, do you think?
- C: Yes, it was, committee jurisdiction, I'm sure. I don't have a present recollection, but you're absolutely right, because highway safety went to the [Senate] Public Works Committee, and automobile safety went to Magnuson and the Commerce Committee.
  We wanted automobile safety in the Commerce Committee because we had a very strong consumer--

(Interruption)

Yes, let's stop here because this is when Maggie [Magnuson] and Horner [?] got involved.

End of Tape 2 of 2 and Interview LIV

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Joseph A. Califano

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

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5-0

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Susan K. Donius

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