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LAWRENCE F. O'BRIEN ORAL HISTORY, INTERVIEW XVII

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ACCESSION NUMBER 92-28

INTERVIEW XVII

DATE: December 17, 1986

INTERVIEWEE: LAWRENCE F. O'BRIEN

INTERVIEWER: Michael L. Gillette

PLACE: Mr. O'Brien's office, New York City

Tape 1 of 2, Side 1

G: Of course [in 1966] you had big majorities: sixty-eight Democrats, thirty-two Republicans in the Senate; two hundred ninety-three Democrats, one hundred forty Republicans in the House. I have a note that early in 1966, the [Senate] Democratic Steering Committee appointed four assistant whips, all liberals, to assist Russell Long. Was this a measure designed to dilute Long's influence?

O: I don't recall it as that. I think it was a move that was accepted by Long, whether with reluctance or not I don't remember. But clearly, it established a team that leaned toward our program strongly and was committed to it. So that would be helpful to us during that year.

G: How supportive was Long during this period?

O: He was reasonably or maybe you could even term it quite supportive. You always evaluate in the context of the part of the country he came from and some of the basic positions that officeholders from Louisiana would hold, whether it was on oil or perhaps some elements of civil rights. But Long was basically supportive.

I don't recall whether it was this year of 1966 or at a later time but Long's loyalty to the party was such that when he was chairman of the Senate Campaign Committee--in a position to be the source of some very significant fund-raising--he made sure that those funds were distributed to senatorial candidates, incumbents or otherwise, on a very fair and equitable basis. I never saw any indications that he would adjust his support on the basis of the senator's position, conservative, moderate, or liberal. He was very evenhanded in that regard and I think that's an example of what you could cite regarding Long legislatively. He was pretty evenhanded and he wasn't disruptive.

G: He replaced Harry Byrd, [Sr.], as chairman of the Finance Committee. How did this change the Finance Committee? Byrd had been there for so long.

O: We would look upon that at that time as potentially a plus. Long could not be described as other than a moderate, and perhaps a conservative. But Byrd was ultraconservative and had posed problems for us as committee chairman in the past. Long taking over would be construed by us at that time as a plus; if significantly so, time would tell.

- G: This was the first one hundred billion dollar plus-budget, I guess, that was submitted to Congress. Was there any pressure to try to reduce it below one hundred billion?
- O: Well, do you mean pressure internally, in the executive branch?
- G: Yes.
- O: [There was an] effort to hold it down, but like every budget exercise it was substantially beyond that figure in its initial stage. There was a lot of paring down but not sufficient to get it below that so-called magic figure.
- G: Yes. You had a tax increase that passed, I guess to help pay for the Vietnam War and perhaps ward off inflation.
- O: Actually, there was an emerging indication of inflation. It posed a problem, but it was the Vietnam War cost that motivated the effort to increase taxes. It was becoming more and more costly all the time. We tried to avoid direct tax increase on individuals by playing the periphery in terms of withholding or postponing some tax consequences and trying to find revenue in some areas that affected the automobile industry and other industries. Interestingly enough, at that point I don't recall a great wave of anti-Vietnam sentiment in the Congress. There was what seems to me now to have been rather a reasonable acceptance of this tax proposal, recognizing that inherently it was due to the escalation of the cost of the war.
- G: I think the Republicans did express some concern that this proposal was not sufficient to deal with the threat of inflation.
- O: Yes. There was expression of that. When you're stating that there was a need for additional revenue, it would be our tendency to point to problems of inflation and try to downplay as best you could the need for additional revenue due to Vietnam. That would be just a matter of strategy. The Republicans did focus on the inflation side.
- G: How did you get the automobile manufacturers to support you on this one?
- O: Joe [Henry] Fowler and others played a significant role in that. I don't recall that I had direct contact with the representatives in the industry. They were put into place through the department. There was quite a good relationship. It was a reasonable understanding that this was not that big a deal. There was a willingness to be helpful, a recognition of the need for additional revenue. Of course we were also escalating corporate tax payments and other things. But that made an impact, having the representatives of the industry who were directly affected by a portion of this proposal step forward and embrace it. That was helpful in lobbying for the bill.
- G: Now, there were several attempts to add amendments--well, in fact Winston Prouty proposed an amendment for extending the social security minimum [payment to those

over] age seventy and also Vance Hartke [offered] an amendment to exempt local telephone service from the excise tax restoration. [Editor's note: Prouty's amendment extended minimum social security payments to people seventy or older who had not been eligible before.]

O: Yes. Prouty seized the opportunity. That was really an opportunity to hang something onto the bill where there was staunch advocacy. The Hartke side of it, to try to be helpful to local telephone services, would indicate this was not an effort he was expending particularly in the national interest but more reflecting the pressures upon him.

G: Were there a lot of telephone interests in Indiana or--?

O: Obviously, there had to be significant interests that brought them to undertake this effort. Hartke made quite an issue of this matter and worked arduously to bring it about. The Hartke amendment was adopted at one stage and then dropped in conference.

G: Any recollections on how it first passed in the Senate and then was defeated in conference?

O: An amendment such as that, with really a single member of the Senate devoting tremendous effort, is a type that is sometimes adopted on courtesy, with every intention of dropping it in conference. This is an example. Hartke could satisfy his constituents while at the same time decrying the result of the conference and be in reasonably good shape.

G: Yes. How about the social security issue? Now, here was something that was essentially a more liberal measure than the one in the administration position.

O: Any improvement or increase in social security benefits was generally difficult to oppose. Of course that's what's happened to the social security program over the years. As originally conceived, it was a program that had stability. You needn't be concerned about its financing. In recent years we've had all this concern expressed. Go back over the history of social security from its inception and look at the myriad of add-ons. Some of those add-ons are almost extending beyond the concept. They've been costly and I guess none of us paid that much attention to the ultimate costs or impact on the system.

But this Prouty amendment would be a valid, generally accepted proposal. On the merits, it isn't quite like some of the other social security amendments. The only point is that any time you were in the position of trying to block increased benefits, you were cast in the role of an ogre. It's pretty hard to quarrel inordinately with Prouty when he wanted to extend it. It didn't belong in this bill, but there again, you seize the opportunity.

The package was enacted in reasonably good shape in terms of the initial proposal, with minimal rancor, which is rather surprising in a tax bill.

G: Should there have been more of a tax increase, though?

- O: Probably so. In this instance, our feeling was there was the need for additional revenue and under the circumstances, inflation and Vietnam, perhaps you could have handled revenue beyond the proposal. But there again, you make your decision on what's doable or what's reasonable.
- G: Was there a fear that perhaps a larger tax increase might have caused Congress to insist on paring back some of the domestic programs?
- O: That's what you would have come to. Whether they would have succeeded or not, that's another thing. But obviously, you would have had far more debate and far greater effort than you have in a proposal of this nature. In any tax proposal, you say, "Okay, you need the additional revenue, but how about expenditures? Have you taken a hard look on the expenditure side to see if we can't achieve some savings and limit the increased taxes?" So that's the way it flows in about every tax bill that I recall. It's far easier to be appealing to Congress to reduce taxes than to increase taxes.
- G: You also had a measure raising the debt limit, the ceiling on it--
- O: When didn't we?
- (Laughter)
- G: --the annual--
- O: That's the annual exercise, we've discussed before. There were two activities you engaged in annually that you didn't look forward to with glee. That was the debt ceiling and foreign aid. The debt ceiling afforded an opportunity for the Republicans to play some games and cause you difficulties and embarrassments. But you did not overreact to all of that. You had to go through this exercise, which was generally prolonged, and roll calls on the debt ceiling increase were always very tenuous. But in the final analysis, there was going to be a debt ceiling increase. It was inevitable that that would be the end result, so you understood that. But you still had to go through the exercise, and it was not a pleasant one.
- G: I have a note that only one Republican, Joe Martin, voted with you on that measure.
- O: I don't recall that. I don't recall Joe Martin['s vote]. He's the only one that voted--?
- G: Voted with you, with the administration.
- O: I don't know why Joe Martin voted with us. But if you'll look at the roll calls on debt ceiling, you would find Republican support minimal, almost nonexistent. This was part of the inevitability. What prompted Joe in that instance, I don't know.

- G: You also lost a number of Democrats on this, too, perhaps ninety-three, ninety-four Democrats--
- O: Yes. You would find a number of Democrats off the reservation, if you go back over roll calls over the years. It was understood pretty much by us. This is one where several of those would be available if needed, but they'd like to take a walk and establish a record. Our feeling was, "Be our guest, as long as we get the job done." We wouldn't get overly exercised about a significant fall-off on our side on a debt ceiling vote.
- G: Was there any correlation between how safe a representative's district was and--?
- O: If you analyze the votes you'd find yes, because if a Democrat felt the need to get this vote on the record for balance, that was politically justified on the basis of the make-up of his district and his problems in re-election.
- G: Was there any regional pattern?
- O: I don't recall that.
- G: Did liberals tend to vote with you more than conservatives?
- O: Probably, but there again, I don't think it had anything to do with region. It certainly didn't have anything to do with a person's political philosophy. This is one of those votes on the moderate or conservative side that give him an element of balance, which was a free shot for him. No harm was done; the debt ceiling was raised and the White House was understanding.
- G: Now, you also had a bill that suspended the investment tax credit, again, another measure to combat inflationary pressure and reduce interest rates.
- O: Well, the motivation was the specter of inflation; this was an attempt to contain [it]. That was the motivating factor throughout.
- G: This also had a rider in the Senate that exempted the proposed NFL-AFL football merger from the antitrust laws. Now, tell me about that one.
- O: I think the commissioner of the NFL would be better to give you the answers. (Laughter) The NFL enjoyed an excellent relationship with the Congress. Some of it was, however, on the basis of NFL expansion--where the NFL might locate in the future and the constant quest on the part of some members for a franchise location in their state. This was particularly significant on the Senate side but it applied to both sides. Over the course of time, expansion was effectively played off against legislation, to the benefit of the NFL. This was an internal matter in the Congress. The league operated directly with the Congress. They could pick their spots and they effectively utilized this leverage that they had.

G: Do you think perhaps--?

O: There wouldn't be the New Orleans Saints today if there hadn't been congressional activity.

G: Do you think they were holding out some of these franchises in order to get the legislation passed or was it--?

O: It was a matter of trying to avoid decisions on franchises, because if you had a half a dozen to a dozen possible sites and that involved ten or twelve states, you were in a pretty good position. It ultimately got to a decision that involved Hale Boggs as the majority leader [of the House] and Senator Russell Long and others, where that vote was not going to be taken unless the NFL made a favorable decision regarding the New Orleans franchise application. But the vote was held back until the decision was assured.

G: Did the White House get involved in things like that or did you just sit on the sidelines and--?

O: It would be difficult for the White House--for me, personally--to try to convince Hale Boggs or Russell Long in a matter involving the NFL, if overridingly their interest was securing a franchise in New Orleans. The NFL did not succeed in getting legislation passed in the last couple of years but came close to it. There were inordinate efforts on behalf of the NFL in the Senate by senators who are hopeful that their states will secure an NFL expansion franchise. It's unique. It isn't part of White House lobbying on legislation.

G: Besides Louisiana, were there other states that--?

O: Yes, there were. They exist to this day. I think one that comes to mind is Arizona--Phoenix--and I think if you look at the recent record in the Senate over the last couple of years, you'll find great interest in NFL legislation on the part of the senators from Arizona. I don't recall the last expansion of the NFL but there's always the potential for further expansion. That expansion can be extremely meaningful to these people, as much as anything else I can think of.

G: Do you think that the motivation from the senators' point of view was that this was something to boost the economy of their state or was it a way to help an important constituent?

O: Your approach would be that it's a boost to the economy of the state. It's a reaction to public interest, which has been fanned by media. There is an aroused public, the story of pride and great interest in sports. The owners would not be the overriding issue. In some cases you might have two, three or four applicants for the same franchise. The argument would be, "This is helpful to the economy of my state." The overriding aspect would be the interest of the public. That all adds up to a spotlight on your activities and your effort.

- G: Okay. Business interests opposed this suspending the investment tax credit. It seems that there had been some opposition from business to enacting the tax credit to begin with, and now they wanted to retain it. Did this represent an increased understanding of how the measure--?
- O: Well, I don't know whether it's the same interests in both cases, the same people, you see--
- G: Oh, I see.
- O: --because while business interests generally expressed opposition, there were those in the business community who were willing to accept this as long as it was on a temporary basis in "the national interest." That was about what it amounted to. There wasn't an overriding, across-the-board, business support on this, for obvious reasons.
- G: An amendment was accepted to continue the 7 per cent tax credit on air and water pollution control.
- O: Yes, that was beginning to surface. The understanding of the problem of air and water pollution was beginning to be a matter of discussion. It grew tremendously in later years, but that was really one of the first examples of an expression of concern.
- G: Did the White House play in a role in this?
- O: I think our position was if we could accomplish the basic objective, a little jiggling here and there would not be overly harmful.
- G: There was also an amendment to exempt railway passenger and freight cars from this. This seems to be a special interest.
- O: Yes, that's really what it was. Interestingly, there could have been a myriad of special interest efforts in this area but that one seemed to surface.
- G: Okay. Another bill where you had even more extraneous amendments was the foreign investors law that was set up to provide a more equitable tax treatment of foreign investments in the United States.
- O: Yes. Before we get on to that, it's worth noting that, again, you have an example in investment credit of accepting an amendment by one body and then having it dropped in conference. Advocates can make a decent record for themselves in a special-interest situation. You've made the record and then it's dropped in conference. You're in reasonably good shape with your constituents.
- G: Were the conference committee votes generally not made public or--?

- O: Often you had agreements that were verbalized or by show of hands. You didn't have the spotlight on the conference.
- G: Excuse me. As long as we're on this, as a rule during this period, did the conference committees reflect the prevailing opinion of each body on a particular issue? Were they usually representative?
- O: Generally, the majority of the House and Senate membership of a conference would reflect the administration view. You would have a goodly number of staunch advocates and supporters of the administration. So the compromises in conference would, as a rule, give the administration a partial success or complete success. You look to a conference as improving your situation rather than further reducing your position. If you got the bill to conference and resolved the House and Senate versions, in that process you generally came out with a better bill than you had at least in one of the bodies at the outset.
- G: Did you usually have some input into the selection of conference committee members?
- O: The selection of conference committee members followed a pattern; it followed seniority on the respective committees. You had in the leaders of the conference, House and Senate, supporters. Otherwise the bill wouldn't be there, because they had supported the legislation on the floor. They would be activists in the conference and would therefore provide leadership. That added up to a reasonably good situation for us.
- There were times [when there was] an impasse in conferences where we would be in communication with members of the conference regarding compromise. Not clandestinely, but on a confidential basis, [we would receive] information as [to] the progress in the conference and what was entailed in the negotiations. We would be aware of it; [it] would be brought to our attention, or through our own processes we would be aware of it on a timely basis. You would have recesses and adjournments in conferences so that we could negotiate with our friends. So we were very much a part of the conference.
- G: Did you ever fear the conference committee making modifications that would cause the legislation to have to go back for a vote?
- O: You always feared that, and you could have an impasse in conference, a failure to agree. More often, you would have the long delays in conference. At no time during the process were you devoid of support in the conference. But you could run into great difficulties, and obviously there were times that occurred. That was part of the process. But once you're in conference, you're reasonably confident that you're going to come out with something acceptable from your perspective.
- G: The conference committee members were named by the leadership in each house?
- O: In reality, by the chairmen and ranking minority members of the committees.

- O: There would be majority-minority representation. Occasionally one or two less senior people would be on the conference, but the key members of the conference would be key members of the committee, key in the legislation. You would have a strong voice.
- G: Okay. Let's look at the foreign investors law. This bill acquired the name "the Christmas tree bill" because of all the tax gifts to various lobbying groups.
- O: Yes. This gave an opportunity to decorate the tree. I recall this provided an occasion for Senator Long to get his presidential financing bill, the dollar check-off, which we all felt very strongly about. It was Russell Long's initiative anyway. That probably was as controversial as any amendment.
- G: Tell me your own thoughts on that measure.
- O: I felt strongly about it. I had felt for a long time that the process of financing campaigns not be confined to the presidency but to federal office and cried out for a procedure that would eliminate the influence of the fat cats. I oversimplified my advocacy by saying we have one man, one vote and we add to that one dollar and you'll have the democratic process in place as it should be.

Tape 1 of 1, Side 2

- G: [You were saying that] this was a matter you discussed often and at inordinate length.
- O: Inordinate length, back to the Kennedy days, and Russell Long became wedded to this concept. He was almost alone for a long time in his advocacy. The period that we're discussing I assume must have been the period--I hope I'm correct on this--when I received a call from the President in Boston where I was scheduled to speak at a function. I believe the President was on a trip outside the country.

The call came in and they reached me at the hotel. Somehow he had learned that a vote on the dollar check-off was in the offing momentarily. The result of the conversation was that I canceled my speech and immediately came back to Washington to the Hill. I have to conclude as I recall all this that this must have been the occasion when Russell Long made his attempt on the dollar check-off as an amendment on this bill because that was 1966. I was then postmaster general [but] I still had this responsibility legislatively.

The dollar check-off was going to be simple, and was ultimately, at some point, compromised in two significant areas. One--and I was party to it--it was compromised with Ev Dirksen so that you had an option--to go to federal financing or private-sector financing. That was the Republican compromise. Then it was further compromised by the AFL-CIO, who insisted that COPE continue its fund-raising procedures as it had in the past. And in order to achieve that, it was further compromised that the long-established business entities could have the same exemption. Nevertheless, the very enactment of it, I

thought, was the beginning of a process that would have a fantastic impact on presidential elections. Hopefully, although the Congress would not consider it although we advocated it, it would ultimately affect House and Senate elections, in other words, the federal level. Thus, the voluntary check-off on an individual's income tax return evolved.

I remember the first year they boxed the check-off; it came toward the end of the tax return or somewhere in the return. Then it was changed to the front of the return on the first page. There was an excellent public response, to a degree where there were millions and millions of dollars in the coffers of the election committee. A procedure was established as to distribution. There was provision for third parties. The desired result of this dream many of us shared has not been realized, due particularly to the advent of PACs. I must say that's one of the great disappointments in terms of my political involvement.

But anyway, back to Long. I have never forgotten leaving Boston and canceling a dinner to get to the Hill to be engaged in this effort on the part of Long, the dollar check-off.

G: What was LBJ's position on this?

O: Strongly supportive. And that's why that day I refer to impacted on him tremendously and impacted on me.

G: Is this unusual, given the fact that he seems to have garnered so much more money than [Barry] Goldwater did in 1964?

O: If you look at elections over the years, you would find that invariably Republicans raised significantly more money in a presidential election than Democrats. But as far as I was concerned, and I think as far as the President was concerned, that was beside the point because he had not suffered financially in the 1964 election. But if you're talking about the process, it would be hard for anybody looking at this in the public interest not to conclude that this was the best hope to improve the election process. The inclusion of the fat cat contributor in invitations to White House functions, becoming a member of the President's Club, having sessions once in a while with the President in the White House, gave them an edge over everyone else. It was nauseating to me, but it was part of the process. And I truly believed that the dollar check-off would eliminate that.

G: Were you yourself involved in the President's Club and--?

O: No.

G: Okay. There was also an individual retirement program that was proposed which the administration opposed, allowing a self-employed person to set up a retirement fund. Do you recall this initiative?

O: There were so many proposals in this bill, so many special interest angles. What you tried to do is just keep focusing on the basic proposal and hope that you could retain a significant portion of it. You sort of ran out of gas in terms of trying to keep abreast of every special interest amendment that was being tossed around, particularly as I recall, on the Senate side. The end result was basically the adoption of most of the original proposal.

G: Why do you think that all of these different lobbyists hit upon this particular measure?

O: I don't know how many thousands of Americans lived and worked overseas, but I'm talking about the individuals now. The bankers, the corporations, everybody was on top of this thing, screaming and hollering. But then there was a strong element of individual interest, and there were some very significant tax breaks--and they continued on after this bill--that I suppose initially were in the law because it was considered somewhat of a sacrifice to work overseas. But meanwhile, there were any number of people overseas who were paying limited taxes or getting all kinds of fringe benefits that weren't available to others.

This stirred it up, because suddenly with this advocacy you were encroaching upon the preserves of not only the banks and the corporations who had achieved great tax advantage in foreign investment, but individual Americans by the thousands had certain privileges. This caused a great deal of controversy. You had advocates all over the Congress trying to take care of these significant special interest groups. At the same time, most of these people wanted the record to show that they had voted for the legislation in the final analysis. They wanted [to have] their cake and eat it, which is not unusual. In this instance a lot of special privilege advocacy emerged that we didn't perceive, at least to the degree that it occurred.

Beyond all that, you had Russell Long's amendment.

G: Well, there was apparently also a fear that foreigners who held deposits in banks in this country if the law were changed would withdraw their funds.

O: Yes, there was that argument. That's the argument you'd make if you were trying to preserve the benefits of some special interest group. You have to come up with a position that seems to have merit. That was the argument, there would be a mass exodus of monies held here by foreigners.

G: Were there any other interest groups that you can identify that were attempting to--?

O: You did have these major special interest groups, along with individuals who were working or in business overseas. I think that was somewhat a surprise factor which underscored the benefits they enjoyed.

Then there was an effort, right to the end, to kill Long's campaign proposal. There

was a renewal of the Republican-southern Democratic coalition. Their argument was that this would enhance the opportunity for third parties or fourth parties.

G: Well, has it or will it do so in the future, do you think?

O: It was advocated by Long. Secondly, the staunch supporter in conference of the proposal was Wilbur Mills. So while you say this is a liberal view of the election process, here you had a couple of moderates who were in the forefront.

G: This measure passed the House under a closed rule, as did a lot of other measures during this session. Let me ask you to explain what a closed rule was and why they were used in this situation.

O: The record will show that Wilbur Mills insisted on closed rules. A closed rule means it's not subject to amendment. It's up or down. Wilbur, would be very sensitive to head counts. He would go to the Rules Committee when he was assured our head count clearly showed this legislation would pass. Then he'd go for the closed rule. Wilbur's contention was that legislation emanating from the Ways and Means Committee was intricate, subject to amendments and disruptions. He was not going to allow it to become a matter of amendment on the floor. He would prefer to wait rather than to get involved in something like that. So in the Ways and Means Committee you had the Wilbur Mills closed rule procedure.

G: Was that the only committee that tended to--?

O: No, there were others at times. But certainly you're far better off if you can get a closed rule than an open rule if you're going to the floor.

G: And that's just a question of the Rules Committee granting a rule?

O: The Rules Committee granting the rule, yes.

G: Did your office become involved in these questions at all?

O: Sure.

G: Did you? Give me an example.

O: An example would be any bill that came out of the Ways and Means Committee. We would discuss it with the leadership, and the leadership would discuss it with the members of the Rules Committee. We would discuss it with members of the Rules Committee. We were very much involved. And when Mills went to the Rules Committee, you can be sure that it was a fait accompli. I haven't followed the process. But it was not unusual to have a closed rule in those days. This was before the so-called reform of the House. Seniority prevailed; committee chairmen had great power, and the Ways and Means Committee was

one of the two major committees in the House of Representatives. The Appropriations Committee was the other.

G: Okay, you had an unsuccessful civil rights bill in 1966. Let me ask you to discuss that.

O: We ran into a barrage on that. It was unsuccessful and it probably was our greatest setback in that session. I think, after our great civil rights success, we assumed the door was wide open. And we were hit with a fire storm from the outset on the Republican side, and as time went on, the opposition broadened.

G: You had large majorities in the House and the Senate. Why was this measure defeated when, for example, the 1965 Voting Rights Act had passed?

O: You're talking about housing. You're really talking about real estate interests. You're talking about an awful lot at stake in terms of financial interests. It sort of extended beyond basic civil rights. It brought in another dimension. There were any number of opponents of this proposal that perhaps were not necessarily motivated because they were anti-civil rights. As they saw it, this legislation was an incursion by the federal government into an area in which they didn't feel the federal government belonged. You had people like [Charles] Mathias trying to come up with creative amendments that might help resolve the problem.

There were other stakes, and they surfaced. They had support from the anti-civil rights people who still had a significant base in the Congress. Now you have this combination of circumstances.

G: How critical was Dirksen's opposition?

O: I don't know as I'd term it critical but it was significant.

G: Yes. What did the administration do to try to win Dirksen over?

O: The President became personally involved in trying to win Dirksen over. He tried mightily to change Dirksen's position and failed. It's important to note that Senator Dirksen did not think about it over a period of time and conclude that he would not support it. He made a point of announcing his opposition right at the outset. He took his position publicly, perhaps because he envisioned that there'd be efforts down the road and he wasn't going to wait to debate it.

G: Were you involved in any of the--?

O: Direct negotiations?

G: --negotiations?

- O: It reached the point where it became Lyndon Johnson-Ev Dirksen. You're talking about the Dirksen side?
- G: Yes.
- O: I had preliminary discussions with Dirksen and it was clear that Dirksen was not amenable to negotiations. Now, he was--
- G: Was it because of real estate--?
- O: While Ev Dirksen could move with civil rights, and did, at this point you'd have to conclude that there were other elements of opposition that were important to Dirksen. While we were able to invoke cloture, make history, not too long before all this, we found we couldn't get it done [now].
- G: Yes. Well, one thing in the House measure, here you had a combination of liberals and southern Democrats defeating efforts to weaken the bill--southern Democrats presumably because they felt like they could generate more opposition to a strong bill than they could a weak bill later on.
- O: This isn't really that different if you go back over the history of the civil rights legislative struggle. You had liberals who came close to derailing the whole procedure in the House in the Judiciary Committee. Their opposition [was] based on what they perceived to be the weakness of what the administration was prepared to accept. We've gone through all of that--how far we had to reach in order to get a reasonable bill out of the House Judiciary Committee in the first instance. Now you have the same forces. We have a replay to some extent. We have this added dimension that you're dealing with housing; you're dealing with real estate. In a cloture vote in the Senate, you found, I guess, a dozen senators who had voted for cloture in the civil rights struggle, but who voted against cloture in 1966. And I must say it was a surprise to us.
- G: Do you think the administration was as committed to this bill as it had been to the 1964 and 1965 bills?
- O: Yes, I do. All of us involved in this from the President on down felt this was a natural extension of civil rights legislation. This was an important step to flesh out civil rights legislation. It's hard now even to structure why we weren't able to prevail and accomplish the same thing as we had in the first place.

You have to go back to Dirksen. That his opposition was the single element is probably an exaggeration because you see all of this House activity, too. But Dirksen was reflecting the disarray in the House and the cloture vote in the Senate. There was an additional element beyond basic civil rights that added enough to the mix to foul up the waters.

G: The other provisions of the bill were barring racial discrimination in jury selection, empowering the attorney general to initiate desegregation suits, and protecting civil rights workers, as well as a floor amendment to make it a crime to travel in interstate commerce with the intent of inciting a riot, something that was later enacted I guess in 1968. Any reflections on these other provisions?

O: Other than to say that when you take the provisions as a whole and look at the entire package, we probably should have anticipated controversy to a greater extent than we did at the outset.

G: Well, were some of these provisions added as a result of the violence against civil rights workers in the South?

O: Sure. This wasn't going down easy for some people who had still refused to cave in this area.

G: What was the effect of the Watts riot on this legislation then?

O: It became a topic of considerable discussion on the Hill.

G: Did it?

O: It was seized upon by the opposition to try to muddy the waters.

G: What did they say about it?

(Interruption)

We were talking about the effect of the Watts riot on the civil rights discussions, informal discussions in 1966.

O: It had a tendency to revive some of the old arguments and open some of the sores of people who still were committed to containing civil rights even though they had failed to stop enactment.

To what degree it impacted on the ultimate failure of the legislation, I don't know. Probably not to a great degree because those people who would make an issue of Watts were in their traditional positions in any event. So I don't think it increased opposition. There were other elements introduced that were not elements that we had to cope with a couple of years earlier, and that went to housing.

G: Yes. Did you ever meet with LBJ on this legislation and talk to him?

O: Oh, yes.

G: Any recollections on this?

O: Yes, he was very troubled because of his commitment, his advocacy. And I think he was troubled also because he, as the rest of us, had not envisioned this. He was particularly frustrated that he was unable to move Ev Dirksen.

G: Did he in any way retaliate against Dirksen or punish him for his opposition?

O: No, I don't recall that he did.

G: Okay. You had Food for Peace.

O: Well, this took on some of the elements of foreign aid.

G: This was both an agricultural support program and a foreign aid program, wasn't it?

O: Yes. It was rather a neat package.

G: Let me ask you to discuss your allies here in the Congress and your opponents.

O: You'd have to start on the House side and say that Chairman Cooley was at least willing to work with us to get a reasonable bill out. Harold Cooley was very conservative. In our head counts over the years on Great Society legislation, Cooley would not be an advocate. In this instance we had to depend on Cooley. And he got into adjusting the time frame of the legislation. He had some of his own amendments. I guess as a result of Cooley's activities, it became a two-year program rather than a five-year program, and there were other limitations that he imposed. But once the bill came out of committee and it went to the House, it was overwhelmingly supported.

The strongest opposition was, I think, Al Quie's talking about the extended payment time. As he put it, it extended so far into the future that he could envision the new generation canceling the payments and he thought that the time frame should be severely limited. But that's about as close as you got to a major opposition.

G: Okay, there was a ban on sales to countries which sold goods to North Vietnam and Cuba. Do you recall this amendment?

O: No.

G: The emergency aid for India?

O: Well, that was not a very difficult proposition either because you had widespread drought in India and strong bipartisan support that there should be some assistance rendered.

G: Did the administration use this program to exact some reforms from Indira Gandhi's

government, do you recall?

O: I don't recall. That was outside my province if that did occur.

G: You also had the [creation of the Department of Transportation].

Tape 2 of 2, Side 1

G: --consolidation, we find fragmentation. Do you think that this was a serious problem in the mid-sixties?

O: Yes, I really do. I think this was a major effort to at least attack a problem. It was a segmented situation: for example, putting [the] Maritime [Administration] into the package and having the [House] Maritime [Merchant Marine] and Fisheries Committee coming out with a bill that was in opposition or conflict to ours. They got to a rule on it and it didn't get beyond that. But the Maritime Administration became a major debating point on the bill.

G: Well, let me ask you to trace this pressure to keep the Maritime Administration separate from [the Department of Transportation].

O: The lobbying effort seemed to focus on the maritime aspect. The Maritime Commission and those who enjoyed positions of power or influence on the commission were a pretty significant group. But the Committee was not one of the most prestigious committees on the Hill and tended to husband its authority.

The members of that committee became involved with the cast of characters in the industry. The creation of this department incorporating Maritime would significantly reduce the authority and prestige that existed and would affect the impact of the industry's lobbyists on an agency of government.

They became very, very exercised about all this and carried on a vigorous fight. As often happened in a legislative proposal, opposition would coalesce. In this instance, it seemed to focus on this aspect.

G: There were also efforts to establish a highway administration, a railroad administration, an aviation administration.

O: Yes.

G: Any reflection on those?

O: This was, again, of an attempt to preserve power.

G: Did this weaken the position of the secretary of transportation, do you think?

- O: Clearly there were some limitations imposed on the secretary by virtue of this enactment that we would have preferred not to have seen. But there again, you had a reasonable bill. You had achieved your objective of creating a department. If there were unwanted limitations, you proceed nevertheless. You can always look to the future to take corrective measures. Chet Holifield, who managed the bill on the floor in the House, summed it up saying that the secretary would have a meaningful kit of tools and could operate.
- G: Did the administration engage in any special lobbying to bring the Maritime Administration into the new department?
- O: Yes, we made an effort out of my office. We even tried to make some contacts through the unions. But the maritime unions were not amenable to AFL-CIO efforts in this area.
- G: Is that right?
- O: Let's face it, they succeeded: they were able to retain the Maritime Commission. You go back to the history of that commission and industry, and you can envision who wields the power in the industry.
- G: Okay. You also had a major victory in terms of the minimum wage expansion. Do you recall that, increasing it in stages to \$1.60 and extending the coverage to additional employees?
- O: Well, I reflect back on a prior battle on minimum wage. The \$1.25 base went back a few years and was a difficult struggle that resulted in a one-vote loss in the House and a partial recovery ultimately in conference. There were exceptions in that bill at that time and of course the wage level was below what we had advocated.

In 1966 you're going to see if you can't improve the situation. It turned out to be a very difficult, prolonged struggle involving employers, the unions, the Congress. We had to battle this, and you had a close, daily working relationship with labor. It was basically a joint effort: our lobbying effort with the Congress and labor's was carried on jointly. I remember discussions I had with George Meany. He was very much involved. And this is a classic struggle. You could have a throwback to early labor legislation in the New Deal that rekindled long-time animosities. It's hard to believe in this day and age that you could have that kind of difficulty in bringing about what would be considered a relatively modest minimum wage increase.

I remember the first go around in the Kennedy period where I said, "Okay, we're going to eliminate the laundry workers, and we'll agree to that." This compromising went on and I guess I didn't realize the intense opposition to minimum wage legislation that was inherent. And here we go again in a better climate, widespread approval in this Congress of the Great Society programs, and yet you find you're in a hard fight.

- G: Was there any effort to include farm workers in this?
- O: There was discussion about it. More than just a passing reference.
- G: I noticed that the Senate committee held its discussions of the House-passed measure in executive sessions entirely. Why was that?
- O: That was to fend off the army of corridor lobbyists. I think that's another example of just how heated this was, that they felt they just couldn't function except in executive session.
- G: Okay. That year you also passed the demonstration cities or model cities program. Let me ask you to discuss that.
- O: We were attempting to meld existing programs at various levels--federal level, local, city level. The objective of the President was to rebuild entire urban areas. It was a concept that was far-reaching but it was an integral part of his Great Society program. The underwriting of this program would be overridingly the role of the federal government, but local participation would require financial contribution to these programs.
- G: There was a new towns plan that was dropped by the Senate committee that had been proposed. Do you remember that?
- O: That was a concept that, as broadly gauged as this proposal was, extended to another dimension and it was cut off. It's interesting, incidentally, in the final vote on that bill to see that there were three senators in opposition and they were senators from Delaware, Wyoming, and New Hampshire. (Laughter) This program wasn't really going to impact them [?]. (Laughter)
- G: That is true. This demonstration cities concept was a way to focus the resources of the federal government on a few target areas and to really bring back those areas that had been hit by severe urban decline.
- O: Yes.
- G: Was there a natural tendency after this was set up to spread it out over much larger areas, over more constituencies, over more cities and thereby dilute the impact?
- O: As we went through this, we were focusing on major urban areas on a select basis. But as it evolved over time, I know it was extended beyond those original targets.
- G: Okay. Another measure that you would have been directly involved in would have been the parcel post revisions. We talked a little about the necessity for that last time, but let me ask you to go into the legislative aspects of it.

O: The existing laws on size and weight of parcels were a morass of procedures that inhibited the Post Office Department in performing a service in this area. The cream or profit aspects of parcel service was being controlled by a relative handful of people in the private sector, particularly REA Express. When we tried to revise these packaging procedures, there were great claims on the part of REA and others that this would drive them out of business; this would destroy them, that it was a blow to private enterprise and supported by a strong lobbying effort, with two or three or so members of the House committee completely wedded to REA and to others. A person trying to mail a package was so totally confused because of the crazy-quilt rules and procedures. The net result of it was that the Postal Service was not performing a service in this area that was meaningful. If you didn't adjust the size and weight of these packages, the Postal Service ought to close the door in that area.

There was an amendment that I accepted requiring the post office to employ displaced private carrier workers. I'm sure that I did that with a wink because they'd have to qualify under civil service. That was a nod to the opposition and probably was a little helpful to some members who were under pressure. The President's comment, "a bill that very few people ever really thought would pass" was accurate because I don't believe that for some time there had been any effort to modify the Postal Service in this area. It had been usurped by this private-sector group which felt it was their province, that the postal service had no rights in this area. That's how far it had gone, so we'd have to call this an improvement.

G: What do you think the key to its passage was, though?

O: We took a bill that nobody normally would probably pay a great deal of attention to. I had a particular interest and gave it a strong push and a great effort. I do recall that I became resentful of not only the private-sector role that effectively barred the Post Office Department from performing a service, [but] I became even more resentful because of the arrogance of these people and the position of a handful of members of the Congress in support of these people. I made up my mind that I was going to try to drive a hole in their armor. The President was sufficiently impressed to include it as a significant item in our program.

G: Okay. You expanded the Elementary [and Secondary] Education Act by increasing the authorization for two years.

O: Yes. Well, here we go again. This was opposed by some church groups who refused to accept any legislation that did not provide some benefits to the private school sector. Along with that was the fear of federal encroachment into the operation of schools at the local level. We have to refer to that 1965 act as child-oriented, not school-oriented. That enabled the local districts to allocate funds and skirt the religious issue. And the Congress went beyond the proposal in this instance.

G: This was unusual, really, wasn't it?

O: Yes, it was a surprise to us. And of course the opponents tried to introduce the Vietnam argument, too, the cost factor.

G: Some of the House Democrats tried to come up with a new funding formula that would allocate more funds to the poorer states. Do you recall that?

O: I recall the effort, yes. I think the point of greatest interest in this proposal is the fact that the Congress did go beyond what we envisioned. They not only embraced what we proposed but they decided to broaden it. We found ourselves being presented with a bill to defray the costs of all this that extended beyond what we had in mind and the President was protesting how much they were doing, not how little they were doing. (Laughter)

G: What was Johnson's reaction to this? I mean, here he was, setting himself up as the education president and--

O: The train was going down the tracks without an engineer. (Laughter) He had some reaction to it but I don't recall it being excessively strong. But of course what was bothering him was he didn't know what the price tag was. He could just see down the road, looking for new revenue. That was bothersome because while the administration, the President, and all of us were proclaiming our dedication to education, in the back of our mind was the cost factor. We had structured this so that it was something that we could live with and discharge responsibility to education and show progress in that area. And the Congress was saying, "We're glad you brought it up. We've got some ideas of our own. Here's the package and now you budget the financing." So I guess you call that a mixed blessing.

With the struggles that had ensued in the education field and in that same session [to] have a setback in civil rights, it was a surprise to us to find Congress had become so liberal and progressive.

G: There was in the final measure a compromise which deferred funds up to ninety days for non-compliance with civil rights legislation. Was this a difficult provision to achieve?

O: It was an appropriate provision, an acceptable provision, and I don't recall that was a great debating point. It might have been but I don't recall.

G: Let me ask you about the Higher Education amendments of 1966. Here, this extended the 1963 act and increased aid for construction of college facilities. This again showed elements of Congress acting independently of the President.

O: Yes. I guess you'd term that Congress the Education Congress. Here again, we presented our proposal and the Congress said, "We share your interests and concern and we've got news for you. We think your proposal is too modest and we have some areas where we're going to increase participation and spend additional monies." And that's what happened.

Take the two education bills sort of back to back and you'll find a Congress that was wedded to the proposition, and the administration was also. Somehow, every person was going to have the opportunity for education to the fullest of his or her capacity to absorb it, which was laudable. We were all firm believers.

G: Anything specifically on the give and take here over the funding level?

O: It was a little embarrassing to us who were in the forefront in this area to find ourselves objecting to enhancing our proposal, expanding it. It's pretty hard to put your heart into something like that when you're a firm believer in the ultimate goals. It's pretty hard to sit with a fellow and say, "We have to register objections to increasing the potential cost in this area." Your normal reaction would be, "I'm awfully glad to hear you say that. The more the better." It wasn't a very comfortable position for us to be in.

G: Let me ask you about the auto safety act, which was inspired by Ralph Nader, I guess.

O: Yes. This was the first effort to establish safety standards for the industry. The industry had been able to function on its own without any governmental intervention. Ralph Nader had established a reputation of being a one-man band trying to do something about this and he had been widely applauded except by the auto industry, I would think. As I recall it, I was very much impressed with Ralph Nader, and his ability to direct public attention to auto safety brought the administration to considering this an important element of our program. The result was the Traffic and Auto Safety Act. There had been hearings on auto safety a year earlier, and earlier in 1966, and the climate seemed to be right because real progress had been made in persuading the Congress that there was a dire need in this area, that it was a serious problem that needed governmental attention.

G: Did you work with Nader on this?

O: Yes. Nader and his people were not completely happy with the proposal but they did sign off on it. The proposal obviously represented our best judgment on how well we could move this, how much we could accomplish. It resulted in a sort of an informal partnership, if you will. It didn't take on the dimensions of working with the AFL-CIO on minimum wage but there was communication and rapport. As you anticipate, of course, the industry went right up through the roof.

G: Well, Nader apparently advocated criminal penalties for the--

O: Yes. His desire was to have much stronger language in the proposal. We had a lot of support for this and a good attitude up on the Hill.

G: Did you have any support from the industry at all?

O: I don't recall that we did. Beyond safety standards, what you were doing was breaking new ground. You were saying to major American industry, "You're going to be subjected

to procedures, rules, and regulation imposed by the federal government." They recognized that no matter how modest it might be initially, a precedent was established that was probably irrevocable. They have fought it consistently ever since, and I must say in recent years they have succeeded in rolling back regulations and they've consistently been let off the hook.

There was a lot of arrogance in the industry, too, and it was spelled out by some of the efforts that were made. Industry spokesmen I don't think acquitted themselves particularly well through this because they could not contain their arrogance. But they've lived with it. The industry was not set back because of the standards and procedures. Their economic problems certainly weren't related to the need to make auto transportation safer in this country. So they were not economically adversely impacted.

Tape 2 of 2, Side 2

G: --truth-in-packaging, another consumer measure. This was an effort to guard against deceptive packaging and labeling practices.

O: Yes. Well, this was part of a continuing effort in two areas, truth-in-lending and truth-in-packaging, because in both areas there was a tremendous amount of deception to not have the purchaser of the product or the person requesting a loan know the facts. There was a keen interest in the administration of Kennedy and then Johnson in the two major areas: trying to simplify the lending forms to put the true interest rates of the loan up front and not hidden, and packaging, with the content, the size, the weight and all that, to simplify it so that. . . . The cynics would say, "Why bother? Nobody cares anyway. Most people are not going to take the time or effort. If a person wants a car loan or some other kind of a loan, they want the money and they're not going to be concerned about what the cost factor is and how they repay it. They want a certain package in the grocery store, in the pharmacy or wherever and they're not going to really care."

That's beside the point. Why have major businesses in this country [been] carrying on this widespread deception, not having any interest in voluntarily correcting it? So this is, I think, an appropriate area for governmental involvement. That went to the 1966 truth-in-packaging proposal. That was really an expansion of existing regulations to provide simple, direct, accurate and visible information.

(Interruption)

The final version was a somewhat watered-down version. The lobbyists for the businesses and industries involved had a degree of impact on the Congress. It was in the category of settling for a part of the loaf. It did represent a continuing effort to try to expand what you had established by regulation and keep expanding whenever you could.

(Interruption)

At the end of the second session of the Congress, we prepared a report for the President which summarized the two sessions of the Eighty-Ninth Congress. This report was sent to the President by Joe Califano and me, and we stated that in our view this had been a fabulous and remarkable Congress. We said this is not because of its unprecedented productivity but because what was passed has deep meaning and significance for every man, woman, and child in this country and for future generations. We also pointed out that the second session of the Eighty-Ninth was as productive as the first, which we felt was also an impressive aspect of this summary.

We stated that in the first session, the administration initiated and sponsored eighty-seven major measures. Eighty-four of those measures were passed by the Congress. In the second session, the administration initiated a hundred and thirteen measures. Ninety-seven were passed by the Congress. So the grand total for the Eighty-Ninth Congress was two hundred administration measures advocated, a hundred and eighty-one passed. Nineteen did not pass. So the batting average was .905.

Not to list all of the measures, obviously, but to point to some of the areas of success, there were some sixty of them that we considered landmark and of historic significance. Among those are: Medicare, Elementary and Secondary Education, Higher Education, Voting Rights, Immigration, Social Security increases, and a myriad of bills that impacted upon housing and urban development, health, medical facilities, the war against poverty, the creation of the arts and humanities foundation, Appalachia, highway beautification, air and water pollution, the Department of Transportation in the second session, truth-in-packaging, demonstration cities, funds for rent supplements, Teacher Corps, the Asian [Development] Bank, water pollution legislation, anti-inflation legislation, child safety, narcotics, traffic and highway safety, water pollution control, reorganization, mine safety, health professions training, child nutrition, various other safety legislation including tire safety, protection for savers, [and] the [Cold War] GI Bill. Then we had the very important minimum wage increase in the second session of this Congress, urban mass transit, elementary and higher education funding. That's just sort of a quick summary of the elements of legislation that went to every phase of challenge in terms of social progress in this country and really encompassed all the elements of the Great Society program that President Johnson had presented.

The accomplishment was very close to total. It wasn't going to resolve the ills of the United States or the world totally but it certainly represented historic breakthroughs in areas that were extremely significant to every American and were in many instances a challenge to government over a long period of time. What we failed to pass during that Eighty-Ninth Congress did include the civil rights bill of the second session, repeal of [Section] 14(b) [of the Taft-Hartley Act], which had been something that we had broken our picks on on other occasions in the past. There were some amendments to unemployment insurance that we wanted that we didn't get. D.C. home rule we didn't succeed on. Truth-in-lending remained a matter that we still had to work on in the year ahead. There was some election reform that wasn't enacted. Then there was a gun bill that we did not succeed in bringing about. There were a few others perhaps of somewhat

less importance at that time but it added up to a total of nineteen bills. When you go back and look at two hundred measures in over two years in the two sessions of the Eighty-Ninth Congress, a hundred and eighty-one passed, nineteen that remained unpassed and would in just about every instance continue to challenge us in the future Congress. That is the record of the enactment of the Great Society program.

End of Tape 2 of 2 and Interview XVII