

INTERVIEW LIX

DATE: January 16, 1990

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

INTERVIEWER: Michael L. Gillette

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

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G: Do you want to start generally with a discussion of the President's attitude toward this type of development?

C: Well, you'll recall in January of 1966 in the State of the Union Message he took a shot at [John] Lindsay and the transit strike in New York, indicating that he would propose some kind of legislation with respect to public employees. Nothing ever came of that because we really weren't able to craft anything that would go anywhere on the Hill or would make any sense. But the railroads created a serious national security issue because they were, in [Robert] McNamara's view, critical to moving troops and supplies and what have you in connection with the Vietnam War. The possibility of a railroad strike got everybody rechurning on whether there should be some kind of general emergency disputes legislation. In late 1966, and as part of the President's program in January 1967 and indeed, if my recollection is right, although it's not here, there was a task force. Some group looked at emergency disputes legislation. The view of the labor people as expressed by [George] Meany was essentially you can have some kind of no

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strike/compulsory arbitration legislation in hard-core defense industries where you can really say if they don't manufacture the bullets, the boys will be out there without ammunition. Even then there ought to be an extended period to promote negotiations--an extended no-strike period to promote negotiations--and that they might accept something like that, but anything beyond that was unacceptable.

[Willard] Wirtz, and I think most of the cabinet, thought that that was not a responsible view and there ought to be a broader kind of no-strike legislation with a broader definition of what was the national security. This was being considered and churned in the context of the State of the Union Message, and I can't remember whether we mentioned anything--do we have the 1967 State of the Union Message?

B: I can get it.

C: Yes, January 1967--whether we mentioned anything or not in that message. We can keep going.

As this was churning, we then got reports that while some of the railroad unions--the clerks and the engineers--had settled, and that others would probably follow along that same pattern, which the unions trumpeted as a 5 per cent settlement and [Gardner] Ackley thought was about 4 per cent, that two big unions, the machinists--Roy Siemiller, who was also our adversary on the airlines--and the electrical workers with Gordon Freeman, would not agree with the sort of 5 per cent figure. And that was the pattern of the prior settlements. At the same time there was no way that the railroad companies could agree to significantly higher settlements or they'd blow apart what they'd already achieved. So we were clearly headed for a strike and the President would have to invoke the Railway Labor Act, which set up I guess a sixty-day no-strike period, during

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which an emergency board would study the situation, make the recommendations. Then there was a thirty-day period after that, during which the parties hopefully would negotiate off of the board's report. I suggested that we set up a board chaired by David Ginsburg and the President agreed to that.

In case we had yet another strike, we were prepared with another board to be chaired by George Reedy, but that strike never took place as I recall.

- G: Was the initial concern more the defense imperatives related from the need to move Vietnam-related equipment, or the economic concern over keeping the wages in line with the government?
- C: Well, it was both of those and the economic concern was broader than just keeping it within the guidelines, because in addition the economic concern was related to the fact that we were in an uncertain economy. We didn't know whether the economy was going too fast or not fast enough. There was concern that any strike of something this basic, this fundamental, to the operation of the economy could tip us into a real problem. I mean Ackley--you have to remember in January 1967 Johnson proposed a tax surtax of 6 per cent in the State of the Union Message but he never sent anything up until the summer because his economic advisers weren't that sure of how the economy was going. And he always had this chronic concern; he used to say he'd been in Washington thirty-five years, "and I've seen every president put on the brakes too fast and I'm not going to do that." So it was both the war and the economic concern, but the economic concern not simply in the amount of the wage settlement. We were worried about the amount of the wage settlement because we were worried that it would set a pattern. It looked like the first big labor matter in 1967. But we were also worried about the economy.

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G: The unions did offer to continue to move the Vietnam supplies even during a strike period. Was this a viable option?

C: I just don't have a recollection of that. Maybe as we get further in here I'll remember more about that.

(Long pause) We then got some settlements, but again, the problem turned out to be the IAM [International Association of Machinists and Aerospace Workers], the electrical workers, the firemen and oilers, the sheet metal workers. But Siemiller was really the most difficult part of it. I then recommended to the President that he set up the board and--it's interesting. And on January 28, the President set up the board. The board has to make recommendations within thirty days. I guess it's thirty days, and then there's a thirty-day period. Okay.

I don't know. Did we mention emergency legislation?

B: I don't see it in here.

C: Nowhere in the State of the Union. Okay. So we did not mention any emergency legislation in the State of the Union. I guess we never sent it up, although it's clear from [John] Robson's memo to me that we worked on this. I don't know whether--"to develop recommendations for emergency dispute legislation, to set up industry councils, and to have special mediation efforts in railway labor cases, Taft-Hartley cases, and cases that seriously affect the national interest, where there'd be a twenty-day no-strike effort."

G: This is Robson's memo to you, February 24?

C: February 24. Point one is reflecting what we agreed to, or tentatively agreed to.

G: In the meeting on the seventeenth.

C: Yes.

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B: I have some notes on the seventeenth.

G: The Ginsburg board report, you say?

C: "Reported to the President on my recommendation." I see he took the report. And I guess we're still in mid-March looking into some kind of broad-based emergency strike proposal along the lines described in Robson's memo of February 24. And we're headed up to the Hill; Robson takes [Wayne] Morse on March 14 through the proposal. And Johnson okays my recommendation, Wirtz starting to brief the Senate Democrats. We stayed away from the House because of problems in the House.

G: [Harley] Staggers?

C: Staggers was one of the problems. He just was not. . . . Then in March the railroad unions rejected the recommendations of the emergency board. By the end of March the President started to get worried about a whole spate of strikes all over the country. I don't know why or what happened. I don't when that copper strike was, but I notice in--here's a March 30 memo to the President at 6:40 a.m.--it's a wonder I'm here today. How old was I? [James] Reynolds had called me--it must be p.m.--"This afternoon reported on three potentially explosive situations." Reynolds had called me to say, one, the Teamster negotiations, which were ongoing, were beginning to come apart and there were indications they would strike on that Saturday--this is Thursday--on Saturday, April 1. New York newspapers were--their negotiations were in bad shape, and they could be striking that very night--Thursday, March 30--and the railroad unions were free to strike on that Friday night.

I guess the railroads then in their own way got some injunction that prevented the railroad strike from taking place from a small union. We got [William] Simkin into the

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Teamster's strike. At the same time this was going on, incidentally, I notice on the calendar--and I do remember it--we were also dealing with old textile labor problems with the J. P. Stevens Company, which was a real union-busting operation. So there was a lot of churning about labor, a lot of churning and a lot of concern. It was troubling. The consensus, the economic consensus, whatever you want to call it, the reasoning together was coming apart in the labor area.

G: Did the fact that the trucking strike was coming at the same time exacerbate the problem with the railroad because these were both shipping--?

C: Well, sure it did. And I think it's fair to say we were prepared--I notice here in this memo we expected the trucking companies to lock out the truckers. We would then invoke Taft-Hartley; it would have been the first time Taft-Hartley was invoked in the wake of a lock-out. But I mean I haven't gotten to it. My recollection is that the Teamster thing settled.

As we neared the deadline date for a railroad strike, which was the middle of April, I see we asked Meany to go up to Siemiller and see if he get Siemiller, the head of the IAM, to agree to some kind of voluntary extension. [Cyrus] Vance then sends on April 8 the memo which would lay the basis for some kind of emergency legislation to block the striking. It just lays out what we need for Vietnam. Vietnam was not enough. When you look at Vance's memo and you see he's talking about Titan, Minuteman, Polaris [missiles] moving around by specialized car, heavy military equipment, it involved much more than Vietnam. So that just would not have been satisfactory.

G: You mean the strike would not have been--

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C: The strike would not have been--the strike, which would still send some ammunition to the West Coast--would not have been satisfactory. And Ackley came in saying it would create all the economic problems, food shortages and what have you.

[Reading] "A psychological study of married women has found that women who enjoy food the most are also better able to enjoy sex."

(Interruption)

C: Now I remember this. We then decided to set up another board.

G: April 12.

C: Johnson's over in Germany. And I asked Judge [Charles H.] Fahy, who was a judge on the court of appeals in the D.C. circuit, as I recall. You better check that.

G: Why was he appointed to head that?

C: I don't know. He had sort of impeccable credentials, but he was so sensitive.

(Interruption)

G: You said he was very sensitive.

C: Fahy was very sensitive when I talked to him about going on the board. I'm just looking to see if I actually met with him.

G: You did, on the thirteenth according to this.

C: But before he went on the board. He thought it was inappropriate to sit on the court of appeals as an active judge and chair this board. Therefore, he decided that he would have to retire immediately before he took the seat on the board, which now I recall is why, when he walked in that room and saw Abe Fortas--

G: What happened?

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C: He was appalled basically, shocked. Very uncomfortable. In any case, we agreed to that--

G: Did he say anything or was it simply his reaction physically?

C: Just physically. I just remember looking at him and I remember--well, we'll get to that meeting I guess. I don't know when that meeting took place, whether it was before they started or after they reported.

Where was Johnson on the--he announced Fahy on what day?

G: On the twelfth of April.

C: He was in Punta del Este [Uruguay]. I see now. He's down in Punta del Este, I'm back in Washington, so he has me. . . . We had asked the House and Senate committee to report out a joint resolution extending the no-strike period for twenty days. Okay? We'll take up the joint resolution tomorrow. I must have talked to them. I issued a statement saying that the President was very pleased at their action. Then we began to work on putting the board together. We got George Taylor and we got John Dunlap and we got Fahy under those conditions.

(Interruption)

(Long pause) Did we send this message up on April 10? Did it ever go?

G: Yes.

C: On the tenth?

G: Right. This is April 24.

(Interruption)

C: (Long pause) Where is Johnson on April 10?

G: I think that's just before he leaves. He leaves then, that evening, for Punta del Este.

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C: Where was [Hubert] Humphrey coming back from that day? Was he in Vietnam?

G: I don't know.

C: All right. I see what happened. Jesus Christ, he went to a fucking baseball game that day. God, it's amazing I survived. One, two, three, four, five, six, seven, eight, nine--nine phone calls that afternoon. I must have been a basket case. I see what happened though.

The President--I sent him the message at two a.m. in the morning on Monday, April 10, to ask Congress to extend, by joint resolution, the no-strike period so we could set up the Fahy board.

G: There was some debate about whether to send the message before he went to Punta del Este, is that right?

C: Well, there was some debate. Fortas and Clifford were worried, as they put, that he was serving the message up or, as I put it to him, on a cold stove. What is missing here is in addition to this message--maybe they have it down in the [LBJ] Library--there is a second enclosure to this memo, mine of April 10, 1967, which is a statement written by Abe Fortas, Clark Clifford, and me, which I had read to Abe Fortas and Clifford. The next day--or that day, since it was two a.m. in the morning--we had a Democratic leadership breakfast, a bipartisan leadership at 10:15, a meeting of the House Commerce Committee and the Senate Labor Committee for 11:15. I made one last pitch to the President as to whether or not he would want to try voluntarily before sending the message up. And Clifford and Fortas both did not want it to go to Congress before he departed for Punta del Este. Did we actually send it on April 10?

G: Yes.

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C: In any case, he sent the message and Congress acted. Staggers, at this and at other meetings, was chilling in terms of--this is a mild-mannered guy, but it was clear that he was not going to do anything the railroad unions didn't want him to do, and he was in their pocket. I notice here a note to Staggers in which Johnson says, "There's been an inquiry as to the background of the joint resolution transmitted to Congress. This would advise you in answer to the question you raised with me at the meeting that a request was made by the Secretary of Labor at my request upon the six craft union representatives to postpone any strike action in this case for a period which would extend beyond the return of the President from the meeting in Punta del Este. This request was strongly and repeatedly pressed; it was denied." So the unions wouldn't even give him that much time.

What did he go to Punta del Este for?

G: Well, that was the conference with the Latin American, Western Hemisphere Leaders Conference.

C: (Long pause) Johnson issued a statement; Congress acted the same day, I guess, and Johnson issued a statement.

And then, "Go to Juanita [Roberts] for your records in the President's archives." I can't do better than this memorandum of April 10, this memo for the record, which Larry Levinson dictated, laying out the meeting with the President in my office. Was this in my office or in the Cabinet Room? I can't remember. April 10.

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C: [*New York*] Times urging us for our-- (Long pause) George Romney chimes in. Somebody writes correctly that nobody wants--okay. All right. Then Johnson, on

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April--I tell you, it's a tragedy we didn't keep more memos like that. April 21. I want to get the first time that Fahy saw--it might have been in a meeting with me. April 21.

On April 21, the President--I suggested that he take the report directly from the three board members. He did, with just McNamara, [Alan] Boyd, Reynolds, Levinson, [and] myself there. And he had to leave for Europe on the twenty-first; he asked the board, and the board worked around the clock with the unions. And the Senate had a hearing on April 24 in which they pressed the unions to take the report. Then this was the meeting at which--it was in my office on Monday, April 24, that night--when Fahy walked in and saw Fortas sitting there around that table and was just really stunned.

I think we've got to pick up from here.

G: Okay. Alright. That's a good place.

End of Tape 1 of 1 and Interview LIX

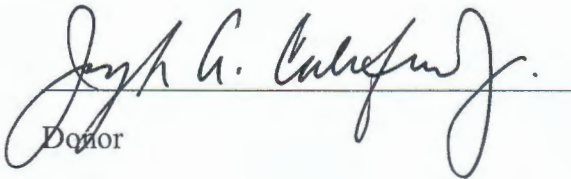
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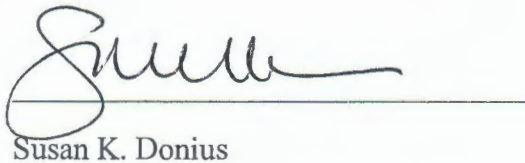
Joseph A. Califano

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

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