

Welcome. You're listening to a UC Davis Center for Poverty Research Conference podcast. I am the Center's Deputy Director, Marianne Page. In January 2014, the Center hosted the War on Poverty Conference. The Conference hosted the top poverty experts from across the country, to discuss the U.S. Safety Net on the 50 year anniversary anniversary of the war on poverty.

In this presentation, Kent Germany discusses the War on Poverty, the United States budget, and President Lyndon Johnson's economic vision. Germany is an associate professor of history and African American studies at the University of South Carolina, and co-host of For The Record, a PBS interview program on politics and history.

>> The conference that I assume was planned for this date to coincide with the 50th anniversary, so 50 years ago yesterday, Lyndon Johnson in the State of the Union address, declared this unconditional War on Poverty. And I'm sure somewhere among all the bicycles here there was an undergraduate couple that declared their unconditional love for one another.

And poverty, like young love, at some point comes to the realization that it's complicated and that there are many conditions on that. And so what I wanna talk about today are some of the early conditions, that complicated Lyndon Johnson's unconditional approach to poverty. And as I think we know, there were quite a few conditions, both in terms about what poverty was, but also in the politics of the day.

And also in just what kind of time one person as President to deal with this issue of poverty that we always will have with us according to the Bible, at least I think it's in the Bible. The photograph that appear on the top, and I'll come back to this.

Maybe my single favorite photograph explaining the economics of the Kennedy and Johnson administration. You can probably figure out which one is John Kennedy. He was assassinated. By the way there are far more stories on his assassination, than there were on the declaration of the War on Poverty. To his right is Lyndon Johnson who is looking off camera.

But then, right in between the two is a gentleman named Walter Heller. Walter Heller probably needs no introduction to most of the people in the room. He was the chair of the Council of Economic Advisors from 1961 until 1964. And it's his vision, so literally he's looking through his glasses, so it's his vision that's going to connect the Johnson and Kennedy administrations.

And it's that vision that's gonna look right down the middle of the Great Society, right down the middle of the War on Poverty. And it will be his relationship, particularly with the gentleman on the right, Lyndon Johnson, that turns a series of theories, and a series of aspirations, and a series of dreams into programs that will do things for people on the ground.

And will cause people to debate what exactly they did for many years after that. The politics of the period. Are a pretty complicated set of politics. I'm gonna do what historians hate to do and I'm gonna over simplify them. But we do it quite often. And I think it's actually part of our job.

So the, the politics of the 1960s, which we've started out with, are complicated. That's a good political word for saying, there's not enough time to really explain this, to all the people that haven't really looked at this at such a deep level. But I haven't looked at it that deeply.

Go ahead and say in terms of economics, and non-economic historian. So I'm pretending most of what I'm talking about up, up here today, but in the big broad sense the 1960s are situation which I would characterize as the politics of potential. Where the people that are gonna win are the ones that are gonna be able to sell.

That potential that they can cause the United States to make up the gaps that existed. Now a couple of those gaps so if we got the 1960s as a series of gaps. If you go back to dolls characterization in the 1940s this big gap, between the

ideal America and its values and the real America, particularly talking about Jim Crow.

In racial segregation. That's a big gap that's there in the 1960s. There was something to help John Kennedy, defeat Richard Nixon in 1960. This thing called the missile gap. It was a lie. There is a huge gap but it was the United States having a vast number of nuclear warheads compared to the small number that the Soviets had, but nevertheless, politics of potential in saying there's a gap here, we have to make it up.

Walter Heller who I'll be focusing on today had what I'll call the Heller gap and I think this is at the heart of the great society and the War on Poverty. Walter Heller was famous for being able to explain economic issues in terms that just about anybody could understand.

And he talked about the gap between where we are, and where could be. And he's talking specifically about where we, as history, and I've left off the last part of that sentence, because it didn't work as well. Both the reality is what he says is where we could be with full employment.

So what Walter Heller is pushing for is for an economy that is based upon full employment, which was about 3%. Unemployment, nevertheless that's another issue that, that we can discuss at the break. Now Lyndon Johnson would become. In 1963, in 1964, in 1965, the master of the politics of potential.

He's been called the master of the Senate, the architect of American ambition, the flawed giant, the rising star, everybody has a metaphor for Lyndon Johnson, so I'm gonna throw in my own metaphor here. He's the master of the politics of potential. If you think about the idea of potential.

Lyndon Johnson's tapping into something here that is not unique to him but it's something that is clear to Americans and it's clear to how he's projecting himself as a cowboy president, you know. His idea of America is a frontier America, where there's always something else out there. You know, John Kennedy had articulated this as a new frontier, and so what Johnson's doing is building upon this idea that.

There's a gap between what we are, and what we could become, and Lyndon Johnson's gonna anchor his early presidency on that. Now what did Lyndon Johnson want to do? He had a very small ambition. Lyndon Johnson wanted to do three things, well he wanted to do a lot more than that, but I'm gonna break it down to three things.

He wanted, and it's not, it's not hard to figure out how to do it. He wanted to end poverty. He wanted to end racism. And he wanted to end unemployment. So he comes into office after the assassination of John Kennedy, in the time of this cold war. And he's got these three pretty simple tasks that he's gonna lay out ahead of him.

Needless to say Lyndon Johnson was a dreamer and he didn't dream small. He dreamed in Texas colors dreamed in Texas-sized increments. And he wanted to end poverty, and end racism, and end unemployment. He didn't think he could do it tomorrow, but he thought he could set up a structure that would lead to it.

And the economists in his White House projected that maybe by 1966 they would be at this full employment figure. And then everything would be great in the United States. Now, Johnson would articulate his specific vision the Great Society Vision, in a speech in May of 64th University of Michigan.

It's his famous scored society speech. And one of the key things that comes out of that is his emphasis on wealth, and how wealth was not just simply about money. Wealth was not just simply about people creating more wealth. He didn't want to create what he referred to as soulless wealth.

He wanted to create a society where the city of man dealt with the needs of the body and of commerce, but also for the hunger for beauty and community. So this is an American President that is talking about hunger for beauty and community, and he's wrapping it up to say, this wealth that we're generating, the economy's growing at about 5% a year.

This needs to do more than just make more money, it's got to do a lot more. And what he really wanted it to do was

wrap it into the civil rights struggle, wrap it into this big vision of closing many of these gaps, to turn America into this Great Society.

It couldn't just be a good society, it had to become that Great Society. Now the, one of the key issues how do you do this. Johnson didn't think this was a problem you simply think about it you get smart people around you you have all these Harvards that he called them, from the Kennedy administration that were there giving him lots ideas.

and, they helped him and Johnson's going to try to structure this vision of growth. And this growth would be the, the magic beanstalk that would grow, and grow, and grow and it wouldn't just lead up to heaven. It would spread out and take everybody up with it. You know, the common phrases of, a rising tide lifts all boats.

And Johnson's favorite phrase was he wanted to turn tax eaters. Into tax payers. So this was about getting everybody into the mix. This was about getting individuals to contribute. Not a government top down engineered solution, but turning individual people into better consumers, and into better citizens into better voters so that they can make these choices and it would be that competition.

That would lead to the growth that would come about later. Now this gentleman Walter Heller is gonna be a critical person in this mix. And I've got a couple of photographs here to show you of Walter Heller. This is Walter Heller. His parents were German immigrants. Hence the the middle name Wolfgang.

I don't how many economists, there are with Wolfgang in their name but if I'm sure somebody knows a Wolfgang. If not this is Walter Heller. You can't see him very well here. He's holding in his arms, what is almost literally his baby. This is the Economic Report of the President from 1962.

And it is this report that lays out the vision of growth. It lays out the call for the, the politics that would lead to the tax cut. It would be this document here that would structure. It wouldn't, Heller in 1961 is staring between the shoulders of Johnson and Kennedy.

He's got this book in his head and it hasn't quite been written exactly yet. But he puts it out there. So this I think a really good photograph of Walter Heller. And what Walter Heller is going to have to do is compete for space with all of those Harvard's with all of those Pinstonians.

All of those pin stripe folks that Lyndon Johnson. Secretly loathed, or maybe not so secretly loathed but needed and respected many of them. Heller was not a Harvard. He was a midwestern guy. He was currently on leave from the University of Minnesota, and when Lyndon Johnson took office, Walter Heller wanted to get out of town.

He was \$16,000 in debt. Adjusted for inflation, roughly, is about \$150,000 in debt in those three years, to adjust for the cost of living in Washington D.C. compared to Minnesota. He had three children. He had a wife who had suffered from lupus. He'd actually already had his family move back to Minnesota.

So he was on his way out. Lyndon Johnson who refused to sit back and not get what he wanted, put the pressure on Heller to stick around, which he did until November of 1964. So he was there, to provide that stare for Lyndon Johnson. Now if you go and look at some of the photographs of Heller.

And the LBJ Library, and the JFK Library, they have photograph collections of all the stuff taken at the White House. I thought we could play a little game here, and I don't know game theory.

>> That was, that was LBJ saying stop making fun of me.

>> This is the, the game of where's Walter?

Where's Walter Heller? Which, comes off of the Where's Waldo Books. If you know, Waldo wears these red and white striped things. Well, this is Walter Heller over here. This is a cabinet meeting in the Kennedy administration. And so you have all of the big egos sitting at the table.

Interior, Treasury, State, Attorney General, LBJ directly across from the President. And there's Walter Heller sitting in

his traditional position. Right behind the, but if you notice, he's right behind Kennedy, right. It's that stare coming right behind Kennedy. So this is Heller blown up so we can give him more of his due in history.

This is a notable photograph for trying to identify, where's Walter. And one of the things that I've found as I look at these photographs is, Walter Heller sometimes doesn't look like Walter Heller. You know, he has one of these faces that. You know it's not like JFK's where you go okay that's JFK, or you know folks these glasses and hair and depending on the light.

This is what Keller behind the Prime Minister of Britain Harold but no one there on the honey fits, which was the Presidential yacht. And there is Heller. In the background, and so all of these photographs, if you're gonna capture them, they're Walter Heller in the background. Another one, this is the signing-in ceremony that I talked about at the beginning and this is Walter Heller here.

These are the Assistant Secretaries and some of the key appointees in the Kennedy administration just after the inauguration. Jackie has shown up. LBJ has shown up. Lady Bird supposedly is there she's standing behind President Kennedy, so you can see her hand here. This is the Deputy Secretary of Defense.

This is Byron was a white who was in the Justice Department, soon to be up to the Supreme Court. And then there's Walter Howard here, and what's the word in the background. And this is how they're blown up. Making that stare, he's essentially the bulls eye in this moment.

To give you a little context of how important the Council of economic advisors were this is Gardner Ackley's swearing-in ceremony in 1962. again, Walter Heller in the background. The person swearing him in, reading off a piece of paper is the Assistant Executive Clerk to the White House.

>> It's not John Kennedy.

And then that other one. It was the Supreme court Chief Justice that was administering the Oaths of Office. In this case, they give the room. It must, it was just their office with the exposed plumbing, dug into the wall, reading off a sheet of paper. And then when we get to the Johnson White House, where's Walter?

Well, Walter is over here by the flag, behind the president, staring over. And this is him, staring at Lyndon Johnson. And, I do want you to get this sense, here, of Lyndon Johnson leaning in. Cuz I'll talk about one of the metaphors that Walter Heller about the economy.

He didn't want presidents, he really leaned in against the wind, or leaned out against the wind to try to shave off these business cycles. He wanted a president that wouldn't, be. Preoccupied with every little wiggle of the economy. He wanted a president that would look to the future, and create a prolonged, long term growth.

And would use, fiscal policy to do that. And so, Lyndon Johnson here, is leaning in, and if you know Johnson. I'm sure he was wiggling, in his seat. Now, Walter Heller, had, in his bag of tricks, the ability to talk to presidents and the ability to go on television and talk to the American people.

And so, Walter Heller would be recruited by Lyndon Johnson and certainly before that, by the Kennedy administration to go and put forward this vision of the economy to the American people. And so, after the assassination he becomes a point person for the Johnson administration to go out and explain why this tax cut was necessary.

And what I want to do is boil down Johnson's economic vision to a formula. I will go ahead and say that I am not very good at math and I'm in a room full of brilliant economic minds. My children love the idea that I failed Geometry in high school.

so, I am gonna put together what I think's a pretty simple formula for Johnson's economic vision in early 1964, late 1963. And that was \$100 billion minus \$11 billion, equals \$1 billion. It's the new math, right? And, by the way, there is a new math that doesn't make sense, and your kids will have to explain it to you.

That \$100 billion is the budget. John Kennedy had already put forward a budget, that was over a hundred billion dollars. Lyndon Johnson, to get that \$11 billion tax cut, needed to buy off the interest of several politicians but particularly an arch-segregationist, white supremacist senator from Virginia, named Harry Byrd.

Who was the chair of the Senate Finance Committee, who could bottle up the tax bill and never let it out, without a lot of effort. So, Johnson needed Harry Byrd. Harry Byrd was not going to agree to stand down in his opposition to that 11 billion dollar tax cut until he got concessions on expenditures.

And, what Lyndon Johnson did was set the symbolic threshold of 100 billion dollars to keep that budget under 100 billion dollars. This irritated liberals. This irritated Walter Heller. It actually irritated LBJ. He wanted a much bigger budget, but he saw the politics of the situation. And so, what I'll talk about later is part of that process of getting that hundred plus billion dollars down to the upper 90s.

And Lyndon Johnson would do that with the novel concept of cutting defense expenditures and shifting that money over to fight a war on poverty. So, to get that \$1 billion of the initial appropriation for the War on Poverty he was cutting funding for bases, for missiles, for other things.

And so, he's leaning on Secretary of Defense Robert McNamara to squeeze out some money. And, he's also squeezing out money throughout the budget. But, he's making these open appeals. We've got enough defense stuff, let's cut out some of the waste and turn it into things for people, or in Johnson's argument, for grandma.

The \$11 billion part of this, which I'll talk about, later, is the political struggle to get the Senate to agree to this tax cut. And so, Lyndon Johnson had these big visions, he had these big dreams, but it had to be accomplished in small rooms, and on the telephone.

And in putting pressure at the right place, at the right time. And so, at the end of the today's talk, what I will look at is Johnson's effort to turn the tide and turn the opinions of a couple of key senators to support the tax bill. And, to keep it from being knocked off the rails.

So if I can summarize right where we are right at this point, of how Lyndon Johnson's gonna go from the post-assassination period. To declaring a war on poverty, to declaring this great society to actually building the great society through legislation. Here is the formula again. One hundred billion dollars minus eleven equals one billion.

So what Johnson needed to do to make this happen was first, he needed to get this budget down under 100 billion dollars which he'll go and say Walter Heller called a charade. And he said it was just a symbolic gesture that the administrative budget from the White House is essentially a figment of the imagination.

It's not a bank account. It is not real money. It is a doc, it is a political document to create an argument for a certain vision. And so, if the vision was we need this to get it, our bigger vision passed, then so be it. And so, the Liberals that were opposed to some of the.

Cuts to the budget eventually stood down to make it possible to happen. So, you have to get this budget passed. So, just think about Lyndon Johnson and all the calculations that are going into this. Get the budget passed to get the tax cut passed. And, for Johnson the tax cut meant.

Everything else could become possible. Without continued economic growth, and pretty dramatic economic growth in an election year then this great vision of a great society and of an unconditional war on poverty would just be a series of ideas. You needed the economy to grow. If you're gonna have a rising tide to lift those boats.

That tide has to keep rising, and so he's created a political calculation here, that often defies logic. so, keep the budget under \$100 million, you cut \$11 billion from that budget. Hopefully to stimulate the economy we're gonna get more money coming into the budget later. And if you make that possible then you build the political room to get the Civil Rights Act passed.

And, in terms of Civil Rights Act and Lyndon Johnson you cannot separate it from the war on poverty. You can't separate it from the larger vision of economic growth see Professor Gavin Wright. He has a, a, a new book. That looks at the economic impact of the civil rights movement and what was happening.

And, I think Lyndon Johnson was someone that saw civil right reforms as essential to the economy. And the Council of Economic Advisers saw racial reform as essential to economic growth. And, there was a calculation that if African Americans participated in the American economy and had the same educational levels as other Americans.

That there would be an additional \$22 billion produced each year, so the growth potential, that idea of potential began, was enormous. If you could get rid of this Jim Crow system where people could actually buy a hamburger. Even Louella Baker said it was about more than a hamburger.

Being able to buy that hamburger was a pretty important component. Then, lifting these job discrimination issues. Having African Americans be able to actually participate as full first class citizens, as economic participants in consumers. This is essential to the Johnson vision and it's essential to the Council of Economic Advisers vision of both the war on poverty and the larger issues of economic growth.

So, the civil rights act. So, you get the budget to get the tax cut. And, politically speaking, Lyndon Johnson could see the writing on the wall. And, everybody, not just Lyndon Johnson, everybody knew that Southern Senators were going to filibuster the civil rights bill. For a very long time Lyndon Johnson had been a part of breaking those filibusters in the past.

And so, he knew that if this tax bill did not get passed very quickly, that once that civil rights bill made it's way through the House and then onto the Senate, it was going to gum up everything in Washington D.C.. Now, just like the traffic in Washington D.C. now gets gummed up.

You know, it's just like the the tax cut in the civil rights bill where big accidents sitting on the interstate in the beltway and nothing was going to happen if these bills got entangled. So Johnson had to get the tax cut bill through, because of a variety of things, but he really wanted to get support of corporate leaders.

He spent hours on the phone, hours in person. Reaching out to the heads of AT&T, the heads of some of the major corporations in the country. Bringing them to the White House, literally holding their hand, showing them what a great thing this tax cut would be. And he's gonna make an argument later, which I'll talk about too, Richard Russell, saying that your southern strategy on civil rights is getting messed up.

If you're gonna get this tax bill through, you're gonna have all these businessmen in your civil rights business. They're gonna be pushing for the civil rights bill. So, Johnson wants the Tax bill pushed through so when the civil rights bill comes, things are, are on Capitol Hill. The tax cut is generating that growth in the economy.

Johnson believe, that it would lead to 30 million dollars a day in additional growth to the economy. again, if you get to the Civil Rights Act, then you have in the machinery, this war on poverty. So, the Civil Rights Act signed in July of 1964. The war on poverty or the bill, the Economic Opportunity Act, signed in August of 1965 it was 1964.

it's, it's the big prize for Johnson. I mean the Civil Rights is a big prize top but you know? There are lots of Kennedy hands on the Civil Rights Act. And in private Johnson completely says to all the southerners this is a Kennedy bill. You know? I'm not in the NAACP it's Barry Goldwater those member of the NAACP, you know?

Don't look at me. You know? I was, I was just in office. I don't know what was happening with that civil rights movement. Mister Johnson could sell himself in different ways. So, this war on poverty though was a much more Johnson thing. And, it goes back to Walter Heller.

Just after the assassination and coming into the White House and sitting down with Johnson and his note pad and saying here's what's going on. He mentioned that Kennedy had committed himself to some kind of poverty thing once the new year rolled around. Johnson seized on that as the popular narrative goes and as Walter Heller tells it.

Says that's my kind of program I don't know where I'll find the money for it but I'll find the money for it and we're going to fund it. Heller shows up with the director of the budget to the LBJ ranch after Christmas. They are the subject of harassment of funding poked at them by a bunch of ranchers and cowboy friends that Johnson had at the ranch, cuz they're wearing suits, and the cowboy people were not wearing suits.

And also there's this issue about beef imports. And so, they, you know, say, how can you tell us what we need to do about beef imports when you don't even know what a cow looks like, except when you finally come down to the ranch? So, they're there, but they get put off in a little building by themselves and smoke lots of cigarettes and in their oral histories they talk about the mounds of cigarette butts.

That they, they produced. And by the way, in January the Surgeon General, made his first declaration that cigarette smoking would be bad for your health, and, you know, that starts off another narrative. But anyway, they're down at the ranch, and they develop a very broad scale, ambitious War on Poverty.

That will eventually make it's way into a task force and then under the hands of Sargeant Shriver it will go through Congress. And eventually come out as the War on Poverty bill. So, you get a budget cut, you get a tax cut, you get a civil rights bill and that's a dramatic story which is for another day.

You get this War on Poverty bill, so Joslyn is set up beautifully for what I think maybe his biggest thing is a big victory in the fall of 1964. He wanted a huge victory. He's got the Kennedy assassination that's going to almost certainly guarantee a victory. But, he wanted big coat tails.

In particular he wanted have a lot of liberals elected. On his coat tails and that is what's happened. And so, if you put all these things together, you get the big election, which leads to the rest of the Great Society. Which leads to a Congressional coalition that can make it possible to pass something like Medicare and Medicaid to pass other big-ticket items.

That will eventually restructure what kind of America existed. Now the battles that are gonna be lead in Washington and here hopefully I won't mess things up too much I do, since we were talking about LBJ I wanted to bring him. Back from the dead, and let me hope I can do this.

Okay, .. This is let me start here with L.B. J Explaining his vision. In a way that I can't do it but he does it very well. Now, if you're familiar with LBJ and his speeches and in his press conferences, he was really pretty dull. He would slick his hair back.

He would put on those black rimmed glasses. And he liked to, he, he taught speech in high school so he liked to stand at the lectern as, you know, a speech teacher would want someone to stand at the lectern. He thought that was statesman-like. It also didn't project as well on camera, but this is how Lyndon Johnson could describe things.

In private the, the big context here is that Hubert Humphrey had given some remarks to the press that Johnson liked. I won't for the sake of time won't go through all this, but you can check these out online. Some of the Republican criticism of the Democratic Party. He says they could just come out and talk about the revival of the corn tassel or Tom Watson watermelons that would be something, right?

So they're not coming out with anything. He's not scared of anybody cuz nobody's saying what they're for. But this is what Lyndon Johnson and I think. If you wanna, you know, narrow down Johnson's vision to a couple sentences, it's political. It's superficial. But never the less, I think it, in, incorporates a big vision here.

This is Johnson saying, this is what I stand for.

>> The good owner isn't for anything. They're just against things. You have to say, now Danny boys, you get here, get your speech, and ask some questions here. And get your man in the paper here. And I have her down where that take your line.

What we are we, with the war on poverty. With the economic growth. With the world peace. With the security. With the With the human dignity. With the human rights. Now this is what we stand for. A government of strength. A government installment, and a government gets compassion. And it didn't make these guys look silly.

Okay, I just want to congratulate guys best thing I've seen all day god damn it. I had Indonesia, and I had Taiwan, and I had practice, and they come in high.

>> So for the last at least 13 years, I've been editing these conversations. And, this is not official script, but it's Johnson laying things out.

But he's always gonna come back and whine about something. And he had to stay up and make these decisions about foreign aid and whether he should give \$60,000,000 to India or not. And so, he's gonna head. We would call it humble bragging today online. Johnson was a great humble bragger.

And I, I've often wondered what he would do with an iPhone. You would wanna be on his list but then you wouldn't want to be. On his li, imagine the LBJ Facebook page. Now, oh, he is going to, if we can step back from that vision to a couple weeks after the assassination.

This is where Walter Heller comes in. Heller's making the circuit selling the economic vision for the new administration. And Johnson's gonna lay out here this politics of potential or, in the title of today's paper, I'm for grandma which, in the exact translation, says he's for grandma, but anyway, this is him laying out the argument that Heller really needs to hammer that.

You know, we're gonna cut defense expenditures. We're gonna cut waste, and do something for people. We going to be FDR. We're gonna do that new deal thing. And so this is a quick little snippet of Johnson.

>> Administration. Need no Johnny.

>> Right.

>> To it. Now why the ways then the, the things that he need to do in order to have some money to do things that.

>> Right.

>> And he may take out a where they're teaching somebody to that'll never be flown and we'll need a vessel instead in order to help grandma or somebody in Tennessee that.

>> Right.

>> Take between an installation and.

>> Yeah, that's, that's very good and of course.

>> So you can call of the politics with grandma or the politics potential. Either way. I let this go on little bit here so you can see how Johnson is seeing what he is doing as an extension of the new deal.

>> Show also, which use that, that kind of an illustration.

>> Tell them how much money you can throw away. And I haven't supported VWA and river developement, and resource development, and and public housing. Everything else.

>> Right.

>> I never, I never supported corruption and any of those things. I never supported wasting any of them and never supported the.

Just the throwing away them.

>> I believe that level. Well and course of, you know? Donald Douglas has done a lot of work to make a economy and government respectable. And-

>> I, I just want to level that we got. They don't believe in throwing money away.

>> Yeah.

Right.

>> You know, compared to the other or not, but they-

>> This is another thing that Johnson conversation is just openly bragging and explaining. Putting out his, his and, and saying this is what I've done in the past and I'll continue to do it in the future.

But let me push forward. And this is. Walter Heller was very good at metaphors and Johnson was very good. And by the way, they were pretty close. They developed a friendship early on in the Kennedy administration. And Heller was one of the few people in the Kennedy administration that Johnson had a pretty close relationship with.

And so. They cultivated each other throughout Johnson's vice presidency. And that's why he has such a, a warm relationship to, to, to push off here in the beginning. But this is Johnson out-metaphoring Walter Heller.

>> What it doesn't mean is we're gonna have less money wasted and more money available for those things, because of the

>> Right.

Well that, that's exactly something I want to stress. And-

>> Many, many of the people are lonely. But that doesn't mean that you ought to turn on the hot grid and light the tag all around drum before you put a bucket on it. What we're doing is we're gonna, we're gonna put a bucket under it and save all we can.

>> All right.

>> I, I could let this go on. You mentioned John Golbriath. He's been bragging about Golbriath and things for several weeks. But somehow he conviniently forgets Golbriath's name Johnson does in here. And refers to him as. One of the Harvard doctors. So it's another sort of, you know, Johnson way of saying, you know, Galbreith's a pretty smart guy.

And he's taller than I am. But I'm not gonna remember his name right now. Well Johnson and Heller had this relationship. And goes out and helps solve things. Another quick little bit from Heller is right before Christmas and they have this conversation where they're talking specifically about the budget.

And I just wanted to just throw this out there, I won't play the whole thing over

>> I want you to look at that and talk to treasury. I'm gonna have to get my estimates up here and I don't want to be. Too low on my estimates on what we're gonna do with these receipts if we get a tax bill.

>> Yeah, well, I think that- I'd rather, I'd rather be on the high side like every president has from Hoover. I'd rather say they're gonna be 94 and have them 93 then say they're 92 and have 93.

>> Right? Agreed. You talk to Treasury and see what your estimates look like.

And I want this deficit adjusted as low as I can. And, and my estimate is the news story. And I don't mind being a little optimistic. I'm an optimist by nature.

>> Well I-

>> And I don't want to be- And I don't want to assume that things are going well.

And I believe they are. And I believe this is pretty safe in this country and labor too.

>> Well, I, but, but let me-

>> State of the Union thing today.

>> Yes, I did.

>> Well I sure want you to get out right, good sharp imaginative.

>> He's talking about a.

Discussion to talk about the State of the Union address.

>> Okay. Tell the photographer, he's gotta go out cuz I'm not gonna get filmed, all right? All right? You've gotta, you've gotta hear us out on that. I'm not gonna do it unless you've got something that satisfies Tom Goodwin.

We're gonna extend it.

>> We're gonna discuss it with Ted though, right now.

>> What do you want, what do you gonna do? What, what steps do. Welp, that. I don't think that these are any Now.

>> So, Johnson doesn't want Tom this is a Johnson reference to a, a steel executive.

He wants something that's gonna satisfy conservatives. He's gonna want something that satisfies corporate people because. The political calculation collapses if you don't have that constituency. Not necessarily going out and saying we love spending all of this money on poor folks. We love spending all of this money to encourage workers to organize.

Which if you look at what happens with the War on Poverty this is one of the things that actually happen but he does want them to go out and say. Not a bad idea. We're gonna oppose it. And this is what he gets from Harry Byrd. Not Byrd coming out and saying I support this tax cut and then I support the rest of it but I'm gonna stand down in my opposition to it.

And if you take the roadblock away of the highway often goes much more smoothly. So the battles that Johnson gonna fight politically. To get this budget down and then to get the tax bill through. There are. Let me just lay out very quickly here what happens. So Johnson, and what he's really pushing for, on, in this period that he's for Grandma there are three things that.

The war on poverty's gonna represent, and that these other things are gonna help him get to and that is number one, he's for grandma always be for grandma he's for growth, and he's for personal responsibility. He is for all of these things making people into better people. Now.

Johnson in his attempt to help grandma's gonna cut out nuclear weapons that, you know, we're building all of these nuclear weapons as we got the money out of our ears. He wants to keep building them, but he doesn't wanna keep building all of them. He wants to be more selective about it.

So he wants to give that money to, in his words grandma. He has a conversation with Walter Wuther, another Walter. And in that, you know, he says we're taking it out of defense and we're giving it to people and, and so Johnson is, is, you know, pulling in labor and he's trying to make this argument in, in a big broad way.

Johnson is going to in the budget battle, get support. Not support, or, or reduce the opposition of Harry Byrd and others, and it's going to work. They're gonna get this budget, so this is a big victory. So Johnson has the roadway opened in this budget battle and he's gonna begin to push for this tax bill.

And in a conversation that he has with Minnesota senator. Eugene McCarthy he worried about the tax bill gumming things up. And he says if the tax bill delays civil rights it would quote ruin us. And he said I've got to pass taxes and civil rights or I quit.

And so he shifts his attention to getting this tax cut bill. Through the congress. And I'll just very quickly run through the things that happened here. He tells George Smathers from Florida that they had to get the dam thing finished up. They had to work all night if they had to cuz it was costing hundreds of men their jobs every minute you wait.

I told uncle Dick Russell's kids called Dick Russell Uncle Dick told me there was being unwise in his strategy to get the civil rights fight through. What would happen is that a, an excise bill, an amendment came up which was designed to cut excise taxes and so all of these Senators had these constituents in their home states.

And this threatened to unravel the whole tax cut bill. And so Johnson got on the telephone and called members of the Senate Finance Committee to get them to not support this excise taxing cuz that was gonna throw the deficit out of whack, it was gonna ruin his budget argument.

A few strange things that happened. Harry Byrd calls in and says he's got a friend that wants to be ambassador to

Ireland, but he doesn't want to talk about it until after the tax cut bill stuff is through. So Raymond Guest becomes ambassador to Ireland in 1965 and stays until the end of the Johnson administration.

New Mexico senator wants to have his supporter appointed to the Atomic Energy Commission. Strangely enough Johnson offers it to him. An Indiana senator is upset because they make music instruments. And this excise tax was gonna really help them. Johnson says the goddamn band and musical instruments, they won't be talking about it next November.

They'll be talking about whether quote, we've got prosperity. Abraham Ribicoff from Connecticut is gonna have to support these excise taxes in Ribicoff said that he couldn't do it. Johnson talked him around and he said well how am I gonna save my face and this is what Johnson said.

Don't you worry about saving your face your face is in damn good shape it's gonna be better when I get with you, I'll save your face, and then the money quote you save my face this afternoon and I'll save your face tomorrow. Ribicoff went along, and the vote went nine to eight and the excised tax amendment was pushed out of committee, and eventually goes through, and then Johnson signs the final bill in February.

Well Johnson would tell Ribicoff quote, I've had 56 days on this job, again this a little bragging and they've been the most miserable 56 I've ever had. He had actually been in office much longer than that, but. You know, his math is. What President's do. So Johnson. Pushing for the billion doll, \$100 billion budget, and the \$11 billion tax cut to get the \$11 billion in war on poverty.

Is him an example of the politics of potential the gap between where we are and where we could be. And the war on poverty fits into this argument for potential, that this was the place where we could make better Americans. This was the place where we could make better workers, better consumers.

In the programs of the Great Society, in its initial formulation, are primarily dedicated to do that to make people more like the rest, to make poor people more like the rest of, of America. Now what I will end with. Is something and I have to complicate things as a historian.

By the way, as teaching graduate students I refused to let them use that word. Cause they like to say, I'm going to complicate the narrative on the following. well, I'm gonna try to complicate that narrative before I take a seat. And this is Lyndon Johnson selling. The war on poverty to a relatively conservative newspaper editor who grew up in Oklahoma that was Johnson's friend.

And he's going to summarize a little bit of what I've been talking about what but you can see how Johnson will use race and will use. Stereotypes to sell things to people who who's trying to get support from.

>> But I got in here. I've got one that suits you.

I won't suit you in and other respect, but it will in dollars and I kept this 98. A budget. And he's done add five billion a year. And I guarantee you I didn't add five billion. I may have a little, but not five billion. I got less employees than defence department says in 15 years.

I got less total employees this year than I had last year. Kennedy added 135,000 and I've added none. I just told that and so far as prudence, frugality is concerned. You'll like it. You won't like my poverty. I'm going to try to teach these beggars that don't know anything how to work for themselves.

Instead of just bleeding. I'm gonna try to teach these Mexicans keep. All right. So let's work this out. I'm trying made from Kentucky. Oh, and once again in a few of the places so they get out and go to school. Get off of our taxpayer's back and so forth.

And then I'm gonna call out poverty.

>> So what we see here is all the gaps. They're leading, and Lyndon Johnson. Leads to maybe the most memorable gap and that's the credibility gap of the 1960s. If you notice, the date of this conversation is January 6th. January 8th is

the State of the Union.

After Johnson delivered that State of the Union he got two, these are my last words he got two. What he considered compliments. One was from Barry Goldwater who was a front runner in the Republican nominee race who said that Johnson in his speech out-Roosevelt-ed Roosevelt, out-Kennedy-ed Kennedy, and even made Truman look like a piker.

I had to look up piker, it means thief. And then probably the best compliment was from James Rowe, FDR's advisor and friend, Johnson's friend from the New Deal that said to someone, and the word got back to Johnson, of how are you gonna beat that guy? He's Franklin Delano Hoover.

>> I am Anne Stephens, the director of The Center for Poverty Research at UC Davis and I'd like to thank you for listening. The center is one of three federally designated poverty research centers in the United States. Our mission is to facilitate non partisan academic research on domestic poverty.

To disseminate this research and to train the next generation of poverty scholars. Core funding comes the U.S. Department of Health and Human Services. For more information about the center, visit us online at poverty.ucdavis.edu.