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RONALD REAGAN ORAL HISTORY PROJECT

FINAL EDITED TRANSCRIPT

INTERVIEW WITH E. PENDLETON JAMES

November 3, 2003
Charlottesville, Virginia

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UNIVERSITY of VIRGINIA

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James: We had just moved into the West Wing of the White House, the first couple of days of the Reagan administration. My office was in the West Wing on the second floor, a beautiful corner office. Of course, when you change Presidency, all the pictures and art come down for the new person to select. Clem Conger, who was the White House curator for many years—I had met Clem when I was there at the [Richard] Nixon administration. He was the curator and he knew I'd been interested in history and artifacts and things like that. One of the perks if you're in the West Wing is you can draw upon the National Gallery for artwork for your walls.

Clem came in—of course all the walls were bare—and he said, "Pen, what would you like on the walls?" I knew that you had that perk so I took advantage of it. I said, "Well, Clem, my hero in history is Benjamin Franklin and if you have something of Benjamin Franklin, that would be very nice. My wife's hero is Thomas Jefferson, so if you have something of Thomas Jefferson, that would be very nice, keeping with the history of the place." So he said, "That's good. Let's see what I can do." He left. I completely forgot about it. A couple of days later I'm coming back to my office. Clem is standing in the doorway of my office. I said, "Hi Clem." He said, "Pen, come on in."

There, on one wall of my office was the old pen and ink drawing of Ben Franklin in the coonskin cap. I'm sure it wasn't the original, probably one of the replicas, and on the other wall was a nice oil portrait of Thomas Jefferson, and in the middle of the wall was a huge oil portrait of James A. Garfield. I'm trying to be very nice and I'm thanking Clem and I said, "Gee, that's swell," and going on, and finally I said, "Why Garfield?" He says, "Well, Pen, don't you know he was the President who was shot by a disappointed job seeker?" [laughter] He had me. Then he took it down. He was waiting for me to say, "Why Garfield?" because he knew what was coming—"disappointed job seeker."

Knott: That's great. This is a Reagan Oral History interview with Pendleton James, and we're very pleased that you're with us today. We want this to be a very relaxed day, day-and-a-half, so again, it's not an inquisition and we hope that you'll feel free to speak to generations yet to come. That's the whole purpose of these oral history interviews. Thank you for coming.

James: Thank you, I'm happy to be here.

Knott: I guess the best place to start is—let's try to move chronologically. We're familiar with the fact that you worked in the Nixon White House. Could you sort of get us up to the point where you were selected by the Nixon White House?

James: I read some of the questions that you have and if you'd like, rather than just a Q and A, why don't I just sort of take you through my life in the White House years, both Nixon and Reagan, and then you can start with Q and A.

Let's start with Richard Nixon, which was a very interesting time. It was 1970. I lived in California. I was with an executive search firm at that time, called Heidrick and Struggles. And one day Mr. [Gardner] Heidrick came into my office and said, "Pen, I want you to go to Washington for about six weeks on some sort of an assignment." I said, "What does it involve?" He said, "I don't know what it's about. I got a call from somebody at the White House and they wanted to borrow some headhunter for six weeks to do something. How about you going?" Just about that casual.

So, not knowing what I was going to do, I left, grabbed an airplane—because you never said no to Mr. Heidrick—and went to Washington. What it was was an interesting period of time in the Nixon years. You've got to go back to 1968 when Nixon was elected President. His transition, as you probably know, was held in New York City at the Hotel Pierre, called the Pierre Group.

Nixon had just been elected, and he then sat down with his boys—because they were all men—and he said, "Gee, we won. What do we do now?" They did what was typical of most Presidents prior to that time, the old BOGSAT system—a bunch of guys sitting around a table saying, "Well, how about John Volpe—" former Governor of Massachusetts "—John, you were active in the campaign, why don't you take Secretary of Transportation?" Then they said to Wally Hickel, the Governor up in Alaska, "Wally, why don't you take Interior?" George Romney, the Governor in Michigan, "George, why don't you come down and take over HHS [Health and Human Services]?" I think. In other words he put his team together—his Cabinet, anyhow—by who helped him get elected. That was not atypical. That's the way most Presidents had done it.

Now to jump forward to Nixon's first Cabinet meeting—and this is documented. He has his Cabinet there. This is the early days of the administration. The Cabinet said, "Now Mr. President, I'm your Secretary of whatever, and I can select my own people, can't I?" And Nixon said, "Well, of course you can. It's your team, you run it." As Nixon walked out of that Cabinet meeting he whispered to an aide and said, "I just made my first mistake." He gave away the appointment process. He didn't control the appointment process.

What happened to Nixon after that? You have to come forward to, say, 1970, prior to my arrival. Nixon was faced with Vietnam, flower children, riots at Berkeley, shooting at Kent State, wage-and-price controls. He had a lot of problems on his plate. He looked around to his Cabinet and sub-Cabinet and they were trying to distance themselves from Nixon because these were very unpopular events and they didn't want to be associated with it.

Nixon said, "Where in hell did we get these guys? Nobody's on my team. They're all running away from it." And they were. They were looking after their own political hides because they're all politicians, for the most part. That's when Nixon said, "Look, I've got to change this place around here." We're talking about 1970, the second year of his first term. He said, "Let's bring

in some headhunters and see if we can restructure this place." So that's how the call went to Heidrick and Struggles down to little ol' Pen James out in California.

There were about four or five of us who received a similar summons to come to Washington, and Fred Malek came over from HHS to run this group. We got back there and we didn't know up from down. We didn't know an Assistant Secretary from a Deputy, an agency head from a Cabinet, and we were totally out of our water and that became quickly apparent. So Nixon—and when I say Nixon, this was really [H.R.] Haldeman, but I'll use Nixon's name—sent everybody home. But somehow or another, I caught his eye and they said, "Pen, would you stay and join the White House staff? Stay here and run this program. Run this part of the new restructured program."

I went home to discuss it with my firm and they said, "No, you can't go. We're not going to give you leave of absence. We don't give a hoot what's going on in Washington. We want you here." I was just a bright young guy who was doing a good job. "Why should we let him go to Washington? We need him here." I got ticked off and quit. I moved my family and two young kids to Washington, D.C., because I am interested in these things, and set up residence.

What we recognized was that there were a lot of weaknesses in the administration, in the staffing. So we set up a group under Malek at this time. Say Fred's up here. Down here was me, and over here was a fellow by the name of Dan Kingsley. Every time there was a vacancy it was given to me and given to Dan. Dan was a political guy. He went out and saw who, politically, should be rewarded for this job. I was not a political guy. I went out and said, "Who can we find that can fill this job and do a good job, and recruit him or her in here?" That's how we separated and tried to make sure that when the President made the decision he had an option between the political guy who got him elected, or a substantive person.

I have to say, to my amazement, Nixon always went to the substantive person. The reason he could do that was because there's a lot of jobs the President fills, so patronage—give them an ambassadorship, put them on a board or commission—you've got two thousand of them. But he really recognized that he made a mistake by staffing his administration in the old BOGSAT system and just bringing in cronies or politicians.

I'll just jump to one other point during the Nixon years that pertained to Presidential Personnel—I'll give you an example. Paul Volcker at that time was Under Secretary of Treasury for International Monetary Affairs, and Paul's Deputy was Bruce MacLaury, who was going to leave to take a job as president of the Minneapolis Fed, so we had a vacancy.

I went over and sat down with Paul and said, "Paul, what do you want in a Deputy Under Secretary?" And he said, "I want somebody who—" he gave me the parameters. We went out and started phone calls and a typical executive search. You want somebody with international finance experience, so who do you call? You call bankers, investment bankers, people like that, who know people of this caliber.

I'd call people like [Alden W.] Tom Clausen, who was at that time president of Bank of America, Gaylord Freeman, who was president of First National Bank of Chicago, Walter

Wriston, who was at Citicorp—things like that all the way through. Then I called this one guy—somebody said, "You ought to call Bill Simon." I called Bill Simon, who was with Salomon Brothers, as I recall.

Anyhow, we filled that with Jack Hennessey, who did a very good job, and then Jack later became CEO of First Boston. Then we had a couple—I'm just giving you some examples—then we had a couple of vacancies at the Federal Reserve Board of Governors, and Arthur Burns was the chairman. One thing that Nixon did not want was for Arthur Burns to fill those vacancies. They were colleagues for many years but there was tension between the two. Of course, in the economic environment at that time, you could see where there could be.

Nixon asked Arthur, "Arthur, who do you want for the member of the Board?" And then coming over to Pen James and saying, "I don't want him to fill it. I want you to fill it." You know, not atypical. So we filled two appointments on the Federal Reserve Board. You don't know him—Jack Sheehan, who was a former consultant at McKinsey [& Company], because one member of the Fed has to be not an economist. Somebody has to run that place.

We had a couple more vacancies in the financial area, and I kept calling this guy, Bill Simon. I'm not picking on Bill, but since everybody knows that name, it helps. By this time we're telephone buddies because I kept calling him for ideas, as I would a hundred people—call up, "What do you think?" Then you'd start sifting that material down until you get some that you want to go forward with.

By that time Bill said, "Pen, we've got to meet." I said, "Fine." He said, "You ever get up here to New York?" I said, "It just happens I'm going to be there this week." He said, "Where are you staying?" I said, "Hilton." He said, "No, you're not, you're staying at my house." He had a house over in Summit, New Jersey. I spent the night there and then went to work.

During that time Bill said, "I'd really like to join this administration." I said, "Oh, we'll keep you in mind." But nothing happened. Now we come to the reelection of Richard Nixon, or the planning for the reelection of Richard Nixon. This is where I think Nixon had it right. He was great. I'm a fan of his—forget Watergate and all the bad stories, too. What we did about eight months before the election was our group—it's not just Pen James here, I don't want to overplay this role—we went through all the Presidential appointments in the administration and placed them in three categories, as I remember (very confidentially).

Category one—he is doing a good job. We're going to keep him in that job. Category two—he is doing a good job but we really need to maybe upgrade him, move him to a different department or agency where he can continue, or category three—we're going to ask him to leave. Then we came up with a matrix of what our vacancies were going to be. We knew that job was going to stay. We knew that job was going to be empty, but he's going to move over here, and we knew he's going to leave and we need to fill that job. As a result, we had a plan.

Then I started what we called a talent bank program anticipating the election, the reelection. My group scoured the country, because you've got to fill the administration not just with Washington lawyers, Washington lobbyists, campaign workers, major donors. You need people who are

expert in agriculture or labor relations, or trade or environmental concerns or National Institute of Health, or, you know, some real heavyweight substantive expertise, not just patronage. That was what we were trying to do. We had developed our talent bank. This was all done *sub rosa*. There wasn't a lot of publicity about this, because we didn't want you to know you're staying. We didn't want you to know you're moving. We didn't want you to know you were going to be fired. So we kept that very closely-held. But as a result, we knew from a Presidential Personnel standpoint how we could go about planning for the next four years. It was a great plan.

Unfortunately, as you know, Watergate happened during that period of time and then the house of cards fell down, and we all went home. I went home before Watergate because I have a rule. I never stay more than two years. After two years you've lost your effectiveness. That's sort of it about Nixon and Presidential Personnel.

Knott: Can we stop you here and ask you some questions about Nixon?

James: Please stop me. I'm happy to stop.

Knott: Could you just give us—did you know Haldeman all that well? Did you get to know him?

James: I didn't know any of them before I was asked to join the White House.

Knott: Do you know who, at the White House, contacted your firm?

James: No, I don't.

Walcott: Had you been involved in politics at all?

James: No, not at all.

Hult: Had you known Fred Malek before?

James: No. I didn't get the job because somebody knew me. I think it was because they knew Heidrick and Struggles, which was a very large executive search firm. They called Gardner Heidrick and I was the junior guy on the totem pole, and it was, "How about you?" and I went.

Knott: You were eager to do this even though you had no prior government service?

James: I was eager to do it after I had been there about six weeks in that confusing time when none of us knew what we were doing. As a recruiter, I'm intrigued by things like this. I was intrigued with the process. I was not intrigued of going home, quitting my job and taking a $32,000-a-year job in Washington, D.C., and moving myself and my family with no relocation or out-of-pocket or expense report. You pay for your own thing, and running a house in McLean, Virginia, while I still had a house out in Palos Verdes, California. No, I wasn't eager to do that, because financially I had to borrow from the insurance company and everything else, because I didn't have money. But I was eager for the process.

Walcott: You've identified two problems that Nixon was having. One was people whose loyalties ran to the Cabinet member rather than the President. The other seems to have been competence. How did you balance those two when looking for people to—?

James: When we were trying to bring people in?

Walcott: Yes.

James: I don't want to downplay the political aspect, because all of these are political appointments. You're not going to appoint somebody who was opposed to the President's program. Remember, we divided political and substance. I was substance, if I can use that word, and Dan over here was political. So I didn't give a hoot if you were a Democrat or Republican. I wanted to know what is your experience and what is your qualification and also what kind of personality would fit in this environment—all the substantive—and whether you were interested in it. Remember, we don't offer jobs; we come up with candidates. I really didn't look at the patronage side.

Walcott: What's the rest of the process then? You are working the substantive side. Kingsley's working the politicians—

Hult: How did those streams get brought together?

James: That's because we had Malek here. He was a Special Assistant to the President, and I was a Deputy Assistant. I would come forward with candidates. Dan would come in with a person who had raised money or something like that. With Nixon, unlike Reagan, which we'll get into—with Nixon, everything was in writing. You never went in and sat down and talked to him. I shouldn't say never, but rarely. Everything was on a piece of paper.

The Under Secretary of Treasury for International Economic Affairs—I'll give you an example—Bill Simon—I wrote a page on Bill Simon, just one page, usually just one page. This was later on. John Connally was Secretary of Treasury and his Deputy was Charles Walker—and on our list we knew Charles Walker was going to be in your category. He's not going to be reappointed. Great guy, but for a lot of reasons Nixon doesn't want to keep him.

I knew we had a vacancy coming up for the Deputy Secretary of Treasury. By this time Bill Simon and I are pretty good telephone buddies—no personal connection. I wrote a memo like that for Bill Simon and a recommendation. I wish I'd kept that memo, because it came back, "No!!" Two exclamation marks. "East Coast Establishment," "Other Options." In other words, because Bill was a New York investment banker, the frame of reference of us dumb Californians was he must be liberal East Coast establishment. Well, I thought that was unfair. So I wrote a memo back.

Walcott: This was to the President?

James: You could get to the President by memo. You couldn't get to him to talk. So I wrote back. I thought maybe I didn't explain it well enough. I sent it back again and it came back, "Other Options." I wrote the third memo. I wasn't adversarial, I just believed this. That's what I'm here for, to give you my advice. You don't want it? I don't care, but I'll give it to you. I got a call—Fred got a call—from Haldeman. He said, "All right, can Simon be down here at three o'clock today to meet with the President?" My God, this was ten o'clock Friday morning. I thought to myself, *There's no way I can get this guy down here for a three o'clock in Washington.*

I called Bill. I said, "The President would like to meet with you at three o'clock today—I know you probably can't." He said, "I can make it." He did make it and he got the appointment.

Walcott: How do Malek and Haldeman function in all this?

James: Very well.

Walcott: You're communicating to the President. Are they simply passing the memos along?

James: No, no. Frankly, if you asked me who one of the best Chief of Staffs was, I'd have to put Bob Haldeman. That place ran like a well-oiled machine. There was no room for error. There was no room for slip-ups. I'm talking administrative operation of the White House. If you were expecting a report by three o'clock on that day, and it was 3:05, you got a call—not from Haldeman, but from Larry Higby, who was his Deputy, who would say, "The report's not here." You knew you had to perform. I was a fan of the way—I know Haldeman and the faults and all that. I was never a personal friend of his, anyhow, but it worked well.

Walcott: So you would send your memos to Malek and then he would send them up—

James: Yes. Because Malek had to combine the political with the substantive and he put it into one report that went forward.

Walcott: And the important ones would go to Nixon. I suppose some of them would stop at Haldeman.

James: Yes, some of them would not have to go there if you're getting down to a lower level. Remember, this is the third year of the administration. Presidential Personnel loses its clout rather quickly.

People ask me why did I leave after two years of the Reagan administration? The job's done. You've lost control by then. Up through the first year-and-a-half the President controls the appointments. Then after that the Cabinet officers become dominant enough in their own right.

Coming back to your question, the third year of the Nixon administration Federal Reserve Board. We filled three of them at that time. We had three vacancies. We moved [Caspar] Cap Weinberger over, for example. Cap, at that earlier stage, was head of the Federal Trade Commission. We moved Cap over to OMB. We brought in George Shultz from the University of

Illinois in labor relations—he later came to Treasury. Don Rumsfeld we brought in from the House, because we had wage-and-price controls problems and we started up an operation—the President started an operation—called Office of Economic Opportunity.

Then Don Rumsfeld brought in this young kid from Wyoming, Dick Cheney, and Paul O'Neill, who came and later flamed out with Bush 43. Jim Schlesinger was there. You go back and look at that Nixon team and see how many of them have subsequently served, including me, in later administrations. It's really phenomenal. The names you hear today are—a lot of them came out of the Nixon years.

Hult: As I listen to you talk and give examples, it seems as though many of them have to do with economics and financial—was that your specialty?

James: No. I'll give you another example—agriculture. I have to search my memory. I haven't thought of these. The Cabinet Officer of Agriculture at that time was Cliff Hardin from St. Louis. You're nodding your head, you know that? That's good. Cliff was leaving. I think he had been burned out and wanted to go back to St. Louis. The information came over—now, this is the Oval Office—who do you recommend for Secretary of Agriculture? It was bumped down to me. I got it. I thought, *What the hell? This is ridiculous.* You mean they don't know who they want for a Cabinet officer? They've got to get Pen James here on the third floor of the EOB [Executive Office Building] to do this?" I went back and they said, "No, we want your list."

The other thing about it—I could not talk to anybody. This was because Cliff hadn't resigned yet. So, if you say I can't talk to anybody, I'm hamstrung, because a good recruiter is only as good as his sources—you know, like a reporter. You have to know who to talk to to get the story. I thought, *Now how do I do this?* I went to the library and I asked the librarian, "What are the major periodicals that deal with agriculture at the senior policy level? I want all the last five years." Well, a truckload came over. I had stacks, literally, stacks. I had a big office, thankfully. In those days you had big offices.

I just closed the door and started reading all of these farm journals looking for names— who they'd highlight, and who wrote about this, or who received the "Agriculture Man of the Year," or things like that. Then with a yellow pad, just writing the names down until the names started repeating themselves enough—duplicating. Obviously, those were high up in the field of agriculture. I came down with my list of names. I didn't know who they were but they were repeated over and over through a series of journals.

I went back and said, "I've done all I can. I just can't go any further. I've got to talk to somebody who knows something about this business." Message to the President, "Who can Pen talk to?" Interesting. It said, Bryce Harlow. I don't know if you know the name Bryce Harlow.

Knott: We hear that name all the time.

James: So—Bryce. I called him and asked him to come over. Now, this is a Cabinet position. This is not sub-Cabinet. I said, "Bryce, this is what I've done, what I found." And Bryce said, "Okay, let me see your list." He went down just like that and he said—I can't remember the

name—but he got the job. I think he was from Indiana, but he said, "That's the one." We went forward with that and indeed, he became Secretary of Agriculture.

I do admire the way Nixon, after being burned with his transition, and his colleagues and friends walking away from him in times of trouble, which they did in droves—maybe they had every right to do it, but he still has to run the shop. He started to say, "Okay, we can't just do the old boy network any more."

Walcott: How many times, when you worked there, did you see Richard Nixon personally?

James: Very rarely, other than at an arrival ceremony or a public ceremony. Remember, I'm a junior staffer. Not way down, but somewhere-in-the-middle White House staffer, so I wouldn't have access to the President. But my colleagues didn't either. Nixon, in my perception, for being a President, really was uncomfortable with people. He did not want you to come in and debate an issue in front of him. He wanted your input, but he wanted you to put it in writing and send it in to him. He would read it and he would mark the page.

So very rarely, other than if you had an issue that you needed to be elevated, unlike Ronald Reagan, where you'd sit down and talk with him. No, Nixon was—he was a strange guy. If you saw him come down the hallway, if he was in the EOB, you sort of stepped out of the way. You weren't encouraged to walk up and say anything. No, you weren't encouraged to do that at all. I think that's the Haldeman, [John] Ehrlichman—they knew the guy. They knew what he was like, and as a result, the way they performed in the White House was to reflect Nixon, not because they were like that, because those two guys were very friendly guys. But they knew that you don't do that with the President.

Walcott: How close were you to Haldeman by the time you left?

James: Never close, only as a staff member. Recognize, I don't want to overplay this role. He was Chief of Staff.

Walcott: Were you talking directly to him with some frequency?

James: Oh yes, with Haldeman. Yes, or with his colleagues. As you needed to—it was on appointment and it was at the level that the President wanted to be involved. Let's say it was a sub-Cabinet officer. Then you'd go over and talk to John Connally or George Shultz or whoever else in the administration and work it out. I viewed my role as to help that Cabinet officer because he or she was busy all day doing something else, but they've got this job over here to fill and so it was staff work. "Here are some ideas. Here's this guy in New York by the name of Simon," or "Here's this guy out in Chicago." And they'd say, "No," or they'd say, "Let me see him." It was really staff work.

Hult: In the case of a sub-Cabinet replacement, before you suggested names to the Cabinet officer, or went over with a list, did you talk with other people on the White House staff, maybe on the Domestic Council staff, legislative affairs?

James: Not too much. We weren't cut off from that—I don't mean that. We did in the Reagan years. Once we got into the Reagan years we brought them into the picture. But my job during the Nixon years was—again I use the word "substantive," not political. Really, I was a headhunter in the Nixon administration, whereas in the Reagan I was a decision-maker. I wasn't a decision-maker in the Nixon administration.

Walcott: Talk about the matrix you developed for the second term to re-staff the administration. Richard Nathan wrote a book—you may be familiar with it—

James: Yes.

Walcott: —in which he basically argued in the first edition—the second edition changed—but in the first edition he argues that Nixon was trying to take over the Executive Branch in a way that troubled him, given the separation of powers and the role of Congress in managing the Executive. The implication, at least, was that the criteria had become more political and more about loyalty to the President and less about competence. Would that—

James: That's 90 percent true. Yes, he was trying to take over the Executive Branch. That's what the purpose was—to get back in control. Remember, in '68 he left control. He told the Cabinet officers, "You make your own decisions." He said, "I just made my first mistake." He lost control. Dick is right. He was trying to recapture political control.

Walcott: But certainly you and he agree. One question I've always had about contrasting Nixon and Reagan was it was not that hard, if you tried, to figure out what a Reaganite was. How did you figure out what a Nixonite was, given that Nixon's policy was all over the place?

James: Thinking personally, I don't think you could. I don't think I knew what Nixon's policy was. With Reagan we all knew what his policy was. You didn't have to read a book. You knew what it was. With Nixon, I couldn't sit here and say I knew what his policy was, other than he wanted to win the war in Vietnam, he wanted to get wage-and-price controls—all these problems.

Walcott: So it had more to do with—

James: I'd be interested in having you tell me what the policy was.

Walcott: So it came down, then, to the likelihood that this person would be loyal to the President.

James: Oh yes, absolutely. There's a study—I think it was founded by the Pew Foundation—that brought in Jerry Ford and Jimmy Carter to do a report for the forty-first President of the United States. It's really a neat study. You ought to have it in your library. In the preface of this report—it's a little blue binder about that thick—Jerry Ford and Jimmy Carter in the preface—I think the second paragraph, or third paragraph, it's the first page—basically saying, "Mr. President, you're going to be 41—it turned out to be [George] Bush. You're going to select a lot of people and you're going to look at a lot of people. Your administration is going to be judged

by the people you pick, but the first thing you look at is loyalty. Loyalty, loyalty, loyalty." And that's by Carter and Ford, not anybody else. That's a good report. You should look at it, "Report to the Forty-First President." It's the Pew Foundation.

You can't underestimate this word, "loyalty." People think they're sycophants, that they're self-aggrandizing, but—I'll get to this when we get to Reagan—loyalty is understanding and adhering to, helping that President fulfill the promise or campaign program or objectives that he has been elected on. When I say loyalty, that's how I define loyalty.

Hult: Would it be fair to say—and there's some of this in some academic literature—that loyalty, to Nixon, meant more personal loyalty? Loyalty in Reagan's administration is closer to philosophical and policy loyalty?

James: That could be. I wouldn't argue against that. I didn't see that, but that could be true.

Knott: You've given a description of the way the Nixon White House operated, and that was sort of all paper, correct?

James: Yes.

Knott: What is your assessment of that? Is that a good way to run a White House, as opposed to the Reagan?

James: No, I don't think it was good—sitting here today—no. At that time it was the only thing I knew. I just thought that's how you operated. That's why, in the archives of Richard Nixon, everything's on paper so you've got it all. You want a memo I wrote? It's there somewhere.

Hult: Actually, we've seen some of them. It's wonderful.

James: But the real answer to your question is it depends upon the President. For Nixon to operate the way Reagan did—he'd be totally uncomfortable. For Reagan to operate the way Carter did, it would be—or the way Ford did, or [Franklin] Roosevelt did, or [Harry] Truman did—you really have to work around the way the President runs his shop and not what you think is best on an organization chart.

Knott: I'll take you a little bit away from what we've been talking about, but you said earlier that you were an admirer of Nixon. I wonder if you could just tell us why that is.

James: I'm not talking about policy, and I'm not talking about him, personally. I didn't really know him personally. I've read all the books about him and I know the dark side. Ray Price wrote one of the best books on it, the dark side of Nixon, early on.

I admired the way, in my role, he really turned an eye against political appointees and he turned the eye more to my side of the shop, the substantive. Since that was my role, I kept winning on all the appointments. My candidate got it, so that's what I liked.

The other thing I admired was not Nixon, but Bob Haldeman. Yes, I know all the dark side of Haldeman, but the shop ran, administratively, very well. Now, you have to recognize, Haldeman had a hell of a boss, in hindsight. How'd you like to be Chief of Staff to that guy? Gee whiz! You might want to give some compliment to Haldeman for putting up with it. Those were the two things.

Knott: There was a very famous event—I believe it was right after the '72 election, the landslide election. Wasn't it the next day or two he walked into the Cabinet and announced to all of them that he expected a letter of resignation? Do you recall that particular—?

James: Yes, I recall that because we were blindsided by that. I go back—what we were trying to do prior to the election was the "you're staying, you're moving, you're going to get canned." It was more complicated than that, but that's it. Then, I think somebody got to Nixon. Then he sent out that memo. I think what he had in mind was that we're coming up with this plan, so I want everybody's resignation *pro forma,* so then I can go back and say, "You're staying, you're moving, you're out." But saying, "I'll accept *your* resignation but I'm not going to accept *yours*" was showing his hand with the overall scheme of things.

Politically and substantively it created a firestorm. *I'm loyal and I have to submit my resignation, and I'm a member of the Cabinet?* It was poorly handled, yes. I think the concept was something else.

Walcott: Brad Patterson argues that that had been done in previous administrations routinely, that Nixon did handle it so badly that it hasn't been done since. Were you aware that other administrations—?

James: No, I wasn't.

Walcott: Transitioning to a second term—

James: But I'm a fan of Brad's.

Walcott: I'm sure he's right. I know him, too.

James: He probably—I think he's right. I think at the end of a term it's just *pro forma* that you submit your resignation, but it probably wasn't as overt as the way Nixon did it.

Knott: You left in 1973. Do you recall—when, in 1973, did you actually—

James: I think it was right after the election. I stayed through the election because I wanted to go to the parties and parades and things like that. That was January. I think we went home in February or March.

Knott: So you were out of there before the Watergate thing took off?

James: In fact, we went home—and of course like most people you come home with all these pictures of the President and the staff—and we had them all in our home. Then, as Watergate came up, I kept taking the pictures down—this person, this person—and I finally said, "Let's take them all down." It was really a bad time. For those of us—I'll give you a sidebar. It has nothing to do with appointment.

I came home, and the California Club, which is a private men's club, very prestigious in California—I was put up for membership. Now that's quite an honor. There's a lot of clubs but this is—on the hierarchy. I was properly sponsored, and one day I get a call from a man I don't recognize. He said, "Mr. James, I'm So-and-So. I'm chairman of the admissions committee of the California Club. I'd like to come by and talk to you." I said, "Fine." This very courtly gentleman came in with a straw hat and seersucker—very old line. He sat down and he was very pleasant. We chatted a little bit. He said, "Now, you know, you're up for membership in the club." I said, "Yes sir, I understand that." He said, "Well, we've decided not to act on it right now."

I said, "Oh?" He said, "Well—you know." I said, "Hmm?" He said, "You know why." I said, "No sir, I don't know why." He said, "You know—all this stuff that's going on in Washington right now," meaning Watergate. I said, "Oh, wait a minute, let me explain. I had nothing to do with Watergate. I left before it even started." But they held my nomination for a period of time. The hysteria—this is an example of the hysteria that affected me—of the Watergate and how it spilled over to everybody. I eventually became a member of the club, so it worked out, but I was just astounded.

Then I got a call from a partner of mine in New York one time. He said, "Pen, is there a phone in that building?" I was in the Arco Plaza in downtown LA. "A pay phone in the lobby?" I said, "Yes." He said, "Would you mind going down? Give me a call back." I said, "Okay." I didn't understand why. I took the elevator down, went to the pay phone, dialed New York. I said, "Why did you want me to call?" He said, "Our phones might be tapped." I mean, it was that type of hysteria. I just couldn't—and this was a partner of mine. The Watergate thing really hit a lot of us.

Knott: I don't know if we have any more Nixon questions—

Hult: I have a quick question that moves from Nixon to Ford. Did you have any interaction at all with the Ford White House?

James: No. I knew a lot of the players, but I'm the type—when I walk away, I walk away. The last thing you want is somebody coming back and saying, "Now, we used to do it this way."

Hult: And there was nobody calling you up and asking you for advice, especially as the administration moved along and confronted a range of personnel problems?

James: No, not at all. I'm trying to think who had my job in the Ford—again, you have to understand though, Ford became President because of a resignation. He was not a newly-elected President. That means the staffing—the day that Nixon gets on the airplane and flies home and

Ford takes the oath of office, the administration is intact. It's not his, but there are no vacancies. The jobs are filled.

He changes his Chief of Staff and the White House staff and things like that. So, if you look at the Ford administration Presidential Personnel, you can't compare it, because he was never elected President. He inherited the Presidency, then lost it, unfortunately.

Knott: In 1976, Ronald Reagan challenges Gerald Ford for the Republican nomination.

James: Yes.

Knott: Were you a Ford Republican?

James: No, no, I was always a Reagan guy. You want to jump to Reagan?

Walcott: When you get back to California, Ronald Reagan was the leading politician in the state. Did you have any association with Reagan or his people then?

James: With his people. I've known Mike Deaver and [Edwin] Ed Meese, and Bill Clark, and Cap Weinberger for years and years—long before they became prominent people. Cap was a Congressman—a legislator in San Francisco, and I was living in Sacramento. He had a radio program on Saturdays. I'd always listen. I didn't know who he was, but he intrigued me. His commentary was interesting. That's how I first met Cap. Of course I met Cap during the Nixon years, remember, he was there. Most, many, of Reagan's kitchen cabinet were clients of mine. You know, I did a lot of work for Justin Dart, for example, and Dart Industries, a big operation, as a headhunter.

So, no, I was not a friend, but I was known—I was not in the inner circle or anything like that.

Knott: When's the first time you ever met Ronald Reagan?

James: During the Nixon years. Ed Meese at that time was the Governor's Chief of Staff, and of course all Governors come to Washington frequently to get money, or meet with the President. One time when Ed and Governor Reagan were coming in to see the President—and Ed and I are old friends, and his wife and his kids, all great folks—he brought him over to my office. They were waiting, had an hour to kill before the President, so that's where I first met him. It was a casual meeting.

Knott: Any initial impressions that you recall?

James: Always positive. Reagan is a very engaging person. I thought he was a very nice guy.

Knott: As the election of 1980 approaches, could you tell us about your contacts with Ed Meese and how it comes about that he asks you to begin planning a kind of transition role?

James: I made some notes last night, because my memory gets so hazy. The way that came about—by that time I'd left the big search firms and started my own executive search firm. I had somewhat of a reputation. I had some good clients. I was doing my own thing, successfully. Then one day—I used to know these dates. The election was in '80, so late '79 or early '80, Ed came to see me. We met at the California Club. We went over there for lunch, and he said, "You know, Reagan is going to run, and we recognize that you're not a fundraiser, you're not an advance man, you're not a political operative, but you have been in the White House. You are an executive recruiter, and we know you. We trust you. What we'd like for you to do—the Governor and I—we'd like you to put together a report about, if we win the election, how would we go about putting the team and staffing together."

I thought, that's nice. I smiled, nodded. Because, if you remember, at that time you had John Connally, John Anderson, George Bush, Howard Baker, Ronald Reagan, and I forget who else running for the party nomination. All the business community was for John Connally. I went back to work and forgot all about it. I didn't do a thing about doing the report.

Some months later Ed called and said, "We don't have your report." Like the Haldeman follow-up—"we don't have your report." That's good management, good follow-up. I thought, *What am I going to do? They're serious about this.*

So the family and I went to Palm Springs that weekend, and while Betty [James] had the kids out by the swimming pool, I stayed in the motel and started writing what to do. I think I still have that report, I'm not sure. It was three phases: What you could do between now and the nomination. I mean, you have to get the nomination. We still had Connolly, Bush, Baker, et cetera, in the planning process. The second page, paragraph B: If he does get the nomination and then is the candidate, what could be done in that phase? Then paragraph C would be: He's elected. How do we put it into effect? I think it was not more than five pages long, and that's what I submitted.

Then, jump forward. Reagan got the nomination. He was the party nominee. Now we jump to paragraph B—what could be done between now and the election. All of this is basically staff work. It would go in the wastebasket if he lost, or if he won you'd have a plan. We weren't selecting people yet. I don't want to put people into this equation. We were putting planning, control, organization. Then Bill Casey became chairman of the Reagan campaign. Before that, he had this guy that they fired.

Knott: John Sears.

James: John Sears. So then, Bill Casey comes in. Now I know Bill Casey, because Bill was in the Nixon White House. Fine fellow. Great American. Casey is now chairman of the campaign. Casey heard about this little plan of Pen James. He told Ed and the Governor, "Cancel that. We're not doing that." His reason was sound. He said, "We're running a political campaign and if there's a segment of the campaign, or organization"—because it was not part of the campaign—"that is planning your administration, it looks like we're so cocksure about winning that we're already planning the people—" He felt that would be a negative impact on the campaign, and indeed it could be.

Whenever you have a conflict like that, with Reagan, what do you do? You go in, sit down, talk to him. His office was at the Airport Hotel in Los Angeles, a fourth the size of this room. We sat there—Bill Casey, Ed Meese, and Pen James. Bill makes the case to Reagan, "We can't do this, Governor." He gave his reasons. "It's a negative political story. You can't be planning your administration while you're running for the office."

Ed made the argument, "Governor, you know how important policy without staffing is. You can't wait until election night to start thinking about it." Reagan said, "Hmm, I see. Okay, I agree with Ed. It's too important not to be ready." Then he turned to me and said, "Now Pen, can you do this without ever leaking out, so that nobody knows it, so that this will be your project and not part of a newspaper story in a paper?" I said, "Governor, I do that every day of my life as a headhunter. Most of what I do is confidential. Yes sir, I can do that." He said, "Okay, you keep it quiet. You go ahead and do it." That was the sanctioning of what we call the planning process.

Walcott: While you were talking about that, did anybody mention the Carter experience? They had really been burned by the fact that they had a separate unit out planning the—

James: That's right—

Hult: The Jack Watson transition—

James: Maybe that's what Bill was referring to. It didn't come up at that meeting. The meeting was just this one issue. But it could have been what Bill was referring to. Indeed, the previous President, Carter, did get burned with that. I understand that. I understand Casey not wanting this operation, but then Reagan did it right. We've got to do it, but just do it as staff and keep it out of the campaign. I wasn't running around the U.S. interviewing people. "Do you want to be Secretary of State? I'm doing a search." There was none of that. It was strictly planning.

After the nomination—Reagan was the candidate. Now all of a sudden I have to get off my duff and start doing something. Prior to that it was just—now we had to go "operational" on a quiet basis. I'm in Los Angeles. It is now beyond just Pen James. I need somebody else to help me on this process. We brought in Helene von Damm. Helene is Austrian. She came over here as an immigrant gal, and worked in the mailroom in the Governor's office and just worked her way up. She's exceedingly competent, plus she knew the President very well. I asked Helene to come in, and maybe one other.

We still had to be very cautious. We took office. We didn't have any money. Remember, we did not want to use campaign funds for this process. That may or may not be because of the legal conflict. I know today you can use campaign funds for that, because we amended the law. So we didn't have any money and I needed to rent a little office there in Arlington, Virginia.

Dan Terra, who was an industrialist from Chicago, raised some money, not much. I mean, we didn't need a lot. I didn't take a salary. None of us were salaried, so it wasn't that. We put up a little office in this building in Alexandria, Virginia. The irony of it, after we rented this space for

a two-month basis—not a year lease—that was the old Bush-for-President campaign office. We didn't know that at that time. Wasn't that an irony?

Then we had planning. We know we're going to appoint thirteen Cabinet officers, right? We're going to have Agriculture, we're going to have Interior, going to have Treasury, going to have Special Trade Rep, on down the line. We know that when we ask you to become Secretary of whatever, you're going to be elated, and you're going to turn around and say, "Well, what do I do?"

So what we did—we prepared a book and said, whoever is going to be Secretary—here we go back to Treasury again—this is the legislative authority of that Cabinet officer. This is the organization chart of the Cabinet officers. You have this many appointments and this many Assistant Secretaries, Deputy Secretary. This is the general counsel. In other words, it was a briefing paper for whoever was going to be the Cabinet officer, so that he or she could look at a book and say, "Oh, I've got these jobs to fill," or whatever. Then we took each one of those jobs, say, the Deputy Assistant Secretary for Domestic Affairs, and we wrote a little paragraph—what does that job do? And then a little subparagraph—what type of individual background would be best suited to fill this job within this organization? We had all those books prepared.

During that time, obviously I couldn't do that, nor was I smart enough to do that. That's when I called in Cap Weinberger and Peter McPherson, who's now president of Michigan State, and a few other old hands. We needed old hands to do this type of work. They had to be there and know what the organization is. We'd always meet around ten o'clock at night because everybody else had things to do. They'd come in and we'd spend a couple of hours working on these projects, putting books together. Now we had the books—I guess you'd call them briefing books—they were books, not papers. They were somewhat thick, too. For Cabinet officers, the planning was done.

The second part of the planning was we needed to develop—go back to the phrase, "talent bank" again. Again, it's not just Cabinet officers, there's a lot of—we didn't go down to Schedule Cs and SESs [senior executive service], but—all the appointments. Started with—who are the leaders in the field of agriculture? Who are the leaders in the field of environmental concerns? Who are the leaders in health? Who are the leaders in defense? Who are the leaders in whatever—functional categories. Again, this was not interviewing, or talking to people, or evaluating people, just doing—so we would know the universe of the particular functions. There again, he hasn't won the election yet, right? So we're still planning.

The other thing we did—Okay, you know you have four hundred jobs to fill the first week you win the election. Immediately you have four hundred vacancies. You know you're not going to fill a whole bunch. You're not going to fill two hundred. You're not going to fill three hundred. You're not going to fill one hundred. You just physically can't do that. That's when we got into the policy side.

When Reagan is elected, what were the major policy issues going to be confronting his desk, day one? Remember the economic crisis we had in '80 and '81? We knew the major issues confronting the newly-elected President were going to be economic issues, using that as the

broad category. Then we went through all these jobs we had to fill and picked out what are the key economic jobs in all of these departments and agencies, not just Treasury, because all departments and agencies impact on economic policy. Then we came up with what we called the "key 87." Other than the Cabinet, we knew that those were the jobs we needed to focus on getting up and running and confirmed, so that as he issues proclamations or whatever, they are legally constituted to carry out policies. That was done.

The other thing during that period of time, prior to the election, was we had to address the Cabinet. Well, that's something you don't delegate. I did that personally. Doing the Cabinet is somewhat easy. It's more politically fragile and more fraught with peril, but not all that hard. You're going to appoint somebody who is well known, has a reputation, has served in senior level academic or governmental or business life. Also, you go through and look at who are the ones around Reagan that he would be comfortable with, that he knows or knows of.

Then I developed a plan. It was just on a yellow sheet of paper like this. It never was written out, sort of confidential. I put Secretary of State, Secretary of Defense. Then you'd go down here and put in, say, like, Bill Casey. Obviously, Bill was going to join the administration. Cap Weinberger. Obviously, Cap is going to join the administration. Paul Laxalt. He'll probably be part of the administration. And then my memory goes hazy. Oh, Walter Wriston, probably—Treasury, chairman of Citicorp. Again, this is just sort of my exercise. I'd been involved enough to know what we needed, or what I felt the President would want, or just to start the conversation. So that was done.

Now let's jump to the election.

Knott: There were no leaks, I take it.

James: No. None whatsoever.

Knott: The operation was never exposed?

James: No, never was. And that's one thing that caused me a lot of problems later on. We'll get to it, because I was not known to the political operatives and then I'm named to a very plum job, and they said, "Who in the hell is Pendleton James? Never heard of him. Why is he checking all these people? I never saw him on the campaign trail." Because there was no knowledge of me other than people close to Reagan, the regional political directors came for my scalp. We'll get to that later, because I was not known. If I'd been known all along—

Chidester: Was there a point where your office in Alexandria was asked to move from the process of the transition to actual personnel decisions?

James: Election night—then the ballgame changes. You are now President-elect. It is no longer pieces of paper. Now this is real stuff.

Hult: Before the election—if I could just ask a quick question? Who did you talk to during that period from the campaign? Ed Meese?

James: Ed Meese almost every other day.

Hult: The candidate?

James: No, never talked to the candidates. I knew a lot of the candidates. I knew Casey, Weinberger, people whose names would be on the list, but these were people out running to get the guy elected.

Hult: I misspoke. I meant President Reagan, soon-to-be-elected President Reagan. Did you speak with him during this pre-election period?

James: No.

Hult: To help you fill in that Cabinet matrix, for example?

James: No, not at all. He had one job—getting elected. I mean, every minute of his day he was out campaigning, on television or flying to Peoria.

Hult: So Meese was really the channel.

James: Meese was the channel. Meese is and was the channel. It was really—when you talk about Ed Meese, to me anyhow, you're talking about Ronald Reagan. I have never seen two individuals who are so attuned to one another that you scratch one, you scratch the other. It was just phenomenal. Totally different personalities, totally different lifestyles, but philosophically, if Ed said this and you wanted to know what Reagan thought—you knew he was going to say the same thing. Or if you said something with Reagan and you went in to talk to Ed, not knowing—they were identical. It was frightening, they were so much alike. Not frightening—they had been together for so many years, going back to the Berkeley riots. Ed was the counsel in those days. Those were tough times to be Governor of California.

Hult: Did your transition office have any interaction with the Heritage Foundation, which was also putting together briefing books during this time?

James: Yes, we did. [Edwin] Ed Feulner, who was—now, at that time Heritage wasn't all that big. Today, Heritage is a headline name. At that time it was Ed Feulner's little think-tank with Joe Coors and other guys putting some money into it. Ed Meese and Ed Feulner were pretty good friends through the Governor years and things like that—politically, obviously. The Heritage put together—I think they put together—a book, *Mandate for Leadership*, which today I've never read. I mean, if you're there, you don't need to read it. You're dealing with it, that's the difference. That door opens and you're doing things and you don't go back and say, "What did the book say?" But you're attuned to it. You're not a stranger to it. And yes, they did, they were very helpful. They were also a hindrance, but we had to deal with them. There were times we embraced them and times we held them apart.

Knott: They were a hindrance because?

James: It's what I call the hard right wing. I've had more problems with the hard right wing Republicans—as Presidential Personnel—than I did with any liberal Democratic Senator. I mean, you take—we'll get into this later—on the clearance process. Jesse Helms put more hold on Reagan's appointees than anybody else, and who's closer to Reagan than Jesse Helms?

Go ahead Karen, you were leading me somewhere?

Hult: I just wanted to get a sense of the ways in which this transition operation was, or was not, linked to the campaign, to some of the so-called "new right" groups, as well as to the kitchen cabinet. It seems as though the Heritage Foundation was a backward link to the kitchen cabinet. Is that right?

James: Yes, they were—good phrase—I like that.

Walcott: Was anybody else in that same universe other than—

James: I didn't deal with them. They were all active in press reports and in the newspapers. But remember, I'm almost a covert operation.

Hult: That's really what I'm talking about—whether anybody in your office was also dealing with those—

James: Later on, yes, after the election.

Hult: That was after the election.

James: We haven't got him elected yet. There's still time prior to the election. Then it all will change.

[BREAK]

Walcott: While we were at break, I really just wanted you to say this for the record. You were talking about how the [Bill] Clinton personnel people—President-elect Clinton was trying to put his administration together, and had come to you for advice.

James: I was in Boston. I get a call from this guy. Southern accent. "Mr. James?" I said, "Yes." He said, "I am Richard Riley, former Governor of South Carolina. Bill Clinton just asked me to do your old job. I sure would appreciate it if I could have some of your time to find out how you did it with Mr. Reagan."

I said, "Absolutely. I'll make myself available." So he said, "I'll come up to New York." I said, "No, Governor. I'll fly down there." His time was more valuable than mine. I met with him. I took him through the whole process—how to control, how to organize, how to staff, how to get

the whole thing done. He was making notes and he was following it, and I also said, "Now, whoever goes to Presidential Personnel has to stay there the first 18 months. You can't change that job, because continuity is always lost, and access to the President is very important. He has to trust you." I went through all the things with Governor Riley, and he was going to control the process. I felt very good about it. I thought I really helped him. I knew I had.

Then what happens? Six weeks later Riley leaves that job and becomes Secretary of Education. Then, in comes a new guy in Presidential Personnel who didn't call me. No problem. I don't care about that. But I thought, *That's a mistake*.

Hult: Yes.

James: One of the most important jobs, I think, in the early stages of a Presidency, especially today, if I may say so, is my old job, because you judge the President by the team he puts around him. His effectiveness is delivered by the team that he brings around him. If Presidential Personnel does their job—In the Clinton years he screwed it up. They just started filling jobs like that without any control or mechanism for briefing, informing, controlling. Is that what you had in mind?

Knott: Duane, you had a question.

Adamson: My question takes us back a little bit. Those early days when you're working kind of under the radar in California, then in Virginia, you had mentioned that your only real contact with the campaign was regular phone calls with Ed Meese.

James: A lot of contact, but none with the campaign staff.

Adamson: Sure.

James: Bill Casey and Cap Weinberger we brought, but they were very senior guys.

Adamson: What I was wondering about was the content of those meetings and discussions with Ed Meese. What sort of direction was coming down, if any?

James: One thing we determined—we can get into it later—was talking about how we would put a team together. What type of people should we appoint? What kind of team do we need out there? How do you answer that question? We came up with five criteria. I'm sure you've read these in history. We said we would appoint—there would be five screens we'd do on every appointment. Number one: We'd appoint men and women who are philosophically committed to Ronald Reagan—what Reagan was programming, what he was running for, what he campaigned for, what initiatives he wanted. We wanted to make sure we bring in men and women who are committed to that philosophy of government.

Second: We would appoint men and women who had integrity to do the job, whose background and ability were above reproach—we all have scars—but who were people of integrity. Third: We used toughness. Toughness was a very important one, because if you take this job you are

going to be buffeted daily by special interest groups, by lobbyists, by political campaign hangers-on to influence your decision on that area of government that you have responsibility for. By toughness we meant the ability to withstand that pressure, to shade your decisions and hang in there with what Reagan wants you to accomplish.

Fourth was competence. We wanted to make sure that the men and women we brought in for whatever job had some competence to do the job. I mean, if you're in agriculture, or you're in health or in engineering, or you're in science, you're in technology, if you're in finance, that your background has some capabilities to know how to do that job.

The fifth criterion would be team player. By team player, we didn't mean sycophants or hangers-on, but who were really taking these jobs—because whoever takes these jobs—their career is going to be enhanced to a certain extent by the very nature of that. We recognize that, but we don't want that to be their primary motive for taking the government job—*so that I can use this to get a bigger law firm,* or whatever it would be. We came back and we said we will use this screen on all the people we talk to—philosophy, integrity, toughness, competence, and team players. That was one thing we did. We tried to do that.

The other thing we tried to do was make sure—you need a balance in the administration. We can't end up with everybody from California, which would have been easy. We were all Californians, but we wanted to make sure that there was a geographic distribution from the Midwest, the East Coast, to the South, to the West Coast, the Northeast, Southeast, and all that. You need a geographical balance.

We looked at the racial balance—white, Hispanics, women, male. We looked at that, recognizing we can't have everybody of the same color. We looked at how to control the process, because we know that once he gets elected, the dam is going to break loose and everybody is going to be wanting a job in government. You're going to be inundated with a deluge—we got eight thousand resumes the first two weeks, or something like that. Something like eight thousand. The input is so huge for a newly-elected President that I've always said it's like trying to drink water from a fire hydrant. The pressure of water is coming and you can only absorb so much. The rest just splatters and spills on the floor. And it really does. There's no way you can control the amount of job-seekers right away, so you had to establish, somewhat, control.

How do we control the process, knowing that we're just going to be inundated? Control is most important. Basically, you control it through the President. President Reagan on election night in Los Angeles at the Century Plaza Hotel—his first speech—in this speech thanking everybody, he said, "I am appointing E. Pendleton James as my Personnel Director." First day. First night.

Immediately, I'm somebody to deal with, because he said so. I'm getting control, because he said it. When we appointed a Cabinet officer, let's say Don Regan, we would meet with Don and the President would be in the Oval Office. Don Regan would be in the Oval Office, Ronald Reagan is there, Ed Meese is there, and I'm there. Now he's a newly-elected guy, a big day in our lives, right? The conversation would be, "Now look Don, you're going to be Secretary. We're all for you. We're going to have a great team. We're going to have a great administration. We have a lot to do here in the next four years." He also would then add a paragraph in there. He said,

"Now, on the appointment process, Don, I want you to know that we're going to control the appointments here at the White House. That doesn't mean we don't want your input or we don't want your advice, but we are controlling appointments and Pen, here, will handle it."

Immediately, he laid his marker down with the newly-elected Cabinet officers, and he did this with every one of them, saying, "We want your input. Glad to have you here, but we at the White House—" Normally the White House does not control Deputy Secretaries, Assistant Secretaries, Under Secretaries, SESs, Schedule Cs. We decided in the planning process we're going to control it. We are going to be the final decision.

Naturally, we're not doing this arbitrarily or capriciously. Also, from the standpoint that when you come in to join this administration you're not Don Regan's appointment, you're Ronald Reagan's appointment. That carries a lot of perception. The President appointed me to this job. You work for the Secretary. Again, I don't want to put this like a hard-core thing—*screw the Cabinet officer*—we don't mean that. But we knew if we were going to have team players, competence, toughness, philosophy, we had to control the decision.

Admittedly, you control that for about eight or nine months and then the President does lose control—not literally lose control, but his control is diminished. Because by that time, Cap Weinberger, [Alexander] Al Haig or Bill Brock have created their own teams and have competence enough that they still came through me, but we said, "That's fine. Looks good to us." That was the way we established control. We had a President who had been Governor for eight years and he knew his success as Governor or as President would depend on the team he put around him. And the only way to do that is to make sure he had control of who comes in. That's what we meant by control. And we did it, too.

Hult: That emphasis on control through the sub-Cabinet entirely reflected then-Governor, next-President-elect Reagan's concerns? Or did it also reflect some of your experience coming in to the mid-part of the Nixon administration with some of the problems the Nixon administration faced with the sub-Cabinet, and that the Carter administration faced with the sub-Cabinet.

James: Karen, somewhere along the line, I lost you.

Hult: Let me start over again. I apologize. What I'm asking is this: Did the emphasis on control come only because Reagan thought it was so important? Or did it also reflect your experience in the Nixon administration, as well as the reports of the problems in the Carter administration?

James: No, it really reflected Reagan, and Meese and Deaver, the people who had been around him. I didn't work in the Governor's Office. I think it really reflected these California guys. They want to know who's coming into this team. Obviously, that's not in isolation. I realized the lack of control in the Nixon administration and looking at other Presidents, but I would have to really give that to the Governor.

Walcott: Would that same emphasis on control have been there had Reagan not been so clear in his goals, his philosophy, and what constituted a Reaganite?

James: It made it easier, because Reagan had been speaking to the public on public policies for so many years that it was very difficult to say, "I wonder what he thinks about this issue?" There's a saying on the staff, "You go in to see Reagan about an issue, you know what the answer is going to be." That was pretty well true, because you knew where he stood on issues.

Walcott: So the control had a substantive—

James: I'll tell you, he had toughness. We had an appointment for the Federal Communications Commission—FCC—for commissioner. The Chairman of the Senate Commerce Committee at that time was a Senator from Alaska. He's still there.

Hult: Ted Stevens?

James: Ted Stevens says, "I want this guy from Anchorage appointed to the Commission." Now, Ted Stevens was a member of the leadership, a powerful member, friend of the President, the whole bit. It came to my desk. I looked at it and I said, "Gee, this guy just doesn't look like commissioner level." He was a radio announcer in Anchorage, things like that. Maybe I'm belittling the guy, but it didn't look like what we really needed. Plus, I had over here names that really did fit.

Max Friedersdorf was head of Legislative Affairs. One thing I never did—I never went on the Hill. We had separation of powers. In other words, I didn't play in his pot and anything that went from the Congress would go through Max, and then to me, and from Max back to the Hill.

Max Friedersdorf came in and said, "Ted is not going to give. He wants this guy appointed." I said, "Max, I know, but I just can't bring myself to recommend the guy. See if Ted can move a little bit." Max would come back and say, "Pen, Ted is not going to move. He's adamant. You've got to go up and talk to him." Now, that was unusual, because I never went on the Hill.

So I went up and met with Senator Stevens. We met in one of these little hideaway offices and he just beat the hell out of me. I mean, "Arrogant son-of-a-bitch, what do you mean this guy can't be on the FCC? I want this guy. I committed." He just went through the whole bit. I'm sitting there letting him vomit all over me. He's a tough guy. These guys are tough, and they're used to having their way. I said, "Well, Senator, it's really up to the President, he's got to make this call." He said, "I'm going to take this to the President. I want to go see him." I said, "Senator, absolutely. I'll make the appointment."

So I got Ted Stevens on the President's agenda for maybe ten minutes. Times are very short. He comes in. Normally on something like that, Jim Baker and Ed Meese are sitting there with me and the President. Ed and Jim were not there—just me, and the President, and Senator Stevens. They didn't want anything to do with this. He comes and it's, "How are you?" "How are you?" And he said, "Now Ron, this is important. I want this guy appointed." He starts going on and on and on and Reagan just sits there and listens to him. He goes on five minutes. He goes on ten minutes. He goes on fifteen minutes. He goes on twenty minutes. Finally the aide, Dave Fischer, I think, opened the door and said, "Mr. President, you've just got to move on."

I'm sitting there not saying a word. Finally, the President gets up and Ted gets up. Ron puts his arm around Ted and he says, "Ted, I understand what you mean, but under the Constitution, I make the appointments." End of conversation. I almost fell off my stool, because I assume he's going to give it to him. Toughness? Yes sir, he was tough. Reagan read the same report I did. Now, he didn't know either one any more than I did, but he looked at this background and he looked at this background, and political support—you always look at political support. He didn't say, "I agree with Pen." He just said, "I make the assignments." When you've got that kind of backstop, it ain't bad. I'm just amazed at that story.

Now I'll tell you another story where it doesn't work. I've told you one that worked; now I'll tell you one that didn't work. Bryce Harlow—I brought his name up earlier. During the transition—we're not elected yet. Bryce calls me. I didn't know him well, but I'd met him during the Nixon years. He said "Pen, I'd like to help. Why don't you have lunch with me?" I said, "Fine." I'd be glad to have lunch with Bryce Harlow any day of the week. We went to one of these little hideaway clubs here in Washington and we chatted. He said, "I'm going to give you the secret of good government." I said, "What is it, Bryce?"

"Before I tell you," he said, "you'll never be able to do it." I said, "What do you mean, we can't do it? We want good government." He said, "Never, *ever* appoint a Hill staffer to a regulatory job, because that Hill staffer will never be the President's appointee. He or she will always be beholden to that Senator or that Congressman who lobbied and put him in that regulatory job. They won't be the President's appointee. They will take their directions from the Hill. That's it, right?"

And I said, "Boy, you are right. We're not going to do that." That evening I'm meeting with Baker, Deaver, and Meese. We met every day at five o'clock for the first two years—every day. Never was canceled unless somebody got sick. I told them about my lunch with Bryce Harlow—Hill staffer. Not regulatory. Absolutely.

Now we win the election. Reagan is President. We're appointing another position, a regulatory job. Senator [Robert] Packwood called me or sent a memo to me that he wanted this person on his staff appointed to this regulatory job. It was a woman. I can't remember her name.

I sat back and I looked at it and I went, "No, no, we don't want a Hill staffer in this job. Let's get somebody from the Midwest, a different geographical mix." Packwood said, "I want to meet you."

Knott: Packwood.

James: Packwood, right. So I had a meeting at five o'clock with Baker, Deaver, and Meese. I said, "I had lunch today with Senator Packwood." "What did he want?" "He wants this person appointed to this regulatory job." I started to go into the Bryce Harlow story and how we're not going to do it.

Jim Baker looked at me like I just fell off the turnip truck. He said, "Give it to him." In other words, Baker, putting on his political hat, needed Packwood.

I often thought, *What if I had taken that same thing to Ronald Reagan instead of Jim Baker?* Going back to the Ted Stevens story. Baker, who's Chief of Staff—he had a bigger job with more problems than I ever thought of—said, "Give it to him." She got it. She turned out well, too. She's still a Washington lawyer. So I gave you an example where you can control, and there are times you can't control. Nothing is pure in government.

Chidester: These five criteria that you listed—were they in order of importance? Were they all equal?

James: No, they're all equal. Well, I'd have to put philosophy first, yes.

Chidester: Were there people in the administration or in the transition process who felt one was more important? Was there a loyalty guy? Or like you said in the Nixon administration—

James: No, we sort of—in Presidential Personnel we just used that as a screen for evaluating people. There wasn't a memo that went out to the whole staff. It was just something we used to—when you get up to the decision-making level, which we were, that was the thing we just unconsciously applied. For example, if we felt that this person wasn't philosophically attuned with the President, even though he or she may have had big political support, we could still say, "I don't think we'll go with it."

Walcott: Were there examples where you lost on that? Where people who you knew weren't really in tune with the President got appointed anyway?

James: Yes. In fact, I remember Ronald Reagan, one time—It was an appointment on a commission—I can't think what. It was one of the senior—not a full-time job, but a commission appointment. This was a lady from the Midwest, a very prominent Republican. But she had always been very anti-Ronald Reagan. *He's too conservative*—you know—women's issues. Ed was in that meeting because I really didn't know her—it was just Ed and me and the President. Ed said, "On this one, Mr. President—" And he said, "Ed, she's never been with us. She's never supported us." Then he said "All right," and he approved the appointment. So at times it's political expediency. Now, that wasn't a heavy-duty job—

But there's always give-and-take in politics. You've been studying this for years. You know this. Those are some illustrations on give-and-take on people you're trying to—

Knott: Did you ever appeal something to the President? You mention the instance with Baker saying just Packwood's person—Did you ever feel so strongly about something that you—

James: Yes, I did. That's a good question. It has to do with the National Endowment for the Humanities. Of course Reagan ran on—he wanted to get rid of the National Endowment for the Humanities and Arts. He said, "Government shouldn't be into this. Why are we doing it?" But anyway, we had it, so we had to fill the job.

The Heritage Foundation came forward with this professor from the University of Texas—or a university in Texas—who was a Lincoln scholar, hard conservative, right with Ronald Reagan. I read this in the *Washington Post* before I even knew about it. "The President is going to appoint Professor So-and-so to Endowment for the Humanities." I kept saying, "Who in the hell is this guy?" Because I wasn't all this concerned with these commission appointments. I was more concerned with the Cabinet level.

I said, "Let me see." So they get me this report and I read his résumé, and, gee, it's very impressive—PhD and all this. I said, "Let me see him," because before I went to the President I wanted to see the guy. He had all this support. He flew up to Washington and came to my office. I hope you don't know who I'm talking about. I'm talking about a colleague. He was fat, he was sloppy, he was ill kempt. I mean *rolls* of fat on him, and I thought to myself, *My God, I just don't think we can do this*. *I don't think this is what Reagan would want*. I asked the staff for other options.

You always ask yourself what would *he* want to do? Heritage had him appointed in the press. This was a big story. The National Endowment of the Humanities—you can imagine. It was a big story—chairman.

The staff came in with this guy from South Carolina called Bill Bennett. Bill Bennett was at the Triangle Research Institute down in North or South Carolina. I said, "Let me see him." He came in and man, this guy—he knows what he's talking about. I thought, *Why would we go with this guy in Texas? Why don't we go with this guy Bennett?* None of us really had heard of him. It wasn't a name that they would know. A couple of problems with Bill. One: He was a registered Democrat. He was from North Carolina, worked in South Carolina. Now, who are the two Senators from North Carolina? Jesse Helms and Senator [John] East, who is since deceased. Obviously, on things like this you want the home state Senators, so you go to Max Friedersdorf, liaison guy, and say, "Check with East and Helms about this guy Bennett. We'd like to go with Bennett." Max comes back and says, "No way. They want this Texan." Number one: They didn't know Bennett, and number two: He was a Democrat, and number three: They were supporting the guy that Heritage wanted.

Walcott: Did you dig your heels in?

James: This was a big story in the press. I just did not feel I could go forward and tell the President, suggest to the President. I went in to talk to him about it and told him my concerns. He said, "Fine, why don't we go with Bennett?" I said, "That's what I think." And he said, "Okay. Let's go with Bennett." Now he knew the political pressure. He knew the Heritage. He reads the newspapers like I do. That's one I took to the President personally and he agreed. I think Baker and Meese were off doing something that week. So there are times you can do that.

Coming back to the role of Presidential Personnel—I don't want to put myself into this, but Presidential Personnel, number one, has to have the trust of the President, knowledge of it. But he or she has to recognize you're an honest broker. You're not really filling these jobs. You have a life other than this, so you try to give your best judgment. I've always viewed that job in that light. It's a very powerful job. Everybody loves you.

Walcott: How were you viewed? Were you viewed as a strong conservative, a personal friend of Ed Meese? What was the view?

James: I was hated. I'm surprised. You've done a good job of researching this and I commend you. I read all the material. But thank goodness you didn't pull out some of those newspaper articles that caused my wife to be in tears. One of the problems that I had, going back to the campaign—I was not part of the campaign. What I was doing was covert, so all the people in the campaign didn't know. All of a sudden, E. Pendleton James is named by the President to be head of Presidential Personnel, and they all said, "Who in the hell is he? Never heard of him. What did he do for Reagan? Is he a Reaganaut?" I mean, I was just a total blank to them, other than a few key players.

There was a great effort to undermine me. Articles—one magazine I think I mentioned to you—a Republican magazine—had headlines, "Mr. President, Fire E. Pendleton James." Stories in the *Washington Post* that, "James is not bringing in Reaganauts; he's bringing in retreads," because we were bringing in people from the Nixon administration. There was a lot of hostility to me and it all came out of the political operations. They didn't know I was on their team. They didn't know I was a team player. They didn't know I really was selected by the President. I was sprung on them overnight. They're all jockeying, conniving and scheming for jobs, and here's this guy bringing in people from the Nixon administration. "All he's interested in is Harvard MBAs. He doesn't care about the people who worked in the trenches." There was a lot of that.

Knott: Did they reveal after the election that you'd been at this for some time?

James: Yes, but—

Knott: That didn't—

James: I'll give an example. The transition days. The press is saying, "Who the hell is E. Pendleton James?" You have regional political directors, called RPDs. These are the guys who are out in the trenches during the campaign. They're all young men and women, all aggressive as hell. They're the ones who hang the banners, get the parade going, pull in the clowns, get the elephants around here, and all that. They're the people that get you elected. They were just really angry with me. I felt the only way I could do this was to come up—I went about it very rationally. I had a plan, I had organization, I was all set up—they just didn't understand.

I asked Paul Laxalt to invite them all in and let me talk to them. There were about forty of them. We got in this room on Fourth Street in Washington D.C. during the transition. I stand up and I start explaining to them about the appointment process—that number one, we had to put the Cabinet together, and then we do the sub-Cabinet, because most of these people would be SESs or Deputy Assistant Secretary level, generally. Until we get that process—then we can get around to your appointments, so you just have to be patient with me until we work through this process. You're all going to get jobs. You're all—Reagan got elected because of you. We're all beholden to you. I've done the right thing, and you're all going to have roles in the

administration, but we can't do it until we get through the process. Remember, we're in the transition. We're not even in office yet.

You thought that went over? Not in the least. They stood up and started, "God damn it, I was in Peoria, Illinois, and I did this, I did that, and I want this." They weren't subtle. Finally, there was one guy in the front row, a small guy. He stands up, turns his back to his colleagues and says, "Now wait a minute. Everybody sit down. Sit down! Look, I think what Pen has said makes sense. Let's just go with this procedure and we'll work it out, but let's let the process work."

With that, I'm getting ready to leave as soon as I can. Paul and I are walking out of the room and I turn to Paul and I say, "Who was that guy?" He said, "That's Lee Atwater." This is before Lee Atwater became the *famous* Lee Atwater. He was an RPD from Georgia, or South Carolina. He's the only one who said, "I understand." And he turned to his colleagues and shut them up. I could have kissed him.

So—hostility? Yes. And it's not so much Pen James. It's the office. Because if you're the gatekeeper—if you feel you deserve a job and you don't get it, who are you mad at? The gatekeeper.

Hult: What other kinds of groups made up those that were hostile to your operations? You've talked about the campaign operatives who might have eventually ended up in Schedule C or other kinds of positions. What about, also, kitchen cabinet, the so-called "new right" organizations, and so on? I'm just trying to put together a map of where the opponents were.

James: [redacted] For example, who did we have the most problems with on the confirmation process? Who did the President have the most problems with? Jesse Helms. Not a liberal Democrat, but his own conservative Jesse Helms. Jesse Helms put more holds on more Presidential appointments than anybody else. But he used it as a—for example, he opposed Bill Bennett. Remember I told you we finally sent Bill up to meet with Jesse Helms and Senator East, to genuflect, and all that.

They had views, and if you didn't conform to their views—and these people are power structures in their own right. They worked hard to get into those positions, so you had to recognize that.

Adamson: Just a question taking us back a little bit. President Reagan or President-elect Reagan mentioned your name in the hotel in California. I'm wondering if you could talk a little bit about that initial transition. From behind the scenes to—"Let's implement all these briefing books and all of this programming and organization we have."

James: You're right. The day Reagan was elected we were all in California—Los Angeles. We were all in the Century Plaza Hotel. In fact, my wife and I were hosting a dinner party that night for Weinberger, Baker, Deaver, Meese, everybody, at a restaurant across the street from the hotel. Dinner was supposed to be 6 o'clock. As you all remember, by 5:30 the election was over. Carter had called and conceded, and Reagan was stepping out of the shower and said, "I didn't know we were supposed to do it this way." The election was over so quickly, it ruined our dinner party.

Then—I guess this is the next night—Reagan is addressing the group and it is in that speech he mentioned my name. The next morning—we're talking about day two or day three—there was a meeting in the President's residence in the Pacific Palisades. Subject? Cabinet selection. Guess who had been working on that subject? I was the only one. In the residence of Ronald Reagan—at his home—there was Baker, Deaver, Meese, Bill Casey, Paul Laxalt, and the newly-elected Vice President, George Bush, and myself.

Now he is no longer on the campaign. He is now President-elect. All of these guys are no longer working for the campaign. They're now working for the President-elect. It changes it all around. None of them have been thinking about Cabinet or jobs or anyone else. I'm the only one in the room who has been focusing six months on this meeting. So I had to report. They're all looking at me. We knew we'd have to go through—we picked State, Defense, Treasury, probably the first day.

At the conversation sitting around the table—not around a table, but in the den—we were sitting around on sofas. And this was my first experience with Nancy [Reagan]. We're sitting there—Cabinet selection. All of a sudden Ronald Reagan goes like this—he goes over here. He had seen Nancy come in the living room from the bedroom, walking to the front door. And as soon as she walked in the room, it was, "Hi Honey, where're you going?" I was sort of ticked off. I wanted to say, "Wait a minute, we have to—Sit back down here." But he had seen his wife going, and she said, "Oh, sit down, Hon. I'm going shopping." He said, "Okay, Honey," and he came back. That was my first experience that when Mrs. Reagan comes in the room, he's with her. It's astounding. Anyhow—Cabinet selection.

I'll give you some examples. We knew Casey was going to be in the Cabinet, and we knew Weinberger was going to be in the Cabinet, just to pick two names. But we didn't know—because I had their names for about three jobs. I had Weinberger at OMB, I had him at State, I had him at Treasury. I mean, this guy is eclectic. He could fill any one of those jobs. I had Casey at this job, this job—

We started discussing the names. We talked about State. Obviously, the name George Shultz came up and we decided not to move with George Shultz, primarily because we knew we were going to have Weinberger. They were both out of Bechtel Corporation and they're both Californians so you really can't have two Bechtel, two Californians at State and Defense. We decided—how about Haig? I think we decided Weinberger was going to Defense. He wanted Defense.

We talked about Haig as a Cabinet officer. I'm just sort of a facilitator at this meeting. I'm not a decision-maker. A lot of conversation came up. Well, Haig is running for the Presidency. Haig has Presidential ambitions and we don't want him—going back to one of our criteria—team player—to take this job for his own self-aggrandizement so that he can run for President four years or eight years out. There was a debate. Some said he would, some said he wouldn't. Reagan looked at Baker, Ed, and me and said, "Look, why don't the three of you meet with Haig." With "Al," he called him. "Quiz him on this and find out and get back to me."

We flew back to Washington for that meeting. I called Al Haig. He was, at that time, remember, president of United Technologies up in Hartford, Connecticut. I introduced myself. He knew who I was. I said, "We'd like to have a chance to talk to you, but we really would like for you to come into Washington without anybody being aware you're coming to Washington." All the reporters were wondering who's going to be on the Cabinet, and if they see Haig flying in and then coming to the transition office, they'd immediately—he said he would, so he came in.

I was staying at the Hotel—a small hotel—Lafayette, I think. The room was smaller than this. He comes in, and it's Ed, Jim Baker, myself, and Al Haig. We were all in black tie because we were going down to some meeting that night. It was really interesting because Baker and Meese are lawyers and at least Ed has been a prosecuting lawyer, too. I think Al sat on the edge of the bed and they just quizzed the hell out of him—very direct, very blunt, brutal questions about his aspirations and all of that, trying to figure out where is he coming from.

The next day we're on the phone with the President-elect, who is still in California. Our report was basically, "We do not think Al Haig is running for the Presidency, and if you do appoint him he's not going to use it as the stepping stone." There was only one person in that room who said something different. It was George Bush 41. George was a new kid on the block. He wasn't part of our team. He was the newly-elected Vice President. He ran against Reagan. So he was very circumspect.

He said, "Governor, do what you will, but I predict if you do select Haig, you'll probably have problems with him." That was the sentence. That's all he said and the conversation went on. All of us recall, George had him right, we didn't—because Haig was a problem. He was a problem about appointments. He was a problem on policy. He was a problem on ego. He was not a team player, going back to the five criteria. Philosophically he was there. Finally, as you all know the story, he finally had to be removed and the President went back to Shultz to fill the job.

Now let me tell you some of the bad stories about the Cabinet. I'm just trying to give you contrast, not all the same stories.

Knott: That's great.

James: Remember Ray Donovan? Secretary of Labor? Indicted? The appointment for Secretary of Labor—we were discussing that. Always before, the Labor job has really been, I mean, Secretary of Labor has always been labor's nominee. AFL-CIO, the teachers' union, et cetera, have always influenced that appointment to make sure they get the person who is not going to be too much trouble. We, in our arrogant way, said "Screw 'em. We're going to make our own decision."

Ray Donovan, who is a fine guy, who worked his tail off for Reagan, a major fundraiser, a very successful contractor in New Jersey, met all the criteria. We decided, "Let's go with Ray Donovan. We're going to do this, fly in the face of the labor unions." That's tough duty. The President announced Ray Donovan, candidate, Secretary of Labor. About two days later, Ray comes into my office and says, "Pen, do you have people out investigating me?" I said, "No, what are you talking about?"

He said, “I’m getting calls from my neighbors that people are coming in and talking to them, asking who I am, what I do, and all that. Investigating me.” I said, “No, no, we wouldn’t do that. You’re the President’s choice. Why would we investigate you? Besides, we have the FBI to do that.” He said, “I don’t know. I’m getting all these calls.” So, I take it down to Ed. I said to Ed, “Is anything going on with Ray Donovan? He said, “No, not in the least. What’s wrong?” I told him the story.

To make a long story short—and this long story runs a couple of years. Because Reagan did not kowtow to the labor unions—he went out and got an individual to put in that Labor job without them blessing it—they were going to say, “We’ll teach you a lesson.” I’m convinced to this day that it was a put-up job, this labor racketeering, or whatever it was he was charged with. It was all a put-up job, because they wanted to control the Labor appointment. They didn’t control it, so they were going to drive him out of office. And they did drive him out of office. Remember, he was indicted, and then it was taken to a different court and he was exonerated. He made the famous statement, “Where do I go to get my reputation back?” It’s hardball when you deal with people like that.

Knott: You think these were investigators hired by—

James: No, I don’t. They were probably labor guys going around—because they didn’t know who Ray Donovan was. I mean, he didn’t come out of the labor movement. We knew him because he was a strong ally of Ronald Reagan. He was a businessman. Why do you have to have a labor lawyer to be Secretary of Labor? Do you? You’ve got lawyers to do that. You need a policy guy up there.

Knott: Were there other instances where you think you saw this kind of vendetta?

James: That was the most visible vendetta, and I’ve only said that here. I’ve never really been asked that question. There’s nothing I can prove, nor are there any facts to it, just your own knowledge of the people and how it came about. And it happened two days after he was announced that he came to me and said, “Pen, do you have people investigating me?” Somebody was out looking. These were not FBI agents, so it had to be somebody else and they’d plant the stories.

Hult: Before the announcement were you doing checks with relevant Senators or other people?

James: You do that routinely.

Hult: Could you tell us a little bit about that process?

James: Part of the process is—Okay, we’re going to appoint a couple hundred people. We don’t know all these people. There’s no way we’re going to know all these people coming into the administration. So, the first six months—I set up the procedure and it’s sort of like—take Karen—you’re going to be appointed. You don’t know that yet. We want to check you out. You’re from Kansas. Max Friedersdorf would go up and see Bob Dole and say, “Do you know

Karen Hult?" "Yes, I know her. She's over in my district—good gal." Or, "No, I never heard of her." Anyhow, we'd do a spot check. Then we would send it to Anderson.

Knott: Martin Anderson?

James: Martin Anderson, because you've written papers, you've published, or you've lectured, so we'd send it over to Martin to check you out—papers you've written, speeches you've given—to see where you stood on various issues. Then we would go down to Lyn Nofziger's political shop. Lyn would go back to your home district, to the RPD there, or whatever—or to the state campaign chairman and say, "Do you know Karen?" "Yes, I know her," or, "No, I don't know her." Most of the time it was, "No, I don't know her."

Then it would go to Fred Fielding, the legal shop, to do a spot check. Not FBI yet, because we haven't nominated her. He'd maybe do a police check or something like that, or a drunk driving check on her. Then we'd get that information back. Now we've checked Karen out on papers she's written, we've checked her out with the home state, we've checked her out with a cursory legal thing to see if she's had any major problems. Then we would go forward.

This only lasts for about six months. We had a very organized procedure. That way, when we went forward with the President—when we made the decision—and we'll get into that later on—how we went through the process—there would be a report that Bob Dole thinks she's good. Marty Anderson says there's nothing there. Fielding says there are no hidden drunk driving charges. Lyn Nofziger says the RPD in that district says she's okay. So we've had that little—because if you're appointing people you don't know, you have to do some sort of a thing. And so I set up a mechanism through the policy shop, the political shop, and the legislative shop, and the legal shop to give me a quick read. And these reads had to be turned around in 24 hours.

Walcott: They were all working simultaneously?

James: Oh yes.

Walcott: They're all going at the same time.

James: We had 24-hour turnaround.

Hult: Now, all of that had to be telescoped for the Cabinet nominees during the transition process.

James: We didn't do that for the Cabinet.

Hult: Okay, that's really what I was going for.

James: The Cabinet the President decides. We meet only with the President.

Hult: To go back to the transition and the Cabinet nominations—were there specific positions where the President already had somebody in mind and he didn't want to be talked out of that person?

James: Yes. Absolutely.

Hult: I'm thinking of—Richard Schweiker is one example.

James: Absolutely. Of course. He's the boss. I'll give you an example. Go back to control. The election is over. He's not sworn in yet. Ronald Reagan is out in Palm Springs, California at Walter Annenberg's estate. The New Year's Eve party that he always gives for the beautiful people. I'm in Washington working. I'm not home for Christmas, so I get the call late one afternoon from Ronald Reagan, the President-elect. He says, "Pen, I've decided"—I'll use names because I will edit these names out—"for the Ambassador to St. James I want to put John So-and-So in that ambassador's job." That's a plum ambassador. There are three plums—England, France and Italy. "Fine, Mr. President," and I wrote down the decision.

Ed Meese called me later and I said, "Oh, I talked to the Governor today and he wants to go with Bill and Mary and Jane, and on St. James he wants to go with John whatever." Ed almost dropped the phone. He said, "He can't do that." Now, I never heard anybody say, "He can't do that." He said, "That guy opposed us. He wasn't on our team. He didn't raise money. He can't do that." Then I get a call from Deaver. Ed had just called Mike. Mike called me. "He can't do that." I said, "Well—" I felt like I did something wrong. And he said, "Don't do anything on that until we get back."

After New Year's they all came back. We're sitting down with the President and we said, "You know, Mr. President, this guy didn't support you." He was a very wealthy socialite. The Annenbergs loved him, and that group of very prominent, international jet set. A nice guy, really nice guy. He was not a ding-a-ling. So we went in to see the President-elect. We said, "Governor,"—at that time we called him Governor. Then we called him President after he got sworn in, so we always knew where we were on the timeline—"Do you know this guy did this, this, and this?" And, "You can't do that." Reagan knew he had been had. But Reagan, being the man he is, once he makes a decision, he won't back off. He said, "Fellows, I know you're right, but I've already decided. Sorry, but I can't do it." So this guy did become the Ambassador to St. James.

Now, the end of the story—because here Reagan got burned. During the transition he realized he can't be blindsided. He can't be at a cocktail party or a Senate hearing and a Senator says, "I'd like Karen to be in that job." "Karen sounds good to me. Let's call Pen and do it." He always said, whenever he was contacted, "Sounds good to me. I will put it in the process." Even if it came to the President, himself, with a good friend saying, "I want So-and-so appointed." He would say, "Put it in the process." He controlled the process. I'm not negating that, but then it came in and when it hit his desk we had the options before he made that decision. That's another reason we had strong control—because he got blindsided at the Annenberg party.

Knott: That's the only instance that you recall where that happened?

James: Where he got blindsided? Not that I'm aware of, because he always came back to us. You know, it's not difficult to come back. You've got to recognize that he's the boss, anyhow. But he wanted to be sure. "Was there anybody else I should have considered before I decided on that? Was there somebody else that you guys were thinking about before I decided on this one?" He may still go with that one—he probably will—but he wanted to see the other options. He was a great guy to work for.

Knott: He was a great guy to work for?

James: Oh yes. I was saying earlier I've been reading a new book out by Jon Meacham, the editor of *Newsweek,* called *Franklin and Winston*. It just came out this month. It's not the history of Roosevelt and Churchill. Everything's been written on that, *ad infinitum,* but this book is about their relationship—their personal relationship—how they worked together and how they communicated, and it's very good.

On page nine of this book—I made a copy because I knew I was coming down here—Frances Perkins, who was in Roosevelt's Cabinet—Labor—the book says, "As leaders they had a gift for bolstering those around them." They quote Frances Perkins: "His [meaning Roosevelt's] capacity to inspire and encourage those who had to do tough, confused, and practically impossible jobs was beyond dispute."

Frances Perkins also says about Roosevelt, "I and everyone else came away from an interview with the President feeling better. It was not that he had solved my problems or given me clear directions, which I would have followed blindly, but that he made me more cheerful, stronger, and more determined to do what, while I talked with him, and I had clearly seen it was my job and not his. It wasn't so much what he said, as the spirit in which he conveyed it."

I thought you could say that same thing about Ronald Reagan that she said about Franklin Roosevelt. I just thought I'd add that.

Knott: Glad you did. Did the kitchen cabinet make your life hell?

James: Oh yes.

Knott: I suppose I could have phrased that differently.

James: Okay, the kitchen cabinet is important. These are friends of Ronald Reagan, God bless them. They're all great. But politically, they'd walk into a wall. They don't know up from down, other than strong, conservative objectives. It was, "E. Pendleton James? Who's E. Pendleton James?" And all that. All these stories that he's not bringing in Reaganauts, and he's blindsiding the President about certain people.

They decided they're going to take control. So, they all go flying in their corporate jets to Washington, D.C. and they set up the kitchen cabinet. Now, I knew all these people. They weren't strangers to me. And they knew me. They didn't feel I was doing a good job.

Knott: Who are we talking about here, do you mind naming names? I mean who, in particular, was—

James: All of them. Who are you going to leave out?

Knott: So they were all very much engaged—

James: There's about seven of them.

Knott: [Holmes] Tuttle and [Justin] Dart?

James: Yes.

Knott: [William] Wilson?

James: Yes**.** Coors. Now [Charles] Wick was part of it, but Wick was separate. Charlie was okay. What they wanted to do, which I thought was unconscionable, was interview these candidates. In other words, we want Karen to be Deputy Secretary. Then they wanted Karen to come over. They took an office in the Old Executive Office Building. Karen would come in and sit down and they would ask her all these political questions, about her loyalty to Ronald Reagan and her commitment to the campaign, and how much money did she give, and why—"What's her doctorate in? What school is that? Oh, I'm not sure that's a good school." And pass on these.

That's just the way it worked. I was just offended at that behavior, because we had a process. We had a control. We had an organization that was well thought out to screen out all of this. Now, all of a sudden, they are coming in and putting their wisdom forward.

Wall: Did they talk to you at all before setting up—

James: I just stayed as far away—they were in the OEOB and I was in the West Wing and I very rarely went over there. I went out of my way not to be around them. In answer, no, they didn't talk to me. This went on for a couple of weeks. And I thought, *Well, if you've got the kitchen cabinet, then what the hell am I doing here?* I said, "I don't need this job." I volunteer, anyhow. So, I wrote a note to Ed and I said, "I quit. I'm going home." And I caught the plane and flew home. Let them do it. I was angry, but my life doesn't revolve around this.

Then Ed calls the next day, and to make a long story short, I came back. Then, it was a nightmare. It was embarrassing. What we finally did, thank goodness—Fred Fielding—have you interviewed Fred yet?

Knott: We're going to. We haven't yet.

James: Ask him the story. It's sort of like—in hindsight—remember when Hillary Clinton set up this healthcare thing? She got all these people and put them at the OEOB to study healthcare

policy issues, and legal says you can't do that. If you do that, then they have to be part of the administration.

So Fred, a good lawyer, said, "All right, if you guys want to do that, okay, but now you have to fill out these financial disclosure forms." They looked at that and they went white. Holmes Tuttle said, "You mean I have to tell you how much money I have? I'm not going to do that." Fred said, "If you're going to be an adjunct to the administration as an advisory committee—you are now an advisory committee—you have to come under the Ethics in Government Act. That afternoon, they all got on their planes and went home. Otherwise they'd have been there today.

But the thing is, these were friends of the President and you have to respect this. They'd been with him. They'd helped him. They're the ones who got him going. There is a loyalty there. Reagan knew what was going on and he knew the process, but he couldn't—we kept going to see him. "Mr. President, you can't allow this." We were outraged. Not just me. We said, "You've got to send them home." He'd just smile and say, "Well, I know, I know."

I've watched him in meetings with the kitchen cabinet. I think the way he handled those guys—they would come in and tell him all these things. He was a good listener and they felt they were making all types of input. Then they'd go, and he'd decide what he wanted to do anyhow. But he'd let them have input, and as a result they felt they were a part of it. That was one of his strengths. He let you have input, but he made his own decisions. While you were giving the input, you thought you were making effective decisions. Not necessarily.

Walcott: Is that one source of the claim that Reagan was not always engaged—that he was too detached and so forth?

James: Yes, that's a big story. I'm detached at times, too. There are times my eyes glaze over. I've interviewed hundreds and hundreds of thousands of people in my forty years in search. There are times when people come into my office and I know I have to spend forty minutes with them. I know in two minutes you're not going to get this job for Lockheed, but I've got to sit there, and I'm not listening to you, Karen. I'm nodding and I'm saying all the right words.

I think a lot of that is just Ronald Reagan. You meet so many people at these times. Also, I think there are things he wasn't interested in, that were not on his priority schedule, so he would get less attentive. I never found him that way. I know the stories. Ed could answer that question better than I could. He knows the man well. I worked with him. I would say no, he's not. But I'm the wrong person to ask that question.

Knott: Were you irritated at him at all during this period where he seemed to be tolerating the presence of the kitchen cabinet?

James: We were angry with him. We'd go in there and say, "You've got to get rid of these guys. You can't allow this." But he knew—he's smarter than we are—it will work out. Rather than have a confrontation with his old colleagues and say, "Go home." And then have a hell of a news story about that. But that was the only time.

My dealings with the President—I was on his schedule regularly, every Tuesday and Thursday, set appointments, so we always had time to go through him. We didn't have to wait and say, "What's he have this week?" We set it up as a program. Remember, the first six or eight months we're dealing with hundreds of appointments, so we needed to block out times for the appointments, because until you get the people up you can't operate. You have to give priority to that—certain priority to that.

Hult: Were those one-on-one meetings, or were there other people in the room?

James: Most of them were one-on-one. By the time we got to one-on-one, it had been staffed out. In other words, at the meeting at five o'clock every day—the Baker, Deaver, Meese, James meeting—nobody was ever invited. It was in Jim's office. Nobody was ever invited into that room. Nobody was ever invited to participate in that. The reason I say that is that everybody wanted to—that's the big—that's where the decisions are made.

I would have stacks—that high—of appointments we had to go through. The first page, if I remember right, was: Okay, this is for the Deputy Assistant Secretary for Interior. Second page: What that job is—the briefing of what the job responsibility is. The third tab, I guess, was the candidate, Karen, and Karen's background, and then political support. Under this: Bob Dole, Bill Smith—whoever is supporting her. Then the fourth page, and what they always looked at, usually first, was: Who else are we considering? In addition to Karen we have Bill, Henry, and Susie.

They'd say, "How about Susie? Remember, Susie worked with him." And Ed would say, "How about Bill? He was pretty good." Deaver would say, "No, how about So-and-so." In other words, the report gave a recommendation, but it also gave other options. At that meeting— these were the three closest to the President—Chief of Staff, Deaver, and Ed—they decide they will recommend Karen. Then, on the Tuesday and Thursday meeting with the President, generally they didn't have to be at the meeting, because that was their recommendation and I was carrying the message.

Knott: When Baker was selected to be Chief of Staff, which caused some resentment, I think, amongst the old California crowd—Do you have any recollections of that?

James: Oh yes, very clearly.

Knott: Meese apparently wanted the job.

James: I remember that night. It was in the Hotel at Century Plaza. I'm in the Meese suite with his wife, and Ed comes in. He had just come from that meeting. He wanted to know what was the meaning of the title—somehow they thought I knew more about this subject than I did—and the title, "Counsellor to the President," what did that mean? That's when they said, "Why don't you be Counsellor, and Jim will be Chief of Staff?" Ed was kind of quizzical at that. His wife was in the room, but he was just trying to figure out what that job meant. That doesn't answer your question, but that's the day it happened. Ed, being the type of team player he is, he never—

Knott: There were a lot of reports—

James: And in hindsight that was the right decision, too.

Knott: Yes. You worked closely with Meese. There was always some criticism of Meese as a poor administrator.

James: Oh absolutely, a lot of criticism. Here's what happened to Ed, and you have to recognize I'm a friend, I'm an advocate. Ed is not vindictive. Ed is not a sharp elbows guy. Ed is not a person who will try to hurt you politically. Ed's Achilles' heel—and it is an Achilles' heel—he will always say—that's why I say Reagan and Meese are very much alike. He thinks the best of everybody. He can't imagine anybody would be out to do you in. That's where he comes from.

Now Ed is Counsellor, Baker is the Chief of Staff. Dick Darman, who was not a Reaganite—Baker arranged for Dick Darman to have Staff Secretary, not a big powerful post but an important post, and David Gergen. I'm a friend and admirer of Jim Baker's, too. Jim was excellent. I'm just giving you sort of, inside of the hallways, what was obvious to all of us.

The power was with Ed. Ed clearly had the ear of the President, not Baker. Ed clearly knew where the direction of the administration was going. Ed really was king of the mountain. He never wore that hat; he just had it by the very nature of his twenty-year relationship with Ronald Reagan.

Then you look over here at Jim Baker and Darman and others, and all Baker had was the administrative functions, the Staff Secretary function. He did have Legislative Affairs. He had the operations; he didn't have policy. Ed clearly had policy. I do believe in my heart of hearts—I may edit this part out too—that Dick Darman, who is probably one of the most brilliant people you'll meet—he's so smart, he's dangerous. I mean, he will out-think you before you walk in that door, which we weren't aware of at the time. We came to know that. I do believe several things appeared in the press.

Remember the first story was the bottomless briefcase? Ed would carry a lot of paperwork home. He had a lot of paperwork. So that appeared about Meese—the bottomless briefcase. Then the next story came out, something about Meese, and I don't know—just little phrases. What were some of the others? You've read the stories.

Knott: Just the steady drumbeat that he was disorganized—paper would go in and never come out.

James: That's right. Paper would go in and nothing would come out. Ed is very organized. He's the guy who helped me set up this whole control system. And I was just one aspect of all the things Ed was doing on the campaign. So there was sort of a drumbeat there.

Many of us would go and see Ed and say, "Ed, do you know you're being undermined here?" Ed would not recognize it. I don't mean not admit it, I mean he wouldn't recognize it. Even his wife would talk to him, "Ed, do you realize they're out to do you in, inside the West Wing?" I think

maybe to this day he still may not be able to see that. It's not in his nature. As a result, that started this whole downfall and then it went from there.

Walcott: Do you think Darman was acting on his own initiative doing this?

James: I don't want to be too Machiavellian. Do I think he was doing it without Baker's knowledge? No.

Walcott: Baker could have said, "Stop doing it."

James: [snapping fingers] In a second. But there again, if you look at it from power play, role politics—who had the power? Meese had the power. Maybe Baker wanted the power, and maybe Baker didn't think Meese was good at it, too, in fairness to Jim. Bottomless briefcase? Yes. Things would go in and they would be hard to come out. They'd come out, but Ed had a lot on his plate. Maybe Jim recognizing that here in the White House—there are two sides of the story. I don't want to give you black and white. I keep trying to give you each side.

Knott: Sure.

James: But Baker, Meese, and more Darman. As you can tell, I don't trust Dick Darman. Have you interviewed him?

Knott: Yes, we had a brief interview.

James: Good, he knows all of this. He was there.

Knott: You're not the only one to comment on Mr. Darman. He seems to generate a lot of interest.

James: I think that started the downfall. Another thing—Ed was indicted or prosecuted because he gave this job to a California guy who sold his home. Remember that?

Knott: Please tell us.

James: You know the story?

Knott: We know the general outline.

James: I'm the one who did it. Tom Barrack [Jr.] is an old friend of mine. I've known Tom Barrack since the day he graduated from USC [University of Southern California] Law School and joined a law firm in Los Angeles in the same building I used to work in. Tom is Lebanese, a neat guy. Today he is fabulously wealthy. At that time he was a young lawyer.

We had a house down the road from Ed and Ursula [Meese]. Ursula would complain. They have no money. Ed has been in public service all his life. He's never been money-motivated. He's always been in debt. Ursula would have to take over the checkbook because he was very

disorganized that way. Ursula said to me one day, "We still have that home in California in San Diego." Here they'd rented a house in McLean or Great Falls, and they had this house in California, a son at Princeton and a daughter—Michael was at West Point at that time as a cadet, and their daughter was in school. They didn't have much wealth or resources.

I said, "You haven't sold that house yet?" It was just a plain little tract house in San Diego. She said, "It's been on the market for six months. We just can't get anybody to go after it." And I thought, *Gee, that's a shame.* I knew that supporting two houses and all that is a drain. I forget what we made as salary.

So a couple of days later, a week later, a month later, I'm talking to my friend Tom Barrack in California, who is in real estate. He's not a broker—he doesn't know Ed Meese. I said, "My friend Ed has a house down there in California, and they just can't sell it." He said, "Where is it?" I said, "It's in San Diego." He said, "What's the address?" I happened to have it. He said, "Let me check." It was just sort of a casual throw-away. I was talking to him because I wanted Tom to join the administration. I thought he was one of these people we ought to bring in.

Tom goes down there and calls a couple of agents that he knows, and says, "Let's get rid of this property," and they sell it. Okay, done deal. The Meeses are happy that they sold their house. They still have never met Tom Barrack. They didn't even know who Tom Barrack was because he didn't sell the house. It was some broker he knew. Later on I bring in Tom Barrack to the Department of Commerce, [Malcolm] Mac Baldrige's—I forget what the job was—not above Assistant Secretary level. Then all of a sudden a story appears in the *Washington Post,* "Meese Sells Home to Trade for Job." And that became a big story—that Meese was accused of unethical behavior because he traded the job for financial gain, selling his house.

I'm out of the administration by this time. I'm in New York running my own business when this story appeared. A special prosecutor, I think, was formed, wasn't it? Ed's lawyer was a great Washington lawyer. He wrote the book about the jazz trombone just recently. He and Alan Greenspan used to—

Knott: Leonard Garment.

James: Leonard was Ed's lawyer. So Leonard comes up to interview me because now they're in court, and I had to go to the special grand jury, that's what it was. Leonard said, "You've got to have a lawyer." I said, "Leonard, I don't need a lawyer. I know the story." He said, "No Pen, you have to have a lawyer." I said, "Leonard, I'm not going to get a lawyer. I know exactly what happened. I did the thing. I'm responsible for this whole thing. Ed had nothing to do with it, whatsoever, and I'll just tell them that." Leonard said, "Pen, get a lawyer." He recommended—so I got a lawyer.

I went to the grand jury, which is an interesting thing, and told, just as I'm sort of telling you now, but in more detail. I guess eventually he was exonerated. But that whole thing—Ed got tainted with that, trading political jobs for financial gain. And I did it in the normal course of my activities. I happened to know Tom Barrack and happened to mention to him about this house down there. I wasn't asking Tom to sell it. It wouldn't even dawn on me that Tom would do that.

But Tom being one of those guys—that's why he's successful. He gets things done. So Meese was hung with that.

Knott: There's a kind of adversary—these kinds of investigations have a tendency to call for a special prosecutor at the slightest possible taint. How much of a factor was that for you? Did you see instances where people said, "I'm just not going to put up with this. I don't want to go into government service and expose myself to this kind of—"?

James: People say nobody says "no" to the President? Yes, they do. I can cite three cases where we wanted an appointment and he didn't want to do it. I can't remember who they are. I went to the President, the President talked to them, and they would be very polite but say "no," because of other reasons. One guy we offered a job—he was from Connecticut and he turned it down because he told me, "Pen, I'm very wealthy, but my children don't know I'm very wealthy." They knew dad was well off. "I don't want my children to know how wealthy I am." He knew if he had to fill out those financial disclosure forms, they would appear in the *Hartford Courant* newspaper the next morning as his income. He declined, because of the voyeurism that takes place on these financial disclosures.

Take the Secretary of Education. We had a hell of a time filling that job. Remember, Reagan ran on, "I'm going to get rid of the Department of Education." So who wants to be Secretary of Education? It was almost impossible. We went through from Tom [Kean] to Silver, up in Boston—

Knott: [John] Silber.

James: Silber—all these people. No way. None of them wanted to have anything to do with it. We couldn't get anybody to take the job. Finally, Cap Weinberger called one night and said, "There's a fellow who used to work for me," when Cap was Secretary of HHS during the Nixon years. [Terrel]Ted Bell, and he's up in Utah doing something. I'm in California and Ed's in San Diego and we're going to take the six o'clock flight back to Washington. I called this Ted Bell, whom I didn't know, and I introduced myself. He flew to San Diego. We literally stood in the San Diego airport around one of those little tables where you have hot dogs, and talked him into taking the Secretary of Education. Ted was a nice guy. He did a good job. But I'm just telling you how sometimes it's not all—

Walcott: When you're looking for someone to abolish a Cabinet department—

James: That's right, who's going to take it? Poor old Ted stepped in and—

Walcott: Yes, but don't you need just about the toughest junkyard dog in the world to do that?

James: We couldn't get them. They wouldn't do it. That's why—I'll tell you the other story. I was in Paris. The Secretary of Education—Ted—was resigning, stepping down to go back to Arizona. John Silber, who was the president of Boston University, said, "I want to do it." He wanted to be Secretary of Education. This was a few years into the administration. I'm reading this in the *Herald Tribune* in Paris. I pick up the phone and call Ed. "Ed, remember we asked

John Silver to take that job when we really needed him and he said, 'No, I'm not going to do it.' We had to go with Ted. Now that we're all heroes, he wants the job. He can't do that." That's when we gave it to Bill Bennett from the National Endowment. Bill became Secretary of Education and did a very good job.

I'll tell you another story. Want another story?

Knott: Sure, stories are great. We have a few minutes, and then we'll go for lunch.

James: This has to do with Clarence Thomas. Is this what you want?

Knott: This is exactly what we want.

James: It shows you how appointments work in reality. Okay, we had an appointment, going back to the Department of Education, for the Assistant Secretary for Civil Rights, Department of Education. Talk about a loser! But we had to fill it. We were going around and I said, "We've got to have a black for this job. We cannot have any more whites around here." I'll get into our diversity program later if you want me to.

I had a staff of about forty people who were doing all this work and it would filter up to me, and then from me to the senior staff and the Oval Office. So when I say it came up to me—I had a whole group down here doing all this work. Somebody brought in Clarence Thomas. He was an aide, or a lawyer with the Senator from Missouri—

Knott: [John] Danforth.

Hult: Danforth.

James: Yale graduate, a nice guy. He came into my office, we sat down. See, a lot of this was staffed out before it got to me. I said, "Clarence, we'd like for you to take the appointment for the Assistant Secretary of Civil Rights in Education." He looked at me with anger in his eyes and he said, "Mr. James, no, I will not do that." I said, "Why, Clarence?" He said, "I am not a civil rights lawyer. I believe in Ronald Reagan. I'm a conservative. I believe in his program, but I have fought for civil rights all of my life and I am not going to go into that den again."

He was angry. He was offended, [redacted] He said, I would like to join this administration, but I want a real job. I want a real job in this administration, not a civil rights job.

The papers are saying, "When are you going to fill this job? Why isn't Pen James filling these jobs? You're going too slow. Reagan's not getting his team together," all this coming from this side. So I said, "Clarence, I understand. Look, if you will take this appointment, I will come back to you in six months and take you out of it and put you into a real job." After a while he said, "Okay, I will." I felt, if you do this for me, I'll pull you out, then you can be general counsel of some department or agency, which is what he wanted to be. So he went over there.

Less than six months later, Eleanor Holmes Norton, who was the Chairwoman—a Carter appointee—Chairman of EEOC [Equal Employment Opportunity Commission], term expires. Now we had to fill the Chairman of EEOC. So I said, "Get me Clarence Thomas." I said, "Clarence, you know Eleanor Holmes Norton is resigning, or her term's up, one or the other, and we'd like you to be Chairman of the EEOC." He just said, "Mr. James,"—maybe he called me Pen by then—"I won't do that."

He said, "You promised me that if I would take this job at Education, that I would then get a real job in the administration." He meant it. He was sincere. And I was sincere. I said, "Come with me." I was on the second floor of the West Wing. We walked down to the Oval Office. Of course, I had this all programmed. We walked in and Reagan said, "Hi Clarence, come on over and sit down. I want you to be my Chairman of the EEOC." Clarence looks at me, and knew he had been had, and that's how he became Chairman of the EEOC. It took the President to do it. Even to this day if I run into him, he'll say, "You're the son-of-a-bitch that tricked me."

The long and the short of it is there are times you use the President, and there are times you don't. There are times you use common sense. There are times you use political muscle. But the secret of this whole thing is, if nothing else, control the process. If you don't control the process—even though you have to give here and there—if you don't control the process, the President, the administration, is going to be damaged, or hindered, or not as effective, and that's the total message of Presidential Personnel.

Walcott: Going back for a moment to Meese and Baker. You were working throughout the campaign and transition really for Meese, right?

James: I never met with Baker.

Walcott: When Baker and Meese divided up the responsibilities, at least formally, Personnel came under Baker.

James: I reported to Jim.

Walcott: Did that in any way change—

James: No, not in the least. I was on Jim Baker's staff, clearly. I reported to him. Jim could have fired me.

Walcott: But it didn't change how—

James: No, a reporting relationship is a reporting relationship. We're all working together in a team effort.

Knott: You got along well with him, even though you were a Meese guy? You didn't sense any sort of—

James: No, not in the least, nor did I feel it. It's just that you're asking about Meese and the demise, and I do suspect there was some treachery. But you take that out of the—overall, Baker did a lot of good, mostly good. Jim did a good job for the President. He was loyal to the President. Don't take this as diminishing Baker. It's just some of the hardball that I think took place.

Hult: In the White House while you were there, did the staff divide into Baker people and Meese people and Deaver people?

James: No, not really. We're talking about the senior staff.

Hult: Senior staff to some extent—

James: Is pretty small. Senior staff is what, eight people? The Assistant to the President level.

Hult: Right.

James: We would meet every morning at the staff meeting. I met with them every day at five o'clock. We were in the hallways, running up and down—not like *The West Wing* television show. No, I never felt any of that. Again, these were the beginning days of putting together the team, organizing my role in putting the team together in an organization. Now, not everybody agreed with what I did. We disagreed on appointments and I would see where Baker, Meese and Deaver argued.

I'll give you an example of real hostility—not hostility—anger. We were appointing the Secretary of the Air Force. That's a pretty good job, right? Ed wanted *A*, Mike wanted *B*, and Cap Weinberger wanted *C*. Baker wasn't in this one. All three were well-known to us. All three were known to the President. We met with—this was in transition headquarters.

Meese said, "I want *A*." Deaver said, "I want *B*." Weinberger said, "I want *C*." Bush was in the meeting, too—George Bush. They went after it. They were fearless. Each one of those men wanted their candidate and had reasons why that candidate should have that job. All three of them could have had that job. And they got a little angry with the President, and with one another, debating the merits of this. It was tough. I was amazed. It was the first time I'd ever seen his closest advisors take him on. Not take him on. They were taking one another on for his decision.

The meeting was over and I'm walking out with George Bush and he said, "I wouldn't touch that with a ten-foot pole." I wouldn't have either, because he didn't make a decision at that meeting. There were times—those guys—you take Weinberger, Meese, and Deaver—old friends. The friendship continued, but they had different points of view, and they felt free with the President—unlike Nixon—felt free to have the President sit there and argue.

Walcott: Did Reagan encourage that sort of thing, to have the differences aired in front of him?

James: Well, if it came to that point, obviously, we've got to take it to the boss. It was something we'd bring to him. "We all disagree. We want you to decide." He was very open about it, very comfortable with it.

Walcott: Was it normal that he would listen to the arguments and then decide later?

James: In that meeting he did. It would depend. There were times when he would; there were times he wouldn't. I guess it depends what was the issue. Or he might have had another idea in the back of his head that we didn't even know about. Sometimes he knew more about it than we did.

Chidester: So whose guy won?

James: It's fun. Weinberger's.

Knott: Let's stop now. Score one for Cabinet government.

[LUNCH BREAK]

James: Let me talk about orientation, because it ties into the appointment process. One of the things we did during the planning group was recognize that if we bring in these hundreds of people to the administration—they're brand new to the administration—they probably don't know where their department is, and what they should do. We felt there should be some mechanism to overcome that. "Hitting the ground running" might be the phrase you could use.

First off, let me go back to Nixon. In the Nixon years, you never met the President until you resigned and left, then you were called into the Oval Office to shake his hand, have a picture and you go home. We wanted to use Reagan in a different way. We wanted the people to know that they were working for Ronald Reagan, and who he was, and to have his picture. So when you were appointed, within days you were invited to the White House. We usually worked out some arrangement so that you could come in, shake the President's hand, take the picture, and sign it. You were in the Office and you'd have the President's picture. That was intangible. There was nothing to it. But talk about motivation? Rather than at the end of your term, we wanted to do it at the beginning, and we did that.

The second thing we wanted to do is to give them an idea of what we wanted to accomplish. Every three months, or whatever it was—we've now got seventy-five more appointees or a hundred more appointees—we would bring them in, over to an auditorium at the Department of the Interior. At the beginning we had the entire Cabinet there with the President and they could talk to the appointees. "Glad you're here. You're on the team. Here's what we're going to do. Let's keep going." Just let everything out—motivation, bring you in and let you know the President, see the President's leadership, know you're on the team.

Those are two hallmarks that were started. I hope all Presidents continue those. I don't know if they do or not. But to really give the leadership and motivation, because if you've got a leader like we had with Reagan, let's use him. And he didn't mind being used that way. That's what we're talking about on the orientation—your five hundred students that he had there.

Knott: You also mentioned—I don't know if this is the appropriate time—but you mentioned the Ethics in Government Act and the effect that had—

James: Yes, that took place during the transition. In my wisdom, the planning staff work I was telling you about—so we're in the transition, and we have this all staffed out. One day, Fred Fielding, who we were going to appoint as the General Counsel—Fred wasn't appointed yet. He was just a volunteer in the transition—came in and said, "Pen, have you heard of the Ethics in Government Act of 1978?" I said, "No, no, I'm busy—why? What is it?" He said, "You're going to learn a lot about it." I said, "Well, what is it?"

That's an act that became effective with whoever became President in 1981. I had no idea of that, wasn't aware of it, didn't plan for it, didn't staff for it. I really didn't need to, but I should have been aware of it. Then we were briefed on what that is. I think the smart thing we did there—the Ethics Office, which was formed under Carter—a Democratic appointee by the name of Jack Walters was running that group. It was Fred's advice, "Let's keep Jack Walters in that job and let him run the Ethics Office for Ronald Reagan."

All of our appointees had to go through a Carter Ethics guy—to get away from, "We're staffing Ethics to get our people through." What it really meant was—we've always had the FBI forms, the clearance process. Bill Webster, who was the Director at that time—his staff really—I don't think we were unduly hindered in length of time for getting the clearance. We were very upset it took longer, but, in hindsight, they did a good job.

But the financial disclosure forms were difficult. I have filled these forms out a couple of times and I'm not a wealthy person, but I don't know how to fill the damn things out. They are so confusing and conflicting. My point has always been: Why don't we just get a good editor in here and rewrite these forms so that you know how—because nobody wants to lie. Nobody's purposely trying to deceive there—maybe some, but not most of us—and we're so afraid that if we do make a mistake, then all of a sudden at the confirmation, "Why did you lie on that form? Why didn't you tell me the truth on that? Gotcha." The forms are really "gotcha" nowadays.

The other thing about it—and you all know this better than I, because you must have studied these problems in staffing. We have our forms, i.e., the Executive Branch, so you come in and you fill out your form. Now you go up for confirmation and the Senators give you a new set of forms that you have to fill out, which are different from our forms. Why don't we all have the same forms? Those are things that have really—other than Senatorial holds—have probably hindered the appointment process more than anything else.

You say, "Why don't they have the same form?" I don't know the answer. Congress doesn't want to give up that—that's their checkpoint and, "We don't want the Executive Branch's form; we want our form." It's turf. That's all it is, turf battles. And that's why, unfortunately, on that

chart I was just showing you it's 5.8 months to be confirmed. The President is only in office four years. What percentage of that term is that? A big hunk. There's a lot been written on it, and speeches on it, and hearings on it. It still hasn't changed.

Walcott: Did your office stay in contact during those 5.8 months?

James: No. That would be a downfall. My advice—and this has been recommended—one thing the Presidential Personnel should have is—after we get you appointed we tend to forget you, because we're on to the next page. As a result, you're hanging out there all by yourself, wondering, *When is my clearance going to be received? When is my financial disclosure going be coming? When am I going to be called up on the Hill?* And nobody's—you're just back at your home base waiting five months.

We've already assumed that after Presidential Personnel signs off, then it's the Cabinet office's job to shepherd you. It should be that way, but unfortunately a lot is lost between the cracks in support of the candidate. They will call you and say, "I've been waiting here three months—do you know where my appointment is?" I think that part of Presidential Personnel should have an office or a staff that will follow the appointee through the process after they're nominated—through confirmation. That would be a strong recommendation.

Knott: I would like to ask you for your reflections or observations on some administration personnel—personalities. With some of these names you may not have any observations but that's fine. Let's start with Nancy Reagan. She's not really an administration official—

James: No, that's a good question. I've been asked that before, because we all know the Nancy stories. But in the appointment process Nancy never, except one time, called me on an appointment. That time was for the Chief of Protocol and properly so, because the Protocol deals with the First Lady. To my knowledge—Cabinet selection all the way down—she did not interfere once. Maybe she wasn't interested. Maybe she had private conversations I wasn't aware of. But she didn't interfere with my office, except for the Chief of Protocol. She called me, "Why is it taking so long?" It was going to be [Leonore] Lee Annenberg. We knew who it was going to be but it's not cleared yet. "Why is it taking so long, Pen?" "Well, Nancy, it—" No, she never interfered. Mike Deaver handled her.

Knott: He was the next person I was going to ask you about, Mike Deaver. Any reflections? Anything that stands out when you think of Deaver?

James: Mike had somewhat of a—I don't want to say a personality change. I've known Mike for years before Reagan. Most of us are Californians so we knew one another. Mike has always been—this is generalizing—sort of the bag carrier, or making the appointments, or seeing that the hotels were set up for Reagan, because he used to handle his travel and speaking arrangements when Reagan was not in office.

What Deaver did—I think effectively—he knew the President's tempo. He knew Nancy. And he would not let us overtax the President. For example, one morning at the Senior Staff meeting, we all get together, and Mike—this was just in the first couple of months—Mike says, "Look, you

guys, you've got to quit giving all these reports to the President." You know, we're trying to impress the President so we make big lengthy reports. He said, "What you don't realize is he won't go to bed until he reads them." He will stay up, and if you get a report back you might find a notation on page 82. He has read it. He said, "You've got to be cautious. Don't send him any paperwork unless you really need his decision or it is worthy of his attention." The guy would be up to two o'clock in the morning because he always felt so responsible. He just couldn't do it. That's one role Mike played that was administratively effective.

The other role he played is that Nancy would be—this is all hearsay, because I'm not in the East Wing mode at all. I wouldn't even want to go there. Like my wife with me, and I'm sure as Laura [Bush] is with George [Bush]—she is protective of me if she feels I've overdone that day, or whatever. She could pick up the phone and say, "Mike, he's got ten appointments this morning. Does he really need to see all ten of these?" Now, I don't know if she did do that, but she would know his tempo. Mike would know his temper and tempo and how to work around it.

Reagan was a man without guile. He was totally what he was. I went into the Oval Office one day and I walk in, just by myself—I'm there alone. He's sitting up at that desk and he's like this—so he didn't hear me come in. I walk in and I come up and I stand right in front of his desk. "Oh, hi, Pen. How are you? Sit down. Do you know you can make pie out of jelly beans?"

What do you think I said? I was just in the Oval Office, but what had happened—while he was waiting for his next appointment he had filled his jelly bean jar and he went in there—there are all these little recipes. He was reading the little recipes while he was waiting for the next appointment. The point is there was no shill to the guy. You know, that is sort of a demeaning thing, jelly bean pie. But it just never affected him that way. He was just himself. He never needed stroking, never needed you to be a sycophant. He was always courteous.

It was like that quote I read this morning by Frances Perkins about Franklin Roosevelt—very true. You always felt better. Whatever meeting I had with the President, whatever the subject, I came away feeling good. I mean, there was something about him, and this sounds like idol worshiping, but there was something about him that—I walked out of that office just feeling great.

He had that—whatever it is—about him. That's not just me; I think it is most people who came into contact with him. He had something about him. You wanted to do your best. You didn't want to let him down. And he wouldn't even give you instructions. Like Frances Perkins, you just wanted to do it. That's leadership.

Knott: You mentioned in passing this morning, Bill Clark, William Clark. Any reflections?

James: Oh yes, many. Have you interviewed Bill yet?

Knott: Yes.

James: Well, you know his closeness with the President. It was during the transition. We appointed Haig, and I told you that story. There were a lot of people, not so much me, because

I'm not policy shop, but a lot of people in the policy shop really felt Haig needed a watchdog as the Deputy—somebody who was close to Reagan and could watch him, to see that he's not doing anything wrong. Reagan wanted Bill Clark to do that, and Helene von Damm, who is also a very close friend of Bill. Bill didn't want to leave his ranch and move to Washington. I had dinner with him one night in Washington and just laid it out to him.

You know, Reagan will never put his arm on you. He will never say, "You've got to do this for me." He just wouldn't do that. He'll ask you to do something, but he won't say, "Come on. Please." He respects you too much. Bill came back to be the Deputy and of course Haig did everything he could to keep him out of his hair because he knew who Bill Clark was. But the thing about Clark is sort of like Meese. If there was a time—and I don't think there came a time in the Presidency—where you'd really have to turn to your closest advisors—I mean the rock bottom advisor—it would be either Clark or Meese, in my opinion. You might put Cap in that category, too. Those three, I would say, would be the rock bottom in case of crisis.

Knott: How about Lyn Nofziger?

James: Lyn is great. He's a pain in the ass. He is! He wears Mickey Mouse ties. He's a political guy, and I've known him all these years, before Reagan, because we were in the Nixon years together. Nixon always comes in, doesn't he, in all these stories? It's amazing how Nixon comes in.

Lyn's job was to protect the RPDs, the Regional Political Directors, and the Reaganauts, and the people who got him elected. And here I'm coming in with people who may not fit the criteria, who may not be endorsed by the Heritage [Foundation], may not be an RPD, may not have worked on the campaign. They would all fit the criteria—loyalty, philosophy and all that. I never gave on that.

Lyn would just get so angry at me. *God, what did this guy do?* Lyn had the opinion—and this is where he comes from—if you didn't vote for Ronald Reagan when he got out of the cradle, then you're not a Reaganaut. Well, in staffing, you can't staff the whole administration with just people who had been with him since the cradle. Lyn—his job was to fight that. What Lyn used to get frustrated about was—I told you about the five o'clock meetings and I said nobody else was invited. Lyn always wanted to come to that meeting because he wanted to give political input. We invited him once, as I recall. It was some appointment that was really hot, and Baker, who controlled the meeting, invited Lyn to make his pitch and then had Lyn leave the room.

Lyn was a great guy, *is* a great guy. He served the President exceedingly well, but if you're looking at the administration, as you are, you have to look at it from his prism of politics.

Walcott: Did he actually have any veto power over any appointments?

James: No. Nobody had veto at that five o'clock meeting. I mean the five o'clock meeting had veto, yes. People coming into that—they'd have input. We always wanted input. We never shied away from input. We asked for input, but they were not decision-makers. The input—we might go along with it, so you might say they decided it.

Chidester: This is part of the perception of the way that the transition took place. [Lou] Cannon had written that one of the reasons why some appointments weren't being made was that Nofziger had a veto.

James: Absolutely, I know those stories. The word "veto" is wrong—they used "veto." Lyn would have input. He would say, "You know, this guy never worked for Reagan, he was against Reagan, he—" Whatever. Well, that's input. We would take that, and the input could be, "You're right, we don't want that guy," and we turned him down. Not veto. Baker would never allow that. Lyn could not come in and override Baker, Deaver, and Meese's decision of what to do. But they wouldn't make it until they had his input. I don't want to diminish it.

Knott: I'd like to ask you also about Martin Anderson, especially. He plays a fairly important role throughout the '80 campaign, the transition, and the first year in the White House.

James: Marty is a great, great guy. He was the institutional memory of Reagan, because we brought hundreds of people into the administration, most of whom didn't know him and weren't on the campaign. They knew generally what the philosophy was, what the policy was, but Martin Anderson was the institutional memory of Reagan. He was strictly policy. At times, somewhat, he came down hard on some people at times on issues, but that was his job. He was the policy guy—he and Ed Harper.

Knott: Richard Williamson during those early—

James: I didn't deal much with Rich. He had intergovernmental affairs and I wasn't involved in intergovernmental affairs. I didn't deal with Governors and mayors and things like that. Now he might send a note over here that Governor So-and-so would like us to consider, but everybody did that. I know Rich. He ran for Senate and was defeated by Carol Moseley Braun, but no, I didn't—a nice guy, but I didn't work with him.

Knott: How about Paul Laxalt?

James: Paul never joined the administration. He stayed outside, and to this day I don't know why, except I guess he figured, *I have more input being a friend than I do being a staff member*. I think Paul always considered himself as a peer to Ronald Reagan, too. They were neighboring Governors. During the transition—well, obviously, during the campaign, but during the transition Paul was very important. For example, why did I ask Paul Laxalt to go with me to the RPDs? Because he had credibility and I had none.

Knott: Helene von Damm—have we exhausted her?

James: No, I haven't talked about Helene.

Knott: Please.

James: In fact, I talked to her last week, she's in town. Helene was my deputy during the transition and she and I had an office. Then, when Reagan became President, he asked Helene to come back and she was his secretary, sitting outside the Oval Office. Here I am over on the second floor dealing with all these arch Reaganauts, most of whom I didn't know, and getting beat up all the time. I finally went to the President and Helene and I said, "Mr. President, you've got to let me have Helene."

Let's see, who followed her as secretary to the President? She was my buffer. I had this staff of about forty people across the street. I'm so damned busy I can't deal with all this, so I really needed a strong deputy who had the credibility and the authority and the access, and that was Helene. She really ran the shop, bless her heart. Have you interviewed her? She would be interesting.

Knott: She's on my list.

James: She probably won't be interviewed.

Knott: She probably would not?

James: No, I don't think so.

Knott: We talked to Kathy Osborne not long ago.

James: I saw her at the Reagan commissioning, at the nuclear carrier.

Knott: How about Bill Casey? Did you have a lot of contact with him?

James: Bill—can this be controversial? Like when I say I'm an admirer of Nixon, your eyes all went up? I'm an admirer of Bill Casey. He's one of my great heroes. I first met him during the Nixon years. Look at that man's history. He has been Under Secretary of State for Economic Affairs. He has been Chairman of the SEC [Securities and Exchange Commission]. He has been president of the Ex-Im [Export-Import] Bank. He has been at least two other appointments.

You couldn't understand him, he had bad teeth. But he had a mind like a razor. He was a venture capitalist, that guy, making deals, a dealmaker. He got things done. You didn't talk to Bill in paragraphs, you gave him sentences. He'd go with it. He had the confidence of Reagan. Reagan would sometimes say, "What did he say?" It was somewhat controversial for the CIA spot. I guess the only thing I can say about Bill is I'm an admirer of his. What he did at the CIA I don't know.

Knott: When he was running the '80 campaign and you were doing your preparatory work, you didn't have—

James: I didn't involve anybody in the campaign. Again, we went back to the ground rules, other than he knew about it.

Knott: You mentioned Max Friedersdorf once or twice. Did you guys interact a lot during that first year?

James: Very much so. His office was next door to mine. Again, I knew Max in the Nixon years. The reason that position is so important to Presidential Personnel is because every appointment has to go through confirmation, for the most part, so you had to have the Legislative Affairs guy deal on every appointment, because he or she had to shepherd these things. Most of my contacts day to day were with the General Counsel, Fielding in that case, and Max Friedersdorf, Legislative, because those two had to march with me, and vice versa.

Knott: One more name—Charles Wick.

James: Isn't he great? When Charlie was appointed it was very controversial because David Gergen wanted that job. Baker was in a hard place because I think Baker had told David he could be—what? USIA [U.S. Information Agency], right?

Knott: Right.

James: Then, Reagan said—or I guess Charlie decided he wanted that, and Charlie can get what he wants. I think David was—I learned this afterwards, I wasn't aware of it at the time—or Baker was a little embarrassed, because he had made a commitment to David, which he shouldn't have done, and then didn't deliver. That's when David came in as Communications Director.

I'll tell you a mistake I made, speaking of David Gergen.

Knott: Please. We love to hear about mistakes.

James: Well, you learn from mistakes. It has to do with diversity. We were eight months into the administration, something like that. Again the *Washington Post* says Reagan doesn't have any blacks, Hispanics, or women. Reagan is anti-women, anti-black. I'm sitting there reading that and thinking, *Gee, I thought we were doing a good job on that*. So I asked [J. Upshur] Jay Moorhead, who was my administrative guy—I said, "Jay, get me some numbers on blacks, Hispanics, women, minorities that we've appointed. What is the scorecard?" I wasn't keeping a scorecard.

He came back a couple of days later, or a couple of weeks later, with a big grin on his face, and he says, "You know what we found?" Because he started delving into the executive clerk's office who keeps records, and they found all the Carter appointees, in the clerk's office, over the—was Carter eight or four years?

Multiple: Four.

James: Every appointment he ever made—date of birth, background, age, college, date—the whole bit. They did a run, and we found that Ronald Reagan—let's say six months of the first term—Ronald Reagan had appointed more blacks, more women, more Hispanics, in the same

period of time than Carter did. I saw that and I thought, *Hell, we're doing a good job*. I saw that, and the mistake I made, speaking of David Gergen—if I had been more attuned to public affairs, I would have gone trotting right down to David's office and said, "David, you know the story in the *Washington Post*? Here are the facts. Here's how many Reagan has appointed, and here's how many Carter, in the same period of time." Then he could have put that out.

I always feel somewhat responsible for the reputation that Reagan has that he didn't bring women, blacks, and Hispanics, because that was my job. He did do it. Also interesting, going back to the Carter administration—he did appoint a lot of blacks, Hispanics, and women—what he did, if you look at them—it's in the last two years of the first term, getting ready for the reelection. The majority of them were appointed in the last two years of his four-year term.

Walcott: It's interesting in an administration that was as sensitive to public relations—

James: They were. I wasn't.

Walcott: You weren't affected by that at all?

James: Well, I was affected in that we were beaten over the head that we didn't have blacks, Hispanics, and women, but then once I saw we were doing a good job, I just said, "I am doing a good job."

Hult: No one from, say, David Gergen's shop, or by then Larry Speakes' shop was coming to you, to your office, and saying, "How do we respond to these kinds of complaints?"

James: I don't know. I can only tell you my side of the page. But I always feel bad that I didn't do that. He may have called and I said, "Yes, we're doing it. We're fine on that." Or, "We're way ahead of it." Obviously, it would come up in staff meetings, but I didn't give them the bar chart and things like that. That was a mistake.

Knott: Did you play a role in any sort of judicial—

James: No, not at all. That was totally out of my ken. That was entirely Fred Fielding and William French Smith, the Attorney General.

Hult: That's interesting to me, because I have read articles that say that during the Reagan years was the first time you had a White House-based committee.

James: We did.

Hult: But a Personnel person was on that committee.

James: I sat in on those meetings. We did. It goes back to controlling the process. This goes for ambassador appointments, too. We had a White House level. In other words, those meetings were held in the Roosevelt Room of the West Wing of the White House, not at the Attorney

General's office. In the West Wing of the White House. Again, perception. I don't know who chaired the meetings—

Hult: Chief of Staff, maybe?

James: I don't think Jim was—

Knott: Would it be Meese?

James: I think it would be more Meese and Fred, from the White House, than William French Smith and his Deputy, whoever the Deputy was. They were really the judicial ones. I, being a non-lawyer, would sit in on the meetings just to show the flag, but that was all.

The ambassadorial appointments—the way we did that—again, controlling it, because normally ambassadors are controlled by the State Department. The State Department always wants career ambassadors, that goes without saying. We wanted our own ambassadors. Again, the planning process, all of this came out of the planning process, not ad hoc, that we would have it in the White House in the West Wing. The Deputy Secretary of State, not Clark—he was a careerist—would come over. Other than St. James and Italy and London—things like that. They all knew those were going to be political people.

We'd say, "Okay, today on the slate we have vacancies at *X Y Z* countries scattered around the globe." State would make the argument—before we got to people—"This nation needs a careerist and here's why this station needs a career appointment, not a political appointment." We would make—and basically it was Deaver, because Deaver handled the ambassadorships—that's the beautiful people. My eyes would sort of glaze over on these things. I wasn't too much interested in these things. He would make the argument why there should be a political. Then we would come to an understanding. State, you get this one, this one, and this one. White House—we get this one, this one, and this one. Then we would agree.

Then State would come back with their candidates for those that we agreed should be career, and we'd come back with the ones we wanted, and that's how we handled or controlled the ambassadorial appointments. The only one that got out of control was that first one I told you from the New Year's Eve party.

Chidester: You mentioned William French Smith. Was there a lot of debate within the administration about his appointment?

James: Not one iota. Remember, William French Smith was the President's personal attorney. Are you going to say, "I don't think he should be Attorney General?" No, we all knew Bill. Bill was a friend of ours. Bill was part of the team. Bill was part of the cadre of Reaganauts. There was never a question about William French Smith.

Chidester: Which Cabinet appointments did receive a lot of debate? Were there any that caused a lot of questions among—?

James: Okay, I'll give you the hardest one—Interior. Of course, Education—I already spoke about that—how difficult it was to fill that job. And Labor—I already told you the story about Labor. Those were really difficult appointments. On Interior, remember, James Watt is the one who got the job.

There are certain jobs in the administration that are historically the Midwest Senators—Agriculture and Interior. Colorado, Wyoming, Utah, New Mexico—that's Interior. They are always the ones who weigh in heavily with their candidate because they want their guy in the job. Historically, Labor has, too, but remember, we rebuffed Labor. We did it on our own and we got burned.

Who came up with Jim Watt? Anyhow, that job was vacant for some time. The appointment was vacant for some time. One day Ed called me—this was during the transition—and he said, "Pen, can you come down?" I was on the fourth floor. He was on the third floor in the M Street building. And there sat this guy, Jim Watt. I'd never heard of Jim Watt before that. Jim was recommended by some of the western states Senators. It's all in the history.

We looked at him and we put him through the screen. Hell, he's a Reaganaut, more so than any of us. Loyal, dependable, and Jim was one of the smartest guys in the Cabinet in sheer brainpower. So we went with Jim. The problem with Jim—he was such a loose goose, he'd just say whatever came to his mind. The crippled, the halt, the lame, the blind—make it up. We'd all talk about, "Do we have a Hispanic on this commission? Do we have a woman?" He would say it out loud. The Beach Boys at the mall—remember that?

Also, he had a lot of opposition because, there again, like Labor, you had the environmental groups and he wasn't an environmentalist, I would think, in their category. There was a lot of hostility to him and trying to undermine him, as there was trying to undermine Meese, as they tried to undermine Donovan, as they tried to undermine Watt, and on and on in history, because that always goes on in an administration.

Finally, all of us were embarrassed with Jim, an awfully nice guy. He was a born-again Christian and really would let you know it too much. Oh, you asked which ones were difficult. I think those: Interior, Labor, and Education were the most difficult.

Walcott: What about the Department of Energy? Didn't he also pledge to get rid of that?

James: Fortunately we were saved on that because we were turned down a lot. It goes back to when you say, "Nobody says 'no' to the President." I had several names—obviously, I looked at the field of energy in my talent bank and I had people like [Simon] Cy Ramo and other people like that, really prestigious names, but they didn't want to touch it with a ten-foot pole. A lot of people didn't like Ronald Reagan, remember? Didn't like his policies. Who got the—Jim—He was a Governor from South Carolina.

Knott: Oh, [James] Edwards.

James: Edwards. Somebody recommended Jim Edwards and we went with him.

Walcott: Would you have just taken anybody who—

James: Oh he wasn't just anybody. He was a former Governor—

Walcott: But he'd take the job.

James: Yes, he'd take the job. But he wasn't just anybody. He wasn't a Cy Ramo.

Knott: I think Samuel Pierce was the only Cabinet member to go the full two terms, the only black—

James: Sam got a bum rap. Again, the Nixon years. Sam was, as I recall, General Counsel, Department of Treasury. What surprises me as I talk about that, we didn't realize it at the time, we weren't doing it for that reason, but in hindsight, when you look at it in history—Sam was a brilliant lawyer. He was General Counsel, Department of Treasury. This really came from Alfred Bloomingdale with the kitchen cabinet. Somehow or other, Al knew Sam, or was aware of him. Al was one of these guys—he yelled at you. I mean he just had a very loud voice. [Yelling] "HOW ABOUT SAM PIERCE?" I said, "Who's Sam Pierce?" The bottom line is that's how we got Sam. He was a good guy, but then he got burned, too. Remember the HUD [Housing and Urban Development] scandal? What a shame. These are not dishonest people. They're really not, but they get caught in that web.

Walcott: Speaking of which, were you involved at all with the appointment of Ann Gorsuch?

James: Oh yes, very much so. When that came out, that's where we capitulated to the conservative movement. Again, she met the screen. She was loyal, dedicated, competent, there was nothing—but, I was involved, yes. It came from my shop.

Walcott: Was that controversial within the administration?

James: Very much so—absolutely. George Bush really was against it—the Vice President. He called me in his office one time and he said, "This Ann Gorsuch—are you sure you want to go with Ann Gorsuch?" I explained to him that, "Really, she has so much political support, George." Her political support was just overwhelming.

Chidester: Can you give us your general thoughts on George Bush and his role in the transition?

James: Transition? Almost none. He was a newly-elected Vice President-elect. He was very circumspect, because he was trying to get to know us. He didn't know me.

I wasn't going to join the White House, did I tell you that? I made this commitment to Ed and the Governor that I would do the planning and all that, but once he was sworn in, I'm coming home. I had my own little shop, and I was happily ensconced in Palos Verdes, and I'd been there once before. It was important, but my life didn't revolve around being a member of the White House

staff. Ed knew that, and the Governor knew that, and as President he will never convince you to stay.

One day I'm having lunch with George Bush, the two of us, and he started talking about after. I said, "Wait a minute, George, you don't know. I'm not joining the staff. After the swearing in ceremony I'm going home." He said, "You're *what?*" I said, "Yes, I'm not going to be a permanent member." He just rolled his eyeballs. "You know where all the bodies are." I said, "Yes, but I've done my job." Unlike Reagan, he'll twist your arm. He said, "You've got to stay, Pen. There's no reason for you to go."

I started blaming it on my kids. I said, "George, you don't understand. My daughter is a junior in a private school out in California and that's an important time in a child's life." We're talking about December. "My son is in the eighth grade. I just don't want to uproot my family at this age. I did it when they were kids, but not now." Also, I had promised them that Dad is not joining Mr. Reagan if he gets elected. I had made that commitment to the family and believed it.

I said, "George, I've got to get my kids in school here. It's mid-year. The enrollment's paid." He said, "Tell me about your kids." So I talked about Julie, who's a junior in school. He said, "Holton Arms. She ought to go to the Holton Arms." Well, I wasn't really familiar with Holton Arms, other than understanding it's a girls' school. I said, "George, she can't go to Holton Arms. It's mid-year. She's a junior." Well, then he got on the phone. He called Bill Marriott. Bill Marriott had just given five million dollars to Holton Arms to build the Marriott Library. He said, "Now tell me about your son." True story.

Julie came back crying, kicking and screaming. She said, "Dad, you lied to me! You promised me you wouldn't do this." From an emotional standpoint for the family—I can still almost tear up for what I did to them in those days. It worked out for the best. Today they say it's the best thing that ever happened to them. But at the time—and I'm not there. I'm at the White House all the time. My wife's in California.

George Bush. George was primarily interested in getting some of his key people appointed into the administration because, obviously, he had political payoffs he had to do of people. Of course, he had Baker, but that was Reagan's choice, not Bush's. We were very harmonious in working with Bush to bring in what we called the Bushes—the Bush people.

Walcott: Was there any problem with the fact that they were not as conservative as the Reagan people?

James: No, because it depends who you're talking about. We're talking about individuals. One might be deemed too liberal, one might be—on the screen. It all comes down to which person you're talking about. Bush was very cooperative. I'm trying to think of some of the things I had to do with George. He was a very loyal Vice President to Reagan. He always had his own agenda, but that's not unusual for people of that political ilk, and I think we recognized it.

One time I was in the Oval Office, I think just Ed and I were there. There were stories in the paper that So-and-so was going to run for Vice President with Reagan after such-and-such a

time. Reagan looked at that and he said, "I always thought that was going to be George." He just assumed that George would be the candidate to succeed him. Bush is an honorable guy. I'm doing some things with Barbara right now, a portrait for the Yale Club in New York. A very interesting family.

I went down and met with George W. Bush during his campaign, did I tell you that? It was before he became the nominee. He was inviting all these people down to the Governor's house to have lunch and tell them how he would be President. I went down as part of the group and we had lunch in the Governor's home, residence, about three tables of six people to a table—about eighteen. That's when he said, "Pen, Clay Johnson is going to be my Pen James." Clay, at that time—I didn't know Clay. He wasn't at the meeting—was Chief of Staff to the Governor. So that's when I met with Clay Johnson, after Bush got the nomination. I met with Clay, as I did with Clinton's guy, Dick Riley, and took him through the mechanisms of setting up control. Then he brought in Clay, and Clay did a good job.

Hult: Is it your sense that it's a better idea for the person who handles Personnel during the transition to also be the person that—

James: Essential.

Hult: Okay.

James: If I had not stayed and then it was turned over to somebody else, all that planning work—it sounds egotistical for me to keep saying—but all that planning work I did—it's hard to translate it, because you've worked on it for months and months and months. It's so ingrained in your head. You say, "Now you've got to control the process." "Okay, I will control the process." But how do you control it? What are the details that help you to control it? That's very important.

Chidester: When did you know that you would go on from planning the process to staying as Director—?

James: After I had this lunch with George Bush and George pushed the right buttons. He was right. I should stay, I really should stay. I knew that. I think I always secretly knew that, but with my family I always said, "I'm not going to do it." They'd say, "You're not joining Mr. Reagan if he gets elected?" "No, I'm not." That's when I called the family and said, "I changed my mind." It was really George Bush. Reagan respects you so much he would not try to make you do something you didn't really feel you wanted to do, on a personal level.

Knott: You had a fairly contentious nomination that first year of C. Everett Koop as Surgeon General. Do you have any recollections of that? He ends up, of course, completely transforming his reputation.

James: Yes, not a heck of a lot.

Knott: That's okay.

James: They were against him because he was a good conservative, right?

Knott: Yes. And then towards the end he loses his conservatism.

Hult: And anti-abortion, I think.

James: Abortion—something like that. Those are things that are just hard to manage.

Hult: Could I ask you to talk a little bit about something I had no recollection of until I read it in these great briefing books—the Chamber of Commerce hit list?

James: I read that in your briefing books, too. I don't know what that is.

Hult: That's what I wanted to ask you—if you could describe the conditions under which you allegedly received that list, and then what you did with it.

James: I'll tell you, I probably received it, but I received a lot of documents, and they probably went in a box somewhere, to be honest. I read that in the briefing books about the Chamber of Commerce hit list. I really don't know what that is. Now, they probably did do it. I don't doubt it.

Hult: But it didn't have any memorable influence, whatsoever?

James: As I say, I don't even—we didn't have a hit list. That wasn't our style. We wanted to do the best thing we could to get the people we should, and get them into place at the earliest possible time. No, we didn't have Nixon's "Enemies" list. We knew who the enemies were, anyhow, without a list. In politics, you know who's for you and who's against you.

Walcott: I could never figure out about the Nixon people. They wrote it all down.

Knott: Or taped it.

Walcott: Comparing to Nixon again, the Nixon Personnel Office had a recruiter specifically devoted to finding women—

James: Yes, Barbara Franklin.

Walcott: And they had people who were more or less in charge of blacks, Hispanics, and so forth. Did Reagan organize that way?

James: No. We didn't organize around racial origin.

Hult: It was around issue clusters, as I remember. Is that roughly right?

James: Oh, yes, the staffing—yes, it was issue—but not—

Walcott: No one was even informally the person who—

James: No. I had several blacks on my staff, if you want to count that.

Walcott: But they weren't especially interested in getting blacks.

James: No, that was not our mindset. We obviously were aware of it, we were concerned about it, but we didn't have anyone recruit only blacks or women. Now, the staff that I was talking about—obviously, they would be doing that—searching for blacks. It didn't happen just serendipitously. We had to go out and find those. But it wasn't organized that way.

Knott: So why did you decide to leave? It was just time to go?

James: Because after the first eighteen months, my job's over. After that—and I don't want to disparage the other Presidential Personnels you may interview—they don't have a job. The real job is the first two years. After that, as I mentioned, you lose control. The appointments go out to the Cabinet officers or special interest groups, and you're processing paperwork. The real exciting time is putting the team together. After that—I could have stayed there as long as I wanted to—it's not exciting anymore.

Walcott: According to one of the things we read in there—I can't even recall which one—at some point toward the end of your tenure, after the hard right had gotten really angry at you, politicos were finished being angry at you, people were brought in under you and you were described as having been "kicked upstairs."

James: I couldn't be. I was about as high as you could get.

Walcott: In the sense of being removed from some of the operational control on a daily basis that you might have had.

James: I delegated that. One thing I am not—I am not a details person. I'm probably the poorest manager you could get. I don't get my kicks out of telling people what to do. That's when I mentioned I brought in Helene von Damm to be my Deputy. Let her manage this group, deal with them in daily staff meetings, thousands of papers. I couldn't be kicked upstairs. I was already as high as you could get. Did I bring people in to run it? You bet I did. I wanted to be part of the decision-making process. I wanted to be in on the overall direction of the process, but I didn't have the time, energy, or maybe the talent to deal with all of that minutia that goes on down here just from one appointment.

Walcott: You didn't feel that was in some way costing you the degree of control that you wanted over the process?

James: I don't feel I ever lost control. I gave away control to Helene because I trusted Helene, and Helene could do a better job. Before I had Helene, I had Jim Cavanaugh. Jim Cavanaugh was my Deputy, and Jim was Deputy Chief of Staff to Jerry Ford, also out of the Nixon

administration. I had to have people who knew something about the Executive office. I couldn't bring in people who just never had been in the West Wing before. Fortunately, to a lesser degree, at least, I knew something about the building and the operation.

But I wasn't kicked upstairs. If the criticism is that I delegated, or let somebody else handle the operation, yes. I couldn't do both. I couldn't be the senior guy over here in the West Wing with the senior staff and still be the guy down here dealing with all the Cabinet officers, sub-Cabinet officers, all the Deputies, all the regulatory agencies, all the commissions, the boards and everything. I couldn't do both. I knew it would go through me, anyhow, because it had to go to the President and I was the only avenue.

Knott: One of the questions we've asked I think almost every Reagan interviewee, were you in the White House the day the President was shot?

James: Yes, I was.

Knott: What are your memories about that?

James: I was in my office.

Knott: Anything that stands out?

James: Well, there's not much to tell. You're just dumbfounded. You're shocked, you're bewildered, you're scared, and you don't know what to do. I think those are the emotions that most of us had. We were glued to—I knew they were all down there in the Situation Room, but I didn't go running down there, because the last thing you need is somebody else in there. So I sat in my office, maybe with Fred Fielding, or Elizabeth Dole, or somebody else, watching it.

Knott: Did you notice any change in the President after that?

James: No. I had a couple of meetings with him upstairs in his pajamas after he recovered. He was still in his pajamas upstairs. I'm sure there was a change. Being shot changes you. It makes you think about life, so I'm sure there is a change. It wasn't manifested, anyway. He didn't go "boo" every time the door slammed, or something like that.

Knott: When it came time for you to leave, did you have a final meeting with Ronald Reagan?

James: Oh, I had parties.

Knott: You did?

James: Oh yes, black-tie parties, at the Jefferson Hotel. I was well-treated, oh yes. I have lovely pictures and letters from the President. He gave me a beautiful letter. He sent it to me, he didn't give it to me—mailed it to my house. I haven't framed them all. Very gracious.

Knott: This notion that he was detached—not detached, but that he often didn't know the names of staff members—

James: That's true. Me, too. When you have hundreds of people and they're trotting in and out—I always felt that was a bum rap, frankly, because that happens to me in my life. If you have a large staff and a lot of people, and a faculty member happens to walk by. *Who is that? What's her name, again? Oh yeah—Karen, that's who it is.* Yes, that's true. I just felt that was sort of a bum rap.

Knott: Do you guys have any other questions about the office itself?

Walcott: Yes, just one. This is sort of off the wall—a Nixon-Reagan comparison. How would you compare the way Jim Baker ran the White House with the way Bob Haldeman did?

James: Totally different. Both of them were effective. Both of them were able. But again, you've got to go back to—who's the boss? Haldeman ran the White House Staff the way Nixon wanted it. Baker ran the White House the way Reagan wanted it. It's not that the White House staff is running the President; it's the other way around.

Nixon didn't want to see people, generally, so Haldeman ensured that everything was in memos. Reagan would like to see people. Jim said, "You're on his schedule for ten o'clock Thursday," and you'd go in and talk to him. Administratively, I think they were both very effective, but it is hard to compare Chief of Staff to Chief of Staff because the Chief of Staff only does what the President wants you to do. If you don't, you're not Chief of Staff anymore.

Walcott: In terms of follow-through, which was Haldeman's strong point—?

James: Haldeman was better on follow-through. His "tickler file," or follow-through, was well oiled. The other thing is with Nixon there was more paperwork than with Reagan. Everything was memos and records and all that stuff. Always at the bottom there was "Approved," "Disapproved," or "Other Options." You certainly had that with Reagan, as you did with any President, but not to that extent. I don't think you can compare who was a better Chief of Staff—[Richard] Cheney for Ford, [Hamilton] Ham Jordan for Carter, or any of them. They're all different.

You just have to realize that so much happens in the life of a President in every twenty-four hours, and that he has no time alone, no time that he can really call his own. They always have to be available. You'd think the emotional toil—you have to be a pretty tough bird, and usually you are by the time you get to be President. Running for Governor, running for office, or being a Senator, toughens you up.

It's a job. You know, I'm just wondering how George W. Bush does it. Can you imagine the pressures he has with what's going on in the world? And it's his ballgame, he's got to do it, he's the final arbitrator. What a tough job, whether you agree or not. What Carter went through, what Jerry Ford had to go through—inheriting a disgraced President.

You've studied the Presidencies. I think probably Lyndon Johnson was one of the most comfortable in the job, I mean really enjoyed and reveled in the job. I think many of the others, like Reagan—he just felt that was a job he had to do. He got kicks out of it, not overly so. He was like, "I don't need this, but I'm going to do it." He had people like that around him.

That's why I worry about the people with the sharp edges. We talked a little bit about the Darman profile. One of the mistakes Reagan made—and I think he knows it in hindsight—was not firing [David] Stockman. Remember? Stockman wrote that article in *Atlantic* magazine, really disagreeing in print with the President on the tax issue—was that it?

Walcott: Yes.

James: It caused a lot of hubbub. Reagan should have called him in and said, "You are fired." If he had done that, it would have sent a message throughout the entire administration that that behavior is not going to be tolerated. What did Reagan do? He invited David in and said, "Now, I understand, don't let it bother you. Let's just not do that anymore." He should have fired him right there. It would have given the message. You can't fault Reagan. I don't think any President likes to fire people. They always get somebody else to do the job. That was one I wish he had done early on. Whether Stockman was right or wrong in that article, the perception would be that that behavior is not tolerated.

The study of the Presidency—what you guys are doing—is just fascinating. I've always been intrigued with this, not to the depth that you people are, but I read every book I can get on it. I'm interested in everything about the Presidencies. Who would ever want to be President? It's terrible.

Hult: It sounded sometime, at least to me, today, that you had walk-in privileges with President Reagan. Is that true? Or did you still have to be on the schedule?

James: I didn't have walk-in privileges, but I had access. I could go in any time I wanted. Walk-in is you just open the door and walk in. No, I wouldn't do that. I wouldn't be allowed to do that.

Hult: Did anyone in that administration have walk-in privileges?

James: Baker, Deaver, Meese.

Hult: Okay.

Walcott: How many people had the kind of access you had?

James: I don't know what kind of access I had. What do you mean? I had access when I needed to see him. I had regular access twice a week on a scheduled basis. I'll tell you what a nice guy—I had a meeting with Reagan, let's say Tuesday at four o'clock on the regular schedule. Kathy calls me at three o'clock and says, "Pen, the President is so sorry but he has to fly to—somewhere—and he can't keep the four o'clock appointment. He asked me to ask you, would

you mind getting on the helicopter with him on the south lawn, and could you have the meeting between the south lawn and Andrews?"

Of course, I'd give my eyeteeth to get on the plane with Ronald Reagan, but his attitude was, "God, I've got to cancel this appointment with Pen. I wonder if he'd mind flying with me? It's about a fifteen-minute flight and we could do it then." He'd never want to inconvenience somebody.

Walcott: Did the entire senior staff have the kind of access where, if they really had to see the President, they were allowed to go in?

James: Yes, if there was a cause, a reason for it. That would be Baker's, or Meese's, or Deaver's decision, because you would go through one of them first. You'd say, "I really need to see the President on this." They'd say, "Fine, let's go. I think he's free right now. Let's go in."

Hult: There wasn't another back door, as Evelyn Lincoln supposedly was with John F. Kennedy and Rose Mary Woods was with Nixon?

James: I don't think so. I don't think he needed a back door. He was so accessible in getting on the schedule, and he was so comfortable with people, you didn't need to protect him, is my perception. I don't think you needed a back door to get in, to end-run somebody. Again, people you're interviewing rather than me would know that better. If you needed to see him—absolutely—"Come on in."

A couple of stories about being a nice guy. You know, he ran on the platform he was going to reduce the size of government, and he believed it. We all did. During the planning group, I knew the President had two thousand appointments on boards and commissions. Do you realize that? Boards and commissions, part-time, there are two thousand appointments. I said to myself, *Why do I have to fill all these jobs? We don't need two thousand boards and commissions.* I had my staff make a study, these people I delegated to, and I said, "Look at all the boards and commissions. Do we need them? Haven't some of them outlived their usefulness?" They came back and gave me a list of—let's say thirty, forty—commissions that were appointed through Truman or [Dwight] Eisenhower, which really didn't—but were always filled, because they're appointments and all Presidents like to make appointments. It's the way they pay off people.

I brief the President—this is early on in the administration—about what I was doing on the commissions. "You've got two thousand to make, and here's what we have, and I think we don't need to fill all of them. Here are forty I don't think we have to fill." He looked at it and he said, "I think that's a good idea. Let's go with it."

Eighteen months later, almost to the day, I'm in the Oval Office and the appointment that day is on some board or commission. By that time, all the big jobs had been filled. I said, "Mr. President, this commission I recommend we take a look at—" He looked at me and said, "Pen, I thought this was one you were going to get rid of." It happened just that quick. I did a quick double take and thought, *He's right, and I forgot*. No, wait. We *did* try to eliminate it.

I'll tell you what it was—it was the study of the native Hawaiian—something like that. The Commission to Study the Native Hawaiian. I thought to myself, *Why do we need a native Hawaiian—a commission to study it?* So I said, "We're not going to fill that one." You're smiling. Are you familiar with that?

Knott: No, no I'm not.

James: You'd have thought I had committed heresy. I got a call from the Republican Chairman of Hawaii—it was a woman, a big Hawaiian, the big muumuu, the whole bit—who said, "I'm coming to Washington on tonight's plane." Literally. She came over with her entourage, about three or four, and sat in my office—she filled the whole sofa—and just said, "You've got to have this. We've waited years to fill these jobs. The Democrats have always filled these, and now you're going to take this away from us? This gives us a chance." So, when I was briefing the President and he said, "I thought this one we were going to eliminate," I told him the story. I said, "Mr. President, we've got to go with it."

It's hard to get rid of, once it is legislatively enacted, because it's the jobs. People like Congressmen, Senators, Presidents, and Cabinet officers like to fill jobs. The more they've got, the more they do. It's a Catch-22. That's a terrible thing to say to this group.

I don't know anything else I can tell you, except, as time goes on I'll recall things.

Knott: By the way, feel free—when you get your transcript you can add anything to it as well, you don't just have to edit what's there. So if there's something you've forgotten—

James: Nothing important. Overall, I just feel that Presidential Personnel, if done right—and I think we did it right, frankly, with Reagan—is a blueprint. I know it's a blueprint that previous Presidents have used, because, as I told you, Clinton has called me, and George Bush has called me and his staff—we've gone over all this. It's not something you just—because if you don't control appointments, you don't control policy. If you want to control policy, control the appointments. That's a truism that is as sure as anything.

Hult: One final question I had. In retrospect, what kind of things might you do differently in the Personnel operation? You mentioned one: You'd follow nominees through after they were nominated. Is there anything else you'd add or you'd tell people in new administrations to be alert to?

James: You're talking about procedurally?

Hult: Procedurally, organizationally, in approach—any of those things.

James: Well, one clearly is not to leave the appointees hanging out there to dry while they're waiting for their confirmation. That's just cruel and inhumane, plus poor management. The other thing is to have a President who values appointments and who pays attention to the appointments, who recognizes that his success is going to be on the people he's bringing in. Most of them he won't know—there's thousands of them. He values them. He took time to have his

picture taken with them. He would go into these orientation sessions with them. He would open the door and let you come in if you needed to see him, because the Presidency is team building and team spirit, to a certain extent.

Within this mammoth organization there is a leader who is trying to send a direction to the nation for his four or eight years. He needs help. He needs support. He doesn't need leaks. He doesn't need innuendoes. He doesn't need backbiting. He doesn't need end-runs. If you build a team spirit and are willing to say, "I want to help this person succeed," be he Clinton or Carter or Reagan or whoever—it's not political, that's the role. Presidential Personnel has a role in that.

Walcott: Does Presidential Personnel have a role in evaluating how well these people are doing?

James: Yes, there was, at one time. We didn't in Reagan.

Hult: Could you compare those two experiences?

James: In the Nixon years—going back to the reelection when we had this category: "You're going to stay here," "You're going to move," "You're going to be let go." In order to make those evaluations we asked each Cabinet officer to rank the people in his or her department on some sort of scale—I can't remember what it was—of effectiveness in communications, loyalty, willing to be a team player. Out of that evaluation—it wasn't what I really would call a performance evaluation like you would have in corporate America, but it would be similar to that. But we did have it, or Nixon was going to have it in the second term. We really didn't do that in the Reagan years, at least while I was there.

I've always said, you never know what makes a good political appointee. If you knew what good government was and could bottle it, you'd have good government, but you don't know what that is. You might pick candidate *A,* who has an outstanding reputation, a great persona, national representation, bring him into the administration and they're a total flop. Then you might take candidate *B*, who is marginal at the best—you really had to close your eyes a little bit to make the appointment—and that candidate turns out to be a star. What's the difference between the two? Let's say their résumés are the same. One will be a great success; one will be a flop. I think it's—I don't know what it is, but some people have the intangible experience to work through complex problems and not get bogged down by them. Sounds erudite?

Knott: Very. You're doing well.

James: The other thing is they always say, "Why don't they make Jack Welch a Cabinet officer?" You read this in business magazines. I've always said Jack Welch would make the worst Cabinet officer you could possibly have, because Jack Welch is an executive and he's used to saying, "I want to do this, I want to do that. Close that plant down. Issue those bonds, and let's go. I'm going to play golf." You can't do that in government. Government is dealing with the intangible. Trying to move things through a complex—uncharted in many cases—to get a decision made.

People talk about, "Are you smart enough to be in government?" I say smarts have nothing to do with being a political appointee. You could be the brightest guy in the room, the brightest guy in the world, and if you don't have two things, you won't succeed. They say, "What are those two things?" And I say, "I thank you for asking. If you don't have clout, and if you don't have access to push this brilliance with clout and access, then you're only sitting in your office, and you're the smartest guy in the room, but nothing happens, nothing gets done."

Just because you have a high IQ—so what? A lot of people have high IQs. But if you don't have clout, the ability to get the attention not necessarily of the President—let's say a sub-Cabinet officer—and you don't have access to get in to sell your idea—just being smart has nothing to do with it. Clout and access is very important.

Walcott: If you could comment a little bit on the Reagan appointees alumni—

James: Yes, I saw that in your briefing notes. That's just a fun group. We keep a directory of who's who and where they are. If I wanted to call somebody and they're now living in retirement—most of my friends are retired—living in Palm Springs, it lists their telephone. It has no role in policymaking, except at the Reagan launching of the nuclear carrier, or the library, we get the best seats because we're alumni. But it is not a policy—it's just an alumni group.

Knott: You mentioned to me this morning that for a period you were on the Reagan Library—a trustee. Anything from that experience that—

James: No, that was basically fundraising. This was even before the library was built. It was just fundraising. Have you been to the library?

Knott: I'm going in December for the first time.

James: I was out there on the opening day when they had the five Presidents. I haven't been back since then. What I've got to do—I'm 74, but I'm going to retire at the end of this year. I haven't retired yet. I go to work every day. I was looking in my closet, and I have all my boxes I had for the Nixon years, and I have all the boxes I had from the Reagan years that when you leave the office you pile them up and take it home to sort it out for the library some day. I've never done that.

Now, in my retirement I'm going to drive my wife crazy—because you make a mess when you start making piles and my wife doesn't like messes—and start going through those, weed those out and send them off, because each one of those appointments and all the President's memos are in there—they're not Presidential, obviously—and ship them off to the library. That's going to be a tremendous undertaking.

Knott: Don't weed out too much.

James: I wouldn't weed out, but I have to put it in some sort of order.

Walcott: They pay archivists to do that.

James: There must be—I don't know how many boxes there are in the closet under the stairway.

Hult: Please do do that.

James: That will be fun going through that.

Walcott: What kind of stuff did you take with you? I know you're expected to leave some stuff behind—

James: I don't know, because I tried to think, *What's in there?* I didn't think I brought anything home, because I'm not a pack rat. I don't keep things.

Hult: Most of those, I would have thought, would have been Presidential papers that were supposed to have been left.

James: I was careful about that, but a lot of those you have copies of.

Hult: Of course.

James: I think what I would have would be copies, because the decision memo, where he puts his little RR on there, then the RR memo goes to the Clerk's office.

Hult: Is the Presidential—

James: But you have many copies of those. I think what I have are Xerox copies.

Knott: Anything you have from the campaign era would be yours.

James: I don't have anything from the campaign because I didn't work on the campaign.

Knott: I mean the work that you did—the planning.

James: It's not that I tried to keep it. I just forgot it. I've been thinking, *What am I going to do now that I'm going to retire?* Then I looked in my closet—*Oh, there's what I'm going to do*.

Hult: There's my first project.

James: It's behind the vacuum. Drives you crazy, doesn't it?

Hult: What about writing a memoir or using the papers in a memoir?

James: No, I don't want to do that. What I would like to write about, and I won't because it's already been written, but, as I've mentioned, I've given several talks in the community about Presidential staffing. If you look back at how Roosevelt did it, his Brain Trust and his organization, and how he gave conflicting advice to his various people, and played one member

against the other. He didn't have a Chief of Staff. He had [Harry] Hopkins, but it was really his manipulation that ran the staff.

Then, when Truman came in, of course he inherited that. He tried to change it—meanwhile he got that bomb dropped over there—and then in comes Eisenhower. For the first time, we had an NSC [National Security Council] staff. For the first time we had a Chief of Staff.

I thought it was always interesting how Presidents organize their team, their White House, because each one reflects their guy. That's the subject I've always been interested in: How do you put a team together? What type of people do you use? How do you find them? How do you control policy? You control policy by making sure you get the right ones to begin with. And you don't—this is not a zero-sum game. If you bat 70 percent, you're lucky.

Knott: Any final comments about Ronald Reagan? Anything you'd like to leave on the record for the sake of history?

James: That's a pretty big assignment.

Knott: It is. Very big.

James: I think Ronald Reagan changed the direction of America with the Cold War. I'm not going near that. That's for scholars. He had the hostage situation. He had the Cold War. He had the Berlin Wall. Those are the major things of the Presidency that I think he addressed, handled well, and then passed the baton to George Bush to follow. A great American. I wish him well.

Walcott: Do you think that in the last years of the Reagan Presidency he was beginning to suffer the early aspects of Alzheimer's?

James: I don't think so. I've heard that. Obviously, I don't know. I wasn't there. The reason I don't think so is because I had some dealings with the President after he left the White House, before he wrote that letter about Alzheimer's. That's during the Reagan Library trustee thing. Of course, I didn't detect anything like that, and this is after he left the Presidency. Maybe after eight years some people might detect it, but you get tired after eight years. You don't want to go through that again. We're talking about medically, now, not emotionally. Emotionally, he might have been tired. He was an old guy—about my age.

Knott: Close to 78, by the time he left.

James: So I don't think so. A lot of people dealt with him after he left the Presidency. He gave a lot of speeches. He traveled around, played a lot of golf. But then it hit him. And that beautiful letter he wrote—wasn't that great?

Chidester: What were your opinions on Reagan's intelligence? For whatever reason, this seems to be a debate among some historians—

James: I go back to my original statement—I don't care what his IQ is. IQ doesn't count. I mean, you have to have a certain level of intelligence to be a Governor and all these things, but it's the ability to lead people—to synthesize, to direct, to understand, to communicate, to push, to maneuver. It's not IQ.

The smartest President I think we had maybe would be Carter. Right? In terms of smarts, IQ. People always said he [Reagan] wasn't very smart and I kept thinking, *That's irrelevant. Look what he did!* If he had ten more points on his IQ, would there have been a difference? Probably not. At that age you are who you are. I have never counted that words "intelligence" or "IQ" as criteria. It might be to pass your test.

Well I enjoyed it. I thank you very much. This has been an exciting day. I commend what you're doing. I think it is very worthwhile for future historians far beyond our years. It will be exciting to see what happens.