INTERVIEW III

DATE: February 1, 1971

INTERVIEWEE: JAMES J. REYNOLDS

INTERVIEWER: JOE B. FRANTZ

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

Tape 1 of 1

F: Mr. Reynolds, let's talk a little bit about the dispute that the President and Willard Wirtz got into that almost led to the Secretary's resignation. You had quite a significant role in this.

R: Yes, I was involved in it to a considerable extent. It was an extremely unfortunate development. It had to do with our efforts to reorganize the whole Manpower Administration. Secretary Wirtz was keenly aware of an admonition which the President had given to all of his cabinet in June of 1968, urging them to streamline all the programs within their departments so that as he left office services could be delivered most effectively to the people and that it be done in the most economical way possible. Secretary Wirtz accepted that admonition as a meaningful one, and he felt that of all of the areas in the Labor Department where there was a real potential for accomplishment in seeking these two objectives, one important one was in the Manpower Administration. There was a great deal of money involved. It was an administration which was suffering from growing pains. It was a whole new dimension in terms of the Labor Department's role in this nation, in serving great numbers of people,

in terms of attempting to train them and retrain them for a useful place as economic units in our society.

We had tried various methods of administering the program around the country, different segments of it. There were a great many. There were programs involving young people, welfare recipients, skilled people, people whose positions were eroded because of automation, technological explosions. So there was a wide spectrum.

(Interruption)

We had had a number of experiences where we felt that the further the program got away from Washington administration and to the greatest degree that local people participated in it, you had a more enthusiastic and broad acceptance of the program. But you also had a diminution of managerial talent and supervision which we did not feel was good. We wanted local groups to participate to the greatest extent possible in the decision-making of these various programs, particularly the outreach programs, which were designed to reach out into the ghettos and the areas of greatest economic depredation and find people and bring them in and train them for any kind of meaningful work, people who were hiding in the recesses of society, who had long since given up. The way you really got down there was to get some local political leaders involved in helping you do it. But there just wasn't always the capacity to do it effectively, and there was a waste of funds and a lack of efficiency.

So, to make a long story short, we felt that the degree to which the various state employment departments and divisions implemented the program varied tremendously. Many of them felt that the manpower

program was an invasion of their traditional role of sort of being a glorified employment agency for American industry. Our insistence that they assume a different role, a broader role of assisting in the social objectives of the statute to find people who needed work and to participate in a careful analysis of their shortcomings so that they could be channeled into the right kind of training programs, was something which was accepted with a very varying degree of enthusiasm and lack of enthusiasm. It was felt that the most effective way to improve this would be to have a small but competent series of regional manpower administrators posted throughout the country reporting directly up to the manpower administrator in Washington, so that there could be a very close tab on everything that went on.

This, in some measure, obviously was going to be offensive to local political leaders at various levels of government--state, county, municipal. Many of them liked it the way it was, where they had a considerable degree of autonomy as to how the thing was going to be handled. But we felt that the President wanted things to be done more effectively, to really deliver to the people of the country the services that the Congress and he intended they get, and that they get them in the most effective and efficient and least costly way. We estimated that by this manner of handling the problem we could literally save a considerable amount of money. We estimated the saving in the first fiscal year would be something in the neighborhood of four million dollars. Whether this was true or not, these were the careful projections on the basis of the best judgment we could get.

Before Secretary Wirtz decided to go ahead with this, he did two things: one, he felt that this reorganization was of such importance, and in a way of such a dramatic nature which would reflect credit on the President, that he contacted Joe Califano, the President's assistant, and asked Joe to ascertain whether the President would like to announce this change from the White House as a reflection of what he had ordered his administration to do in the closing months of his tenure as president, namely, he wanted to leave this government in the best, lean, efficient condition for his successor as it was possible to accomplish.

Califano and the Budget Director--I guess by that point it was Charles Zwick, I believe--thought this was a great thing to do. We also contacted other people in the administration who were involved to some extent, Sargent Shriver's people for instance. There was wide acceptance and approval of this whole idea. Califano told the Secretary that he would let him know whether or not the President wished this issued from the White House or not, but he just thought it was a great idea and to go ahead with it and not delay because of this relatively minor point of where it was going to be announced. The Secretary nevertheless waited one week. He waited another week, and kept prodding Califano for a response. He was told he just couldn't get it yet. There were other things that were directing the President's concentrated attention. But in the meantime, all of the steps to implement the change were going forward.

The second thing which Secretary Wirtz did--the first one being of course this that I mentioned--was to contact the Council of Governors to get some reaction from them. He contacted Governor Hulett Smith of West Virginia, who I believe was the chairman of the governor's group for that particular year, to touch bases with him. As the planned reorganization leaked we began to get grumblings from various parts of the country, from local political types and so forth, that "Oh, this is a terrible thing to do. We don't want it," and so forth. Then the next thing we knew we had some complaints from Florida that this was a terrible thing to do: "If you're going to do this, we are going to appeal to the President and see that it is stopped." This came through the office of the man who had been previously the director of the Office of Emergency Preparedness. Who was that? Farris Bryant?

F: Yes, Bryant.

R: Be that as it may, we evaluated these expressions of concern for what they were, and one would have been surprised if they didn't come forward, because there was a sort of entrenched bureaucracy building around the local administration of these programs. There were jobs to be created. There were jobs to be appointed. There were political plums to be had, and this was going to stop because we wanted to be certain, through the manpower regional directors, that every person in this program was professionally competent to do the job, et cetera.

Time went on and finally one day when Secretary Wirtz was out of the city I received a call from Joe Califano asking me to come right over to the White House which I did. He said, "Jim, the President doesn't

want to do this." I said, "Do you mean he doesn't want to have it announced from the White House, or he doesn't want to do it? That is, he doesn't want it done on its merits?" He said, "He doesn't want it done." I said, "Joe, have you explained to him that the Director of the Budget and everyone else including you thinks, unanimously, that this is a great idea, and that Secretary Wirtz is merely trying to reflect what the President has directed his cabinet to do?" "Yes, yes, yes. I've told him all of that, and he doesn't want to do it. It just isn't going to be done."

Well, I contacted Secretary Wirtz. He said, "Jim, this is going forward. It's just too late to stop it. As a matter of fact, I have directed that a meeting be held in the interdepartmental auditorium of all of the employees in Washington of the department to announce it and explain what we're doing and why we're doing it, and to give them some sense of assurance as to the security of their positions so long as they're performing them competently here in Washington." He said, "Now, I have to suddenly leave for Chicago"--I think it was--"and I want you to do this." Well, this was a great spot, but the Secretary was my immediate superior. The orders were given, and I appeared before the employees of the department, explained to them what this whole reorganization meant in service to the nation, to the unemployed people of the country, and that I, on his behalf, was looking for their wholehearted support behind this. That there were going to be awkward readjustments and lines of authority, but please be patient, and you would find that this is going to make the whole administration of the Manpower Act

a more efficient and useful activity. It will save the country money and do a better job for the people.

F: Had this surfaced to the press yet, or had you been able to pretty well work it your own way?

R: No. It had not surfaced to the press to my knowledge at that point. I'd have to check on that, but I don't think it had. I know there had not been a formal press conference.

That evening, about ten-fifteen, I received a call from the President.

F: Personally?

R: Yes, personally to me. He said, "What's this I hear about Wirtz going ahead with that reorganization?" I said, "Well, Mr. President, this is so. He is. But I want to assure you that it is not exactly the same reorganization that had been discussed with Califano and others. Some of the things that apparently were objected to have been eliminated." That was true. Obviously it was or I wouldn't have said it. Secretary Wirtz had said, "Jim, this is not the exact same reorganization because we're not going to do this and that, which is offensive to some of these little small town political figures. But we've got to go ahead with this. It's too important."

I told the President. He said to me, "Didn't Joe Califano tell you that I didn't want this?" I said, "Yes, he did. He made it very plain, there can be no doubt about this, that your decision was not alone that you didn't want to announce it, but that you didn't want it done. I can only assure you, sir, that what is being done is not exactly the

same program and is a program which is most responsive to your orders of June. In fact, Secretary Wirtz is probably being more responsive here than any cabinet officer that I am aware of in doing something really tangible to implement you this." He said, "Yes, but I said I didn't want it done."

I said, "Well, Mr. President, it's going to be awfully difficult to unravel it at this stage. Today, in Secretary Wirtz' absence, I met on his behalf and explained this to the employees." He said, "I want it unraveled. I don't care how difficult it is. I told Secretary Wirtz I didn't want it done." I said, "Mr. President, with the greatest respect, I must differ with you. Mr. Califano told me and I conveyed that, and I find that very little different to be sure. But this had been discussed in many meetings with Califano and with the others in the government who reviewed every aspect of it and thought it was a great accomplishment for you." "I don't want it done. I want it unraveled." I said, "Mr. President, I will convey this to Secretary Wirtz the first moment I see him." He was en route at this point. The President couldn't get him or would have gotten him himself, I guess, although at that point I daresay he was so upset he didn't want to even talk to him about it.

This created a most unfortunate and awkward situation. Secretary Wirtz and I had been completely devoted to President Johnson's leadership. Our admiration for the courage and dedication that he had displayed and his skill and his tenacity in doing things that we believed in with the Congress was a source of unending admiration. But here we were

in this terrible situation. Now the problem had been unfortunately exacerbated by reason of the fact that Secretary Wirtz had come out publicly for Hubert Humphrey. He had appeared before, I believe, the Operating Engineers convention in Miami and come out for Hubert Humphrey. Secretary Wirtz told me that he had informed the President he was going to do this and said that he understood the President's reluctance to have his administration involved in this campaign and that he was prepared to submit his resignation, but he felt deeply that the field should not be left to Nixon. He felt that it was time that the party got behind what he thought was going to be the best candidate, and that was Hubert Humphrey.

Of course, this did not serve to improve the relationship, because the President had been most emphatic to all of us that we should refrain from political activities. Indeed, he brought the under secretaries together sometime during the summer, and he told us that if any of us wanted to engage in politicking, as he said, "That's all right with me, but I'd like you to resign and then go ahead and do it. I'd understand and respect you. But I don't want this administration to be giving a public image of an administration that's so concerned with perpetuating the Democratic Party in power here that they're neglecting their responsibility here to do a good job for the country. I just don't want my people going out politicking."

Well, this was extremely awkward for all of us, as you can well imagine. Many of us had grown to know Hubert Humphrey. We had grown to

admire him. We felt that it was abdicating the field if we didn't do some of these things. So it was very awkward. Bill Wirtz was one of those who went out on the limb, and not only went out on the limb, but then went and worked very diligently with the Vice President, assisting and preparing speeches, giving speeches and so forth. That was in the background.

Be that as it may, the next day I informed Secretary Wirtz what had occurred in detail. I said, "Bill, the President wants this unraveled, as he puts it,"--using my word when I said it was going to be very difficult to unravel--"and I want to make very sure that you understand his views." He said, "I do, Jim, but I'm not going to do it. I cannot do it and live with myself. This is the right thing to do. If we don't do it the next administration's going to do it in all likelihood, and it should be done now. Too much has been done to stop it now." I said, "All right, Bill, but you must understand that this is a very, very serious matter." He said, "If the President wants to take up my resignation, he is privileged to do it. I'd be sad if I heard about it, but he has a perfect right to do it."

Then, of course, subsequently Clark Clifford came over to see the Secretary in an endeavor to get him to change his mind. This was a most unseemly sort of a thing to Bill, the Secretary of Defense coming to him to try to convince him to withdraw this action. The next visitor was Arthur Christianson, I guess. I think he was the assistant attorney general.

F: Warren Christopher?

R: Warren Christopher. Warren came to see Bill. They were devoted friends. "Bill," he said, "I must advise you that the President has asked me to do the proper research on the precedents of the president removing a cabinet officer." Bill said, "He's in a position to pick my resignation up any time." At this point it became evident that they couldn't find it. Then, this was almost ludicrous, but we were told that Califano's office had looked in the files all over for the resignations which we all submitted when there was a change in administration, which one should give to the president to act upon or not as he chose to do. We all did this. In fact, Bill instructed all the assistant secretaries and myself, and we did so. And now the White House couldn't find his! So this created a rather awkward situation.

Then the next thing that happened--the whole business was such a sad and deeply troubling matter to me--was that at this point I had a call from Mr. Califano late in the morning. The date I don't know, but it was right at the time of these various discussions. Mr. Califano wanted to know, on behalf of the President, would I rescind the order. I said "Of course, Joe, I can't do that. I'm the undersecretary. The Secretary has issued this order. I could not, by the wildest stretch of assuming authority, rescind it, even if I was so disposed to do it." He said, "The President doesn't mean that. He means suppose he accepts Wirtz' resignation and names you secretary this afternoon, would you rescind the order?" I said, "Under those circumstances, of course I would, because I would never be in an administration without being responsive to any order of the President. But my next action would be to

write a letter of resignation to him, and I, too, would resign. But I would have rescinded the order." Joe said, "Oh, my God!" and banged the phone, and that was the end of that. So that was to the best of my recollection the story of that unfortunate incident.

F: I presume someone pointed out to the President the confusion that would be caused by unraveling, that is, the public confusion. Because once something had come out that you were going to pursue a policy and then you cancelled it, that always leads to questions.

R: And the administrative confusion all throughout the line. It's well to keep this in mind, something I haven't mentioned. For a period of about two weeks prior to my having to appear before all the employees, I had gone about the country with Assistant Secretary Stanley Ruttenberg and one or two of his top assistants meeting with Labor Department people in each of the regions. I spoke to them, together with Assistant Secretary Ruttenberg, and explained in detail what the new organization was going to be and responded to their questions so that there would be no lack of understanding of what was intended. It was going to be direct, and this is the way it was going to be, and this is responsive to the President's demand that we streamline the program.

So this had all been done, including down in Texas, I might say. Sure, some people didn't like it. And the people who didn't like it who had any kind of an ear on the other end of a phone politically got on the phone. But so long as there was no real opposition from the governors, so long as there was no real opposition from those people who Secretary and Mr. Ruttenberg felt were devoted to the program and to

doing the right job, and so long as there was no really defensible intellectual argument against it, he was dedicated to do it. So I had gone through those two weeks of visits around the country to New York, Chicago, the West Coast, everywhere, to explain this. All of this had been done. Then to suddenly say, "Oh, sorry, we don't really mean it," or to say very frankly even worse, "The President has countermanded" would have been very, very awkward from the point of view of the President, too, because these people knew that the only opposition was coming from very self-serving political sources, really.

F: Do you think it was the opposition that made him think he would just be turning loose a Pandora's box, or do you think there were other reasons?

R: We, not unreasonably, knew where the opposition was coming from and how it got through to the ears of the President. It was from sources that we did not consider had the best interests of the program at heart but which did have the means of discussing it with the President, not on the merits but on other lines, political lines, but were conveyed in such terms as to make him feel it was not to the best interests of the country to go ahead. But we knew where it came from and what motivated it when really you stripped away all of the subterfuge.

F: All right now, you're not going to undermine Willard Wirtz in this, so that puts the President behind a couple of eight balls. What happens? How does he get out of it? How does Willard Wirtz get out of it? Or James Reynolds?

R: How did he get out of it?

F: How did it all sort of work out?

R: Well, the closing episode of this, unfortunately, is something that I could not speak of firsthand. I became ill in December, and quite seriously ill. I contracted pneumonia. We had all been working like hell, and I had been somewhat weakened. I contracted virus pneumonia and damn near died. So I never went back to my office, from early December, again. The administration concluded. So that all of those subsequent events you should get from Assistant Secretary Ruttenberg. If you haven't talked to him you should.

He has written a book in which he speaks of this quite frankly, the depth of his feeling about this. The man was so devoted to this program that it became an obsession of doing a really effective job in administering this law. This matter of having it sidetracked because of reasons that he knew, because of his sources of information, reasons motivated by a desire to really hurt the program or the efficiency of the program made it very difficult to keep Mr. Ruttenberg from resigning. He came to me and he said, "Jim, I can't believe that the President knows what he's doing here. I'd love to be able to talk to him about it." Well, that was out of the question. He said, "This is wrong for the country. It's wrong for him. I just don't want to be around here if this is the way it's going to be handled, so I'm going to resign." So I prevailed on him not to do so. That's how deeply he felt, and Secretary Wirtz backed him to the hilt.

F: Did the President ever talk to you again about this?

R: No, I have never talked to the President since then, much to my deep regret. Because while I was ill, it was near the close of the administration, he never talked to me about it. And, indeed, I dare say that in the light of my response to Califano possibly whatever measure of confidence I enjoyed from him was probably dispelled by that act. I don't know. But it's a source of great regret to me because I think in the light of what I saw and what I was privileged to experience through President Johnson's Administration, and I saw him under some very trying circumstances in terms of domestic problems, that he was a great individual. He listened carefully to the opinion of those whose judgment he valued. He listened quietly. There wasn't any doubt that he wanted to get the views of everyone on those things. When he had all the views he'd make the decision, and that was that. I saw that, and so I had the greatest admiration for him.

I just deeply regret that the closing days of what was a superb administration by Secretary Wirtz his relationship with the President had to be tarnished by this incident. They were two strong men; but the President is the leader of this country, and when he is the boss you do what he wants, it seems to me. It was very awkward that this had gotten out of hand, and I regret to say that I think it was due largely to the procrastination on the part of Joe Califano, his failure to let us know what was going on through this period when all the steps were being taken and where the only question was, "Shall it be announced in the White House or here?" It got so far out of hand! There had not been a single expression of criticism of the fundamental proposed program changes during all the meetings with Joe and his colleagues, only

admiration and appreciation of what Wirtz was doing.

F: This was, if it hadn't been for the placing and timing of the announcement, something that could have been done without ever going back to the Oval Room.

R: Yes. That's right. Yes. Had it never been discussed with Mr. Califano in those terms, that is certainly true. The discussing it with him was quite proper, but at that point I'm quite sure that what developed was that it was Joe saying, "Hold this up because I think this is just too good to announce from the Labor Department."

F: Give it the extra prestige of the White House announcement.

R: Yes. Let the President get the credit in the closing days of an administration, showing that he means to do things effectively and efficiently. But you see his approach, on the other hand may have been, "Look, I don't want to give my successor, whomever he may be, the impression that I'm trying to undermine him. We're going to maintain the status quo." And yet that was a little inconsistent with the June admonition which was a written order to all members of the cabinet.

F: Did Secretary Wirtz ever disclose to you why he did not go ahead and resign?

R: I think that he wanted the action to come from the President.

F: Along a slightly different line, how active was the department in this National Alliance of Businessmen that Henry Ford and Leo Beebe and others ran?

R: Oh, very, very active. Oh, yes. I was in on the initial meetings in the White House with the President when it was set up and subsequently. Then Mr. Ruttenberg and Mr. Beebe, I guess his name was, were in constant,

constant touch. The programs, you see, all came from the Manpower Administration. It was the Manpower Administration who would enter into negotiations with various industries to participate in the program. It was Mr. Ruttenberg who would have to approve the details of all of these and how it would be done.

(Interruption)

F: In looking back on your period as under secretary, you tackled a really tough job of trying to employ what had been known up to that time as unemployables. You undoubtedly had a great deal of headache and even heartbreak with it. Do you think the attempt was justified?

R: Yes, I do. I think that so long as the growth in GNP could be sustained so that you had an expanding economy that it was one of the great approaches in the whole treatment of the unemployed of this nation, the whole idea to get them off the rolls of the welfare programs and bring them into the stream of the economy. It, of course, had its failures, but it had great accomplishments as well.

F: You're dealing with people with a high instance of failure to begin with.

R: Yes, but it also had its magnificent successes. But, of course, when your economy starts easing off these are the first people to go out the door again, and you just multiply the crushing blow and tuck them back in the shadowy recesses of the economy and of the society. But the success stories were very heartwarming, and I don't mean just emotional, isolated cases, but on a broad base. We were very gratified with the real involvement of industry in that program, meaningful

involvement. I mean a lot of companies were really pitching in on this thing and doing a great job. Of course, one condition that we insisted upon was that we deliver the people, because we wanted to be sure that the people we were delivering were the people that needed the training and the experience in the work place more than others, which was, incidentally, one of the problems. Because naturally, quite understandably, industry personnel directors, industrialization directors would be more concerned with getting people who were the most potentially useful. They weren't concerned with the social problem here as much as we were, although many of them were. I don't deprecate their sincerity in this.

F: Going back to September of 1968, there was a possibility of a strike over containerization causing job losses in the New York port. There was a strike. The President sent you up there to look into it, and Taft-Hartley was invoked. Do you want to tell us about this?

R: Well, I can just tell you that the negotiations in the longshore industry on the Atlantic, on the Gulf, from the very first week when we arrived on the scene with President Kennedy until the year of our departure, were characterized by a turbulent relationship. One would conclude, having been involved to the extent that I was through that period, that the longshoremen were almost incapable of making a settlement without a strike, that there were political motivations that were of far-reaching importance beyond the economic considerations.

F: Strike was about as routine as a coffee break, wasn't it?

R: Yes. Focusing in directly on the events of 1967-68, the deadline for the negotiations, as I recall it, for the expiration of Taft-Hartley, was the twentieth of December. I had been trying diligently, day after day, with the parties to get the best offer that the industry felt it could put forward, and one which I felt on any basis of morality or economics should be acceptable to the union. I recall on that eve before the deadline getting such an offer from the industry and meeting with the executive committee of the longshoremen headed by Mr. Teddy Gleason. I pointed out to them that they were making a settlement, if they accepted this, which was one of the most dramatic in the whole history of industrial relations in this country. They were getting a guaranteed annual wage, which I had had a great deal to do with earlier in starting this back in the previous contract some three years before. I started and brought into being its concept. Here the industry was now prepared to give them a guaranteed two thousand eighty hours a year for every man who would show up and make himself available to work and take work if it was offered to him.

I said, "This is unheard of, and it's in an industry which needs it so desperately. There are substantial benefits in addition here. Why won't you take it? Why? This is such a liberal, sensible settlement that rebounds to the great credit of the leadership." "No, no, we've got to get more." "Well, what more do you have to get?" "We have to get some limitations on the use of containers in this port. We have to have the right to strip containers if they come to this dock and they haven't been loaded by longshore labor, unload the container and then reload it." I said, "I tell you, you just can't battle progress. If there's a quid pro quo here to a guaranteed annual raise, it has to be agreement

with the new technology." "Well, we got to have some limitations on it. No containers can be loaded within fifty miles or a hundred miles of the port. If one is loaded within those limited miles, then it has to be handled by longshoremen." They can hire longshoremen out in these outlying communities at the assembly point.

The whole thing was so utterly bizarre that it failed in spite of the guaranteed annual raise, in spite of the substantial wage increase, in spite of improved pensions and welfare programs, all of these things. So it was extremely discouraging, but I had had discouragements before in that business. So the strike began. Then we had to start all over again putting it together. I felt I was running around like the little boy putting his finger in the hole in the dike, because I'd get New York settled and it would come unlatched, and I would go back there and put it together again. The I.L.A. policy was that a settlement had to be concluded everywhere before any one went back to work anywhere. I said, "Now hold this here, and I'll run down to Galveston, Texas and then to New Orleans and put it together here." Because the problems were different.

F: You're putting your finger in a sieve rather than a dike.

R: Right. Then I remember we got Baltimore settled, and I was down in Galveston just getting Galveston settled when I heard Baltimore was coming unlatched again for some reason or other. There was always some political intrigue within the union. Then finally the last port was Philadelphia. Then it was a question of working Philadelphia. I recall keeping them going thirty-three hours at a stretch, because longshore negotiations, unlike other negotiations, involve physical endurance as well as mental acuity. There comes a point where you have to recognize, as obscene as it sounds, that the only way a settlement is going to come

about is when men get so physically exhausted they can't go on any further. And literally, at the table in Philadelphia, two or three I.L.A. men fell from their chairs onto the floor and went to sleep. I said, "Come on, get up you big, fat bastard. You're supposed to be tough. Now we're going to get a settlement. I don't care about you, but we're going to get a settlement for the country. You're hurting our economy. You're hurting the whole soundness of our efforts to keep the economy going. You're hurting the efforts of the President to maintain a growing economy without inflation. All these things are right here on the table, and we're going to keep working."

So finally you'd get a settlement. That's what you would do. You would have to do it in a way that would require you to know every issue and the cost of it to the last mill, and require you to retain the respect of each side, and require you to retain the complete confidence of each side so that they would know you would never violate a confidence that they would give to you with the other party. This is what you have to do to be a good mediator.

F: It took considerable homework.

R: Oh, well, you just know the issues better than they do. You have to think ahead and think of little ideas that they might want to think about and try out. In chambers, you don't expose this to both sides so they can take advantage of one another. But, be that as it may, when we were able to settle those things, maybe a month or two short of when they might have been by sheer exhaustion, the President was always most complimentary and appreciative of his administration in doing this.

F: Do you sometimes get the feeling that some elements of organized labor actually welcome the invocation of Taft-Hartley?

R: I think that the longshoremen always placed the Taft-Hartley injunction within their strategy. I think they always knew it was going to come, and as I say, made it a part of their strategy. Their negotiations, you see, witness the date I mentioned, the twentieth of December comes to mind, when the period of injunctive restraint ended, was always very useful to the country because there is very heavy trade because of Christmas and the approaching year end in that quarter ending in December. Then right after that, for a matter of a month or so, the foreign trade just drops. You've got Christmas and New Year behind you and there isn't a heck of a lot of loading and unloading, so that therefore a strike then of six weeks or two months is much less harmful to the economy than it would be earlier. So the Taft-Hartley injunction was always useful for that reason. But the longshoremen knew full well that by utilizing it the way we did we were tempering and dulling their weapons. Because during the period of the injunction, shipping was accelerated with the knowledge that there was going to be a strike in ninety days. The shippers and the operators and the stevedores would husband their resources pretty effectively and then say when the legal restraint was ended, "All right, now if you want to strike, go ahead and do it!"

F: In the upper administration echelons of the Department of Labor, did you ever consider really seriously the combination of Labor and Commerce?

R: Yes, we did most diligently. I headed up those activities for Secretary Wirtz in the Labor Department. We worked with counterparts in Commerce

and the Bureau of the Budget in working this out in very minute detail and determining which activities of each department could be and should be effectively spun off and what should be left in the new department. This was a very meaningful exercise, no question about it. But of course what we ran into there, as you know, was the opposition of labor.

The President, prior to meeting with the labor leaders, had Mr. Califano and myself meet with them in the Executive Office Building and explain on blackboard the entire organization as it was contemplated, how the new department would be a much more useful and efficient instrument of service to the country. But when you were all finished some of the labor leaders would say, "Look, this all sounds very plausible, but let me tell you something. The working man of this nation always feels comfortable in the knowledge that he has a department called the Labor Department. It's his department, he feels, even though with fellows like you around,"--pointing to me--"we can't get what we want all the time." And whether they say this facetiously or meaningfully they would insist, "The name Labor means a great deal to the laboring man. That's his department, and we're not going to see it dissipated and disappear without a fight. We just can't buy it."

Some labor leaders with a broader perspective and vision than others could see the usefulness of it, and we endeavored to get them to help us. Mr. Joe Byrne of the communication workers was one. Mr. George Meany could see some merit in it. But he said, "Look, I see lots of merit in this. I want to see to it that all the international presidents have an opportunity to hear it, but they're the ones who are going to

have to make the decision. I'm not going to force it down their throat. I don't want to undermine it for the President. I will certainly give it every opportunity to go." But it soon became apparent at that meeting that they would oppose it.

Then the President, through Joe Califano, asked a sizeable group of labor leaders to come to a White House lunch, and they did. The President then spoke to them about this and tried to sell it. But he said, "If you people feel deeply this way, that you think it's the wrong thing to do and you're going to fight it, you're going to fight it on the Hill, then that's the end of it. There are no recriminations, no bitterness. I just feel it's the right thing to do. I don't think it undermines the efficiency of the department in terms of service to laboring people. I think it improves it, and it will be a better instrument of service to the laboring people of the nation. But if you feel differently, that's the end of it."

F: It was emotional rather than pragmatic?

R: Yes. But this was a real effort in the Labor Department. There wasn't any question about it, that we tried to bring it about.

F: This is outside your department, but so far as you know, the feeling is not as intense on the Commerce side?

R: No. I think there was a feeling that the Department of Commerce had not been for many years a very dynamic organization. It had a whole cluster of agencies like the Patent Office and the Weather Bureau and so forth that were not very stirring in terms of the new trumpet that was blowing in the country, in terms of service to the people, and the

Labor Department was. The dimensions of the Labor Department under President Johnson, and the stature of the Labor Department, had risen had risen materially, there's no question about it. Well, the manpower program, for instance, was one of the reasons. As far as the business community is concerned, I think the general thought was, maybe this is a good idea to bring these rascals in with us. Maybe we can work a little better this way than having them over there where they can do mischief.

F: Cuts down the sort of competitive system.

R: Yes. Yes.

F: Were you offered a position by the Nixon Administration?

R: The answer to that is yes and no, and I'll tell you exactly why I put it in those terms. I was originally approached by telephone from a very prominent Republican in upstate New York, a lawyer who is very well known in the field of labor law practice and whose partner was the chairman of the state Republican committee for years. He said, "Jim, I want to know whether you would be receptive to a request of the President-elect that you stay on in his administration as secretary of labor." I said, "Let me think about it, and I'll let you know." While I was thinking about it I got another call, from a vice president of the American Smelting Company who was also very closely wired into the Republican structure. The same thing. They made it clear that they were not speaking for the President-elect, but that they had been sounded out. Apparently there had been a survey made by the President-elect through Mr. John Mitchell and others as to who

would be the best equipped individual. I was informed that the response from industry leaders in this field was that I would be, even though I was titularly stamped with a Democratic tag, that I was very well equipped to do it and that I had never had such a political tie-in in active political matters that would be too disturbing to them. I had been an industrialist before I came to Washington. So they told me that a survey had been taken that I came out on the top.

Well, subsequently one of these chaps came to see me and talked in much greater detail about this. I also had a call from a mutual friend who asked me would I come to see the Vice President-elect, Mr. Agnew, which I did. It would be completely inaccurate for me to say that he told me that on the President's behalf he wanted to sound me out. I had known Mr. Agnew, not well, when he was governor, when he had some difficult labor problems. I had met him two or three times. He said after an hour's discussion, "Jim, I want you to know that I am recommending to the President that he pick you for secretary of labor. It would make me very happy if he did."

A little time, a few more days, went on, then there was some speculation in the press about this. I was not, frankly, at all enthusiastic about the idea for the reason that I had been a Nixon watcher for a good many years. I had known him slightly when we were in the navy. I had known him slightly when he was on the House Un-American Affairs Committee and on the House Labor Committee. I did not regard him as one of my favorite Americans. This disturbed me. I discussed it with Secretary Wirtz. I always recall this. He said, "Jim, if this is offered to you,

you have to do it. What this man is going to need desperately is some communication with labor and with the poor, the ghetto people and so forth. You can give it to him. You can't think of yourself in this, you've got to think of the country. It doesn't mean that you have to have great affection or respect for this man. You can bring something to the country." So I was prepared to accept it if it came.

But at this point, strangely enough, as I kept getting other calls from other people, Republican friends in New York who were enthusiastic about the idea and said they were pressing Mitchell and the President to do this, I said, "Look, you know, I've got a suggestion to make to you that I think you ought to look into. I wish that you would recommend to those who have the responsibility of choosing someone or recommending someone to the President that you look into George Shultz in Chicago. George isn't there now; he's in a think tank out in Stanford. But George was dean of the business school at the University of Chicago. He's an intimate and old friend of mine. He's a Republican, I think, and he would be an awfully good man for the job. I wish that you would look into him." And they did. To the best of my knowledge that's how Shultz came into the picture. Because George told me that subsequently he was contacted out in Palo Alto, and that after some preliminary discussions with people who were sent to see him he was asked to go down to meet the President-elect in San Diego, I remember, and that was that. So directly and specifically, I was never offered the position. I was sounded out by various people that I regarded as, if not emissaries of

the President-elect, at least people who were very much involved in the shaping of his cabinet.

F: Congressmen have said to me, not necessarily about Johnson's administration but about men who have become secretaries and under secretaries and so forth, that some of them are more interested in the trappings of office than they are in the office. They like to come in and then move out on. You don't find that true. You worked for your job, didn't you?

R: Well, I should say so. I must say this, the team that Secretary Goldberg brought with him and recommended to President Kennedy was a very well-thought-of group. None of us were concerned with the trappings of office. In fact, we were disdainful of them. We were there because we were very deeply devoted to being a team that was doing a job. It was very exciting to be associated with colleagues like that. You see, from the time we began, Wirtz was in the package; I was in the package; George Weaver, who was the assistant secretary for international affairs, was in the package and Esther Peterson was in the package as the director of the women's bureau. The only one who didn't stay on was a man by the name of Holleman. Holleman?

F: Jerry Holleman.

R: Yes, who unfortunately got into some very peripheral association with Billy Sol Estes.

F: He had a campaign contribution there that at least had the appearance of evil, whether it was or not.

R: It wasn't that, actually, it was that Jerry and Mr. Estes were good boyhood friends. One time, according to Jerry, who told me the story, when

Estes was visiting him out here at his home on Lake Barcroft or someplace, wherever it was, Estes asked him how much he was making as assistant secretary. Well, I think we were all making around twenty-two five or something like that. He said, "My God, how do you live?" and Jerry said, "Frankly it's not easy. It certainly limits your ability to entertain. But my wife doesn't complain, we're very happy," and so forth. Well, Billy Sol Estes said, "Look, you know I wish I could help you out on some of this entertainment. You've got to meet people and so forth and be pleasant with them," and he gave him a thousand dollars. That was what Jerry told me, and that thousand dollars is what did it. It was nothing evil about it. There were no payoffs, nothing in terms of a quid pro quo--and it was very, very unfortunate.

But the point of the story is that the rest of the team stayed right together, right on in. Secretary Wirtz went up to be secretary, and they brought in a chap as under secretary because the labor unions insisted that there be some labor person here. It was a matter of deep disappointment to me, of course, but it didn't last too long. Then I was later made under secretary. But heavens, there were no trappings as far as we were concerned. I could hardly ever get Bill Wirtz--in fact, I couldn't for ages get him to let me direct our assistant secretary for administration to recarpet his office. We'd go in in the morning to a staff meeting, and two or three times you'd trip over holes in the rug. I said, "Bill, this is ridiculous. We don't have to have a shabby-looking place like this around here." Finally he was off on a trip, and I had them contact Mrs. Wirtz and show her some samples of carpet and we carpeted the place

while he was away. He just didn't believe in spending government money this way. We could get along fine with what we had, and we did.

The shocking thing is of course the way it is now. It's incredible to me what's happened in terms of the trappings of office. One gets the feeling that there are a great many people around here now who are much more concerned with those trappings and the social aspects of the position than they are with the job. I really think that is a valid thing to say. Because when I call a member of the cabinet at five-thirty or quarter of six at night and I get a tape recording saying the office is closed, "Will I please call at eight-thirty tomorrow morning," I tell you something is wrong. And that's actually what happened when I called Secretary Walter Hickel a couple of times.

F: Thank you, Mr. Secretary.

(Interruption)

R: I was very much concerned in December, that because of this unfortunate abrasiveness that had developed between the Secretary and the President the close of what had otherwise been a Labor Department administration of real dedication and real accomplishment was going to be a rather sad event. I didn't want to see a very fine man go out that way. So I secretly set in motion a farewell dinner for Secretary Wirtz. I inquired as to when and where he was going to be at different dates and then set a date. I didn't even tell him who we invited. I picked the guest list. The one common denominator they all had to possess was that he admired them and he liked them, and they liked him.

The thing got to be so popular, when people heard about it, that I had to turn people down. I would have labor leaders call and say they

would like two tables for Secretary Wirtz' dinner. I said, "Well, you don't understand. You and your wife are invited but no one else." It ended up by being one of the truly most heartwarming and magnificent parties of its kind I think was ever held, because there were in that room industry leaders, the president of American Airlines, Edgar Kaiser, people from the United States Steel Corporation, labor leaders, social people, academicians, professors from all over the country that Bill knew and admired. When he walked into that room he didn't know who was going to be there. There were six hundred and fifty people, and every person he saw was a new joy, an old friend. He'd say, "My God--"

F: You couldn't get him up to the head table, could you?

R: A tape recording was made of the entire events of the evening. The day before the thing went on, I asked each one of the Secretaries to take on one little assignment. We put together overnight, without any rehearsal, a little show. The thing was done with taste, love and respect, even to the choice of what color the tablecloths would be. We had the whole affair by candlelight, and there was an orchestra that played for dancing throughout dinner and later.

[End of Tape 1 of 1 and Interview III]

GENERAL SERVICES ADMINISTRATION
NATIONAL ARCHIVES AND RECORDS SERVICE
LYNDON BAINES JOHNSON LIBRARY

Legal Agreement Pertaining to the Oral History Interviews of James J. Reynolds

In accordance with the provisions of Chapter 21 of Title 44, United States Code and subject to the terms and conditions hereinafter set forth, I, James J. Reynolds of Washington, D.C. do hereby give, donate and convey to the United States of America all my rights, title and interest in the tape recordings and transcripts of the personal interviews conducted on June 18 and October 1, 1970, and February 1, 1971 in Washington, D.C. and prepared for deposit in the Lyndon Baines Johnson Library.

This assignment is subject to the following terms and conditions:

(1) The transcripts shall be available for use by researchers as soon as they have been deposited in the Lyndon Baines Johnson Library.

(2) The tape recordings shall be available to those researchers who have access to the transcripts.

(3) I hereby assign to the United States Government all copyright I may have in the interview transcripts and tapes.

(4) Copies of the transcripts and the tape recordings may be provided by the Library to researchers upon request.

(5) Copies of the transcripts and tape recordings may be deposited in or loaned to institutions other than the Lyndon Baines Johnson Library.

James J. Reynolds
Donor

July 10, 1979.
Date

James B. Rhoads
Archivist of the United States

August 2, 1979
Date