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RONALD REAGAN ORAL HISTORY PROJECT

FINAL EDITED TRANSCRIPT

INTERVIEW WITH MARTIN ANDERSON

December 11-12, 2001
Palo Alto, California

Interviewers

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Young: We can just go around the table with voice ID. Let me first say that this is the Reagan Oral History Project interview with Martin Anderson being held at the Hoover Institution in Palo Alto. I'm Jim Young.

Anderson: Martin Anderson.

Young: If you can say a few more words just so that they will—

Anderson: Martin Anderson, one of the fellows at the Hoover Institution, Palo Alto. Actually, Stanford, California; it's not Palo Alto.

Knott: I'm Stephen Knott and I'm an assistant professor and research fellow at the Miller Center.

Asher: I'm Allison Asher. I'm Martin Anderson's research assistant. I'm the only girl, so I should be easy to identify.

Young: So let's go ahead. You mentioned a moment ago about the direct line of connection between the [Richard] Nixon Presidency and the Reagan Presidency, or the political movement that began earlier.

Anderson: Right.

Young: I think that's a good place to start, unless you want to start someplace else, to say a few words by way of introduction.

Anderson: No go ahead, we'll just start.

Young: Steve?

Knott: I would like to know how you became involved in the Nixon campaign in '68 and what your responsibilities were.

Anderson: You want the true story now?

Knott: Sure.

Anderson: In late 1966, I was a professor at Columbia and one of my colleagues, by the name of Zwick, invited me and my wife to dinner one night over at his house. He and his wife had a friend in town and I think they had been in the same class at Harvard Business School. So, we went over and it was fun. There were six of us having dinner. We were talking and talking about a lot of different things. We were talking about politics and we got into a huge argument and toward the end of the evening, around 9 or 10 o'clock, this fellow—I don't remember his name, but I have it written down somewhere—looked at me and said, "You know, with goddamn views like you have, you ought to be working for my boss instead of me." And he was a young lawyer at Nixon, Rose, Mudge, Guthrie down on Wall Street. So we laughed about that.

He evidently went back to his office the next day and told the people who he had dinner with. A couple of weeks later I got a call from Len Garment and basically he said, "We hear there's a crazy professor up at Columbia that likes Nixon, that thinks like Nixon." So I admitted to that and he said, "Listen, would you like to come down? We'd like to meet you." So I took the subway down to Wall Street. I was invited to come down after work. When I got there, what I discovered was there was a small group—Len Garment, Pat Buchanan, Ray Price—and we were in a small room like this and I got introduced to them. They were planning the 1968 Presidential campaign.

So we talked a bit and they were kind of curious about me, I guess, was the word. So we went back and forth. I eventually got invited to go to all their meetings. I guess the first thing I did for them was, at one point the issue of the draft came up, the military draft. At the time Nixon, I believe, had supported universal military training because that's exactly what [Dwight] Eisenhower supported when he was Vice President. It was becoming a very controversial issue. I probably suggested that the thing to do was to get rid of the draft and they were a little bit astonished at that. Anyway, one thing led to another and I went back home and it was the first paper that I wrote for Nixon, a long paper arguing that you could get rid of the military draft for two reasons: one, it would make the military much stronger, and two, it was the right thing to do.

So that was given to Nixon. Then, during a period of months, I met him, talked to him a little bit, not a great deal, mainly worked with his staff. My recollection is that he took the paper and didn't say anything. I found out later that he had taken the paper and had sent copies out—I don't know, they said to 30 or 40 of his national security people—and I was later told that half of them thought it was a really interesting idea and they should do it. The other half thought it would destroy the country, would be terribly dangerous.

Anyway, nothing happened. I continued to go to the meetings and discussing a whole range of issues. Toward the end of this, I was asked basically to run the policy shop.

Young: When you first came, was Nixon announced at that time?

Anderson: No, no.

Young: Okay. Then you became sort of issues director?

Anderson: Let me just stop a minute because I think this is an interesting story, the other thing that happened in December of ’67. I was out traveling with Nixon—I forget where we were going, what we were doing—and a young reporter from the *New York Times* was on board the airplane, named Bob Semple. He was interviewing Nixon, and at one point he suddenly said, “And what’s your position on the draft?” And Nixon looked at him and suddenly said, “Well, I’ve been busy. I’ve been thinking about this and what we need to do is get rid of the draft.…” and he just laid out my whole position. Semple was stunned. It was a big story in the *New York Times* the next day. As far as I know, Nixon didn’t talk to anyone else. He just decided to do it, announced it to the *New York Times,* and that became the policy.

Then the next year I had a sabbatical coming up. My wife and I had plans to go to Europe. We were going to have a wonderful time, and instead we signed up for the campaign and I was the issues director.

Knott: And your wife played a role as well?

Anderson: Yes, she came on board. She worked in the policy development area, was one of the top researchers and worked with people like Pat Buchanan, Ray Price, Alan Greenspan, and Dick Allen. In fact, the group we had in the campaign, as it developed, there were three of us. Richard Allen—by the way, Richard Allen is here today. You may want to talk to him. He’s giving one of the talks at the church.

Young: We have not invited him yet but we certainly intend to, as well as—

Anderson: He’s very important to this.

Young: Yes, he’s very important.

Anderson: Anyway, there were three of us who ran the policy shop and developed the issues. I basically focused on domestic and economic stuff and Dick Allen did foreign policy and national security and the third person was Alan Greenspan. I’d known Alan before and talked to him about getting involved in the campaign. He agreed and came up and began going to our meetings and eventually became one of the key people in terms of developing various policies, everything from agriculture to economics. He was one of the few people back in ’68 who had his own computers. I remember he was developing special programs and analyzed the electoral votes and policies.

Anyway, we worked out an arrangement so that when the campaign took off in early ’68, we developed something different. When they put me in charge of issues, I went back and I talked to the people who ran the issues shop for [Barry] Goldwater in ’64 and for Nixon in ’60. The interesting thing was when I called them, I don’t think anyone had ever talked to them. One of the striking things about a Presidential campaign is that they almost all start *tabula rasa,* nothing on, like no one ever ran a campaign before that. I remember spending hours on the phone with these people and they explained to me—the most important thing was the mistakes they had

made. So we very carefully tried to avoid all the mistakes that they had made.

One of the things that we decided to do—there was no link, they both agreed on this—when the airplane took off, the policy shop was cut off from the campaign. Most people don't realize it, but when the Presidential campaign begins, it quickly divides into three campaigns. There is the headquarters campaign which most people see. You have the national chairman of the campaign, all that kind of stuff. Then there is the media campaign, people doing television work, doing radio work and so on. And almost always they go off by themselves, they don't talk to anybody, and they run their campaign. While you're doing other things you don't realize that they're talking to everybody through the media. They're developing the ads and the policy talk.

Then the third and most important part of the campaign is the candidate, because everything revolves around the candidate. And he goes out on the plane and within a couple of days it becomes a sealed, silver tube and they're running on their batteries out there. The whole campaign ebbs and flows with whatever the candidate says. It's 99 percent of it, what he writes and what he says. Or she, but so far it's always a he. And the experience in the past, talking to the other people who had run campaigns, was that when that happens, the Presidential campaign gets smaller and smaller and smaller and they start making mistakes. They're cut off from the policy shop.

The idea I had was to figure out some way so that when the candidate was traveling around the country, we could hook in policy to the candidate. What we came up with was a couple of steps. First, we had a troika running the policy shop in New York. I was designated to go out on the plane with the candidate and Alan Greenspan and Dick Allen stayed back in New York to run the headquarters campaign.

Basically what I decided, my task was to work with the speechwriters, with Pat Buchanan and Ray Price and Bill Safire, those people. And the reason is that when they're out on the plane and they're writing a speech, they don't have time to call back to headquarters. Things are happening very, very quickly. So I would spend most of my time sitting in on their meetings, listening to them, talking to them, working with them, then getting on the phone and going back and telling them what the problems were and talking to Alan Greenspan or Dick Allen and telling them what was going on, talking to other people in the research shop. Then they would do the analysis work and then feed it back out to me.

Then the problem came, how do you send the analysis work to the plane? That was basically a logistical problem. What we had in '68, they had just begun to develop these things which eventually became Xerox machines. They had a thing called a telecopier. And in the '68 campaign we had lots of money, so wherever we went, we got them set up. For example, when we'd stop at a motel, even for a few hours, there'd be a policy room. And in the room there'd be this telecopier and they could put a document on in New York and send it to us directly and vice versa. We also had teletype machines set up in these rooms. Basically the idea was to create an umbilical cord between the campaign plane and the national headquarters. And it worked really well. The other thing was making contact with the national press corps, because they're out traveling with you. When the plane takes off you have the candidate, you've got the stewardesses, you have the Secret Service, and you have the press corps and that's the staff.

That's it, they run the whole campaign.

One of the things that happens is that early in the morning these guys call back to headquarters and find out what issues are breaking overnight and so on and they confront the candidate and hit him with questions.

Young: The press, on the plane?

Anderson: Absolutely. And they're running deadlines and that's when it gets really tough. So what we did, I had this idea. I had somebody get a person in New York who went out every night, about 10:30, 11:00 o'clock, over to 41st Street and waited for the first copy of the *New York Times*. Then we had somebody in Washington who went over to the *Washington Post* and waited, and got the first copy, went back to their apartment and they had a telecopier machine. Then their job was to search through the paper and clip out a dozen, 20, whatever, a small number of key articles, any major news breaking, any major political news and so on.

They would fax these to New York headquarters and then in New York headquarters I'd talk to Annelise [Anderson], my wife. We had set it up so they had different clocks. We put the New York headquarters on campaign time. So no matter where the campaign plane was, they were up. If we were up, they were up. And as a result, late at night, about midnight, they would get all this material coming in from tomorrow's papers and they would go through it and they would select the good stuff. And then no matter where we were, when we were sitting in a hotel room with our telecopier, they would send it out to us.

So about 12 or 1 o'clock in the morning, we would have all this information coming in and then every night we would make a newspaper. We'd go through these documents and pull them together and make copies. So in the morning, when Nixon had breakfast, before anyone else, he got all tomorrow's papers to read what was going on. And late at night, if we discovered anything that was breaking that was a serious news story, we would stay up, sometimes all night, and we would call people, analyze it.

Let me step aside now, because we had a different way of calling them. We had hundreds of policy experts that we recruited in the past, which were organized on all kinds of task forces and so on. But I also had a list with me of about maybe 25, 30 people, like Milton Friedman, Arthur Burns, like that. So that if anything happened, I had their home numbers. We could call them and get their views and advice. It didn't happen often, but every now and then some issue would break and we'd talk to these people late at night, we'd put together the material. In the morning when Nixon came in to have breakfast he got the little newspaper as to what was going on. If it was a major issue, he got an analysis of it and a draft press release as to what he should say. He would then go through and edit and correct it and make all the changes he wanted.

So, a few times I remember in the morning he'd walk out and look at the press. One time the press would be jumping up and down and yelling, "How about—what are you going to do about such and such?" And he'd say, "Well, I've been thinking about that," and then pass out the press releases. They never figured it out. Toward the end of the campaign, yes, we'd use it as a disciplinary device because some of them could get obstreperous. So, when we—

Young: Disciplinary on the press?

Anderson: Yes. What we did was, as the campaign developed, we'd make maybe a dozen copies of this paper. When we'd get on the plane in the morning, we'd pass out the copies. It turned out to be the most desirable thing to get on the plane because then they could find out where their stories ran. And if they were, shall we say, not accurate in what they were reporting, they didn't get in the paper.

Young: Okay. Did you develop all this by just natural instinct?

Anderson: Yes, I guess. There's no book for it. You just figure out what has to be done and then you do it. It's the way that campaigns work. That's what's fun about them.

Young: But you were not interested into going into political consulting work?

Anderson: Never.

Young: To organize people's campaigns.

Anderson: No, never. In fact, the most extreme form, I remember some of the things we did on the campaign. Like once we were on the plane flying—oh, the other thing we did. This is 1968 now. We developed plane-to-ground and vice versa communications systems. In fact, we had portable telephones in 1968. I remember, [Harry R.] Haldeman had the only one. He had a briefcase and in the briefcase was all this apparatus and a telephone and it went with him everywhere. No matter where he was, he could pick up the phone and call. Now that was way ahead of what everybody else had at the time.

Young: Sure.

Anderson: I remember one day we were flying on the plane and the word came in—we had phones on the plane. Actually, we were probably technologically better off in '68 then we were later on. And you could pick up the phone while you were flying and talk, and the word came in that there was some monetary crisis. So I got on the phone, I talked to Arthur Burns, talked to Milton Friedman, and they gave the same basic strong advice. I was sitting next to Pat Buchanan, I'd talk to Pat and he'd get on his typewriter—he could type like a machine gun—and he would type up a document and would hand it to the front of the plane. Rose Mary Woods would give it to Nixon. Nixon would read it, edit it, it would come back. As the plane was landing, we had our copy machine running off our press releases. We'd walk out on the tarmac and the press is screaming and yelling, "There's a big crisis. What are you going to do?" "Well, I've been thinking about that...." and he'd pass out the press releases.

Nobody noticed, but that was one of the very few—there were no errors in the campaign. There were a couple of errors early on in the campaign, yes. I remember the names now, Chuck Coulson had done what normally happens in campaigns, had made some statement without checking with Nixon. Then someone else had done the same thing. So we had a meeting one day

and Nixon said, “From now on, no statement will leave this campaign unless it is checked by Bryce Harlow.”

Young: I was just going to ask you about him.

Anderson: Bryce Harlow—let me just step aside—is probably one of the most important men in American politics, no question, in terms of the advice and counsel he gave to so many people over the years. He was probably the most trusted person that Nixon had, and on the plane I often sat next to him. He sat next to the window and I would sit next to him, which is a wonderful seat, because I had to pass in everything that went to him—I got to see everything. He would sit there and he’d call it “taking the zingers out.” Basically he would make it right.

There were no errors that went by him, no errors at all. Then he would give me advice and counsel. I remember the first piece of advice he had was—when I started to do some speechwriting for Nixon, he said, “Just remember that this is a Presidential campaign and you will be forgiven for being eloquent, but you will never be forgiven for being wrong.” And that was the word in the campaign. From then on the campaign was error-free. There just were no errors. No one noticed, but that’s the way it worked.

Knott: So Nixon was an extremely disciplined candidate? Is that a fair assessment? Did he enjoy campaigning? The standard account is that he viewed it as something of a burden.

Anderson: Oh, I don’t think so at all. Oh God no. Anyone who runs for President—it’s just an enormous adventure, it’s a tremendous adventure. No matter how tired they get, they wake up in the morning and it’s like they get a big shot of adrenaline and it’s just bang, they’re going. Never got the slightest hint of that, no.

Knott: He enjoyed the policy side of things, though?

Anderson: Who, Nixon?

Knott: Nixon, yes.

Anderson: Absolutely. He was deeply immersed in every bit of policy that went out, everything was reviewed by him. Pat Buchanan had a special job. Various candidates have different ways they like to operate. Nixon’s way of operating with policy was Pat Buchanan had a notebook, a loose-leaf notebook. He had one-page summaries of all the key issues in there and new issues would go in and old issues would come out. Every couple of days or so, Nixon would take that notebook and just sit down and go through it. I’ve still got some of the pages upstairs. He would look at something and then he would write and edit as to what should be done, how to change it, how to move it. Then they would come back to us and we’d use that as the basic guideline. But he was deeply immersed in all the policy. Yes, all of it, sure.

Knott: You went on to play a role in the transition—I don’t mean to jump ahead.

Anderson: That’s okay.

Knott: Could you talk a little bit about your transition role for President Nixon and maybe some of the lessons you took away from that experience that played—?

Young: I'm not going to stop this now, but I think later it might be interesting to hear your comparison of Nixon and Reagan because you were also on the plane for a while with Reagan. We needn't divert to go into that now, but—

Anderson: Couple of years.

Young: Yes, those comparisons are—

Anderson: They're very, very different people. Same result.

Young: Yes.

Anderson: Before I get onto the transition, let me make one other point, which never comes up. By the way, one of the books that we're going to be working on here shortly is called *Capturing the White House*. The other night my wife and I were sitting down and added them up and the two of us have been in ten Presidential campaigns. You have to talk to her, too. She'd be a good female for this.

Young: We should, yes.

Anderson: It's a little bit different. I'm more and more convinced that if you look at what has happened in the United States, a lot of it started before, with Goldwater. Goldwater was the first major mover. By the way, the guy we're having the memorial service for this afternoon, [W.] Glenn Campbell, was a policy director for Goldwater. It's too bad that no one ever got a hold of him on that one, find out how he did that.

If you look at what Nixon did in '68, I think the most important thing he did was he took political power. Nobody noticed that, but at the time he was running, the Democratic registration in the country was almost two-thirds of the voting box. And after the Goldwater defeat there was a lot of talk that the Republican Party was finished, dead, gone, so on. There was a Kennedy dynasty building up, it was totally different. That campaign was incredibly close and he won it.

Then what nobody noticed is that all the people involved in that campaign who went on, year after year after year in other campaigns. For example, I remember during the transition, Nixon wanted Arthur Burns in the White House. So I suggested title of counsellor. In fact, we went to the dictionary and we spelled it with two "l"s, the European version, and Arthur loved that.

Then I remember one day we were talking in the Pierre Hotel—it was Bryce Harlow and Burns and Nixon and they were talking about the Cabinet. I was sitting there taking notes and it came to the Secretary of Labor and Burns, puffing on his pipe, said, "Well, I know a nice young man at the University of Chicago, very tough guy and so on," and he recommended George Shultz. Not too long afterwards, George Shultz was the Secretary of Labor. Now, we all know what's

happened since 1968. But that never would have happened if it hadn't been for Nixon winning.

Then other things happened. There are dozens of examples like this. Ken Khachigian was a young researcher in the policy shop, went on to write speeches for Nixon, then he went on later and finally became chief speechwriter for Reagan. In 1969, a young congressman was brought into the White House by Nixon. The fellow's name was Donald Rumsfeld. Donald Rumsfeld in the early '60s, at about the same time I was writing the piece for Nixon about how to get rid of the draft, he was one of the strongest opponents of the draft in the United States, Rumsfeld. Nobody goes back and traces through these things, how this whole thing flows through. Well, we all know where he is now. I was watching him this morning, better than ever.

I'd like to get back to this, but I think if you track through the administrations, and what I'll argue finally is that without Goldwater and Nixon, Reagan wouldn't have happened. Without Reagan, none of this would have happened. There is a continuity. But that's—I'm sorry.

Knott: That's okay. If you could talk a little bit specifically about your role during the transition in 1968.

Anderson: I've told part of this story before, but basically what happened was, earlier in the year, '68, we decided that just in case Nixon did win you have to do preparation. This is something, you just do it. You have to do it, because once you win, the ten-week period is far too short to get ready to govern. So the main thing we did is personnel. A fellow named Glen Olds was suggested and I think it came from Len Garment and the guy who was head of Pepsico, I don't know. I think those were the two people who recommended him.

One of the first things he did when he came in was try to take my job, but we took care of that. Then he was put in charge of planning for personnel. You can talk to Dick Allen about this, we still laugh and joke about it, but Dick Allen and I went to Haldeman and said, "This is a disaster. This guy doesn't know what he's doing. This is not a good idea," and we were overruled. He hired a young guy, the name of Salada or something. Anyway, the two of them went to work and they had a lot of money. The deal was they were supposed to work separately and create a government if Nixon won.

Young: Excuse me, could you date this in the course—this was while the campaign, the general election campaign was going on?

Anderson: Oh, sure. This is probably as far back as April, May, maybe June, that area there. Oh sure, this is well before the campaign was really going.

Young: Did you introduce the idea that planning for personnel ought to take—?

Anderson: No, that was—

Young: Preparing to govern.

Anderson: Preparing to govern. Everybody just knew that had to be done, I think. It was just

what you have to do. I was focused on issue development—we were doing other things and we were working with the speechwriters. So we assume this is the right thing to do. Let me just back up, I just thought of one other thing, if I can. It's out of sequence, but—

To give you an example of how some of these campaigns work, after Nixon won the nomination, we went down to southern California, I think it was somewhere in San Diego, had a big meeting of all the staff. We were kind of excited, looking forward to this, because Haldeman was going to speak and [John] Mitchell was going to speak and so on. My attitude was, *Well, we're going to find out what we're going to do, what the overall way to run this campaign is, what the basic theory is going to be and the key priorities and everything.* So we sit down, we walk in the room.

Mitchell gets up there and he's looking at us and talking and he clears his voice and now he says, "We won the nomination. Now we've got to get into the campaign. Does anybody have any ideas?" And honest to God, they had not planned the campaign. It was basically, you focus on what's in front of you, which is getting the nomination. You don't get the nomination, there is no campaign, so they go get the nomination. So that began the planning for the campaign.

Young: Well, at the outset of the campaign you began planning for it.

Anderson: I'm sure there was some general thinking about it, but not a lot of work had been done.

Young: You're focusing on winning the nomination, but not on winning the election yet.

Anderson: And that's what everybody does, and they have to. Because if you start thinking about the campaign before you get the nomination, you don't get the nomination, usually.

So all this planning was being done. We get periodic reports and everyone was very happy with it. Nixon wins the campaign, which by the way was incredibly close. I remember staying up to about 4 o'clock that night and still not knowing who had won when I went to sleep. So the next day we come into the office and we're going to work on policy issues and the speechwriters are starting to think about the speeches and the inaugural address and all that kind of stuff. And Peter Flanagan—you ought to talk to Peter Flanagan—he was in charge of personnel. He'd open up these boxes, they had all these boxes. They looked at them for, I don't know, my recollection is two or three days, and basically concluded that they were worthless.

Young: Boxes of what?

Anderson: These were boxes where they had identified all the jobs in the government and had developed lists of people who could be considered to be the Undersecretary of Interior, the Secretary this and all these things like that.

Young: This was in the Pierre?

Anderson: No, this was before we even got to the Pierre. No, this is the first couple of days. They had all this incredible work they had done in terms of preparation, very crucial, so on. Then

they open them up and they're no good. Very large number of the people there were holdovers from the old administration. Most of them were Democrats. It's like a Democrat had won and we give them 70 percent of all Republicans, and they don't like that. So a decision was made that this was a disaster.

I get a call from Flanagan, who basically said, "Look, you're all being drafted. The research shop is now personnel and so are the speechwriters." So the next morning we go over to the Pierre Hotel—that's how I got to the Pierre Hotel. You know the Pierre Hotel, Allison?

Asher: No.

Anderson: That was a wonderful place. It was the most exotic, the most expensive hotel in New York. This was in '68, coffee was $2, $3 a cup. It was beautiful, though. They set up three different layers. Nixon decided that he, with the work of Harlow, Haldeman and [John] Ehrlichman, would focus on the cabinet, those ten or eleven people.

The next level down was Flanagan, and he had a committee of ten people. I was on the committee, Dick Allen was on the committee, and one of my deputies, Darrell Trent, was made the executive director of the committee. You ought to talk to Darrell, he's been in all these campaigns too. Anyway, the idea was that we have all the appointments from deputy and undersecretary down to the assistant secretaries, all the level two to fives, and we were supposed to analyze who they were.

Then down in Washington, D.C., a guy named Flemming had all the other appointments. So, my recollection is, and this is very—

Young: Excuse me, was this Robert Flemming, Bob Flemming?

Anderson: I forget his first name but he had a very well-known father, Flemming. This was the young son.

Young: Oh, the son of the former secretary, excuse me.

Anderson: So, Nixon was off by himself with this handful of people doing the cabinet. I remember the first meeting I walked into. We walked in, there were ten of us sitting around the table, got our little coffee and sat down. Basically the way the meetings would go, someone would say, "Well, here we go, Under Secretary of the Interior." And someone would say—there would be dead silence—and someone would say, "What does the Under Secretary do?" "I don't know." So we'd fool around with that for a while and try to figure out what the Under Secretary of the Interior did.

Asher: You're not instilling the younger generation with a great deal of confidence in how the government is run.

Anderson: It's true, though. It was not planned this way. Then someone would say, "Well, anybody have any ideas?" After a few days we ran out of our friends and the people we knew

and it got worse and worse every day. We really tried hard, looking for people and searching and trying to pull them together. It was very difficult.

By the way, let me just go ahead for a minute. Similar sort of problem happened this year with George W. Bush, because they lost the transition. But that's another issue.

Anyway, then down in Washington they were handling everything else. I remember going down there once and looking around and walking into their office and they had these big boxes all over the hallways. One would say December 3rd, December 4th, December 5th. You know, the dates. So I asked about that. It turned out that was the filing system. The way they filed applications for jobs of people interested. If it came in on the 5th, it went into the fifth box.

Young: And probably not alphabetized in that one.

Anderson: Alphabetized? No, I don't think they alphabetized. Now, if you're making the point that it was impossible to retrieve something, that would be true. Then, basically, a decision was made, "Look, we're running out of time, the transition is almost over, we missed the work," and basically Nixon made a decision and made a big thing about announcing that he had a tremendous Cabinet, very good people, and they were going to pick their own people. And that's how we got into a lot of trouble. That's one of the main things we fixed with Reagan. We had lists of "suggested" people for key sub-Cabinet positions, and the Secretary could choose who ever he or she wished as long as they were on the list.

You don't realize how difficult it is to find people until you sit down. It's one thing to find a half a dozen key people, but when the list is thousands, it requires a very sophisticated, complex effort to go through and analyze and sift and sort and so on, to do it quickly. But that's what happened in the transition. I would argue that it's one of the reasons that led to a lot of the problems later on which eventually led to Watergate, but that's another—

Young: So that the President and the White House staff, Haldeman, Ehrlichman and so forth, did not have their own people in the appointed positions below the Cabinet level. They were the Cabinet—

Anderson: No. By and large they were the Cabinet people.

Young: Okay. Could I ask what Bryce Harlow advised about how to solve this problem? I have to interject that I started interviewing Bryce in 1960 and I agree with everything you said. I got a good education from him. I was interviewing him about Eisenhower and afterwards and he certainly is a *sui generis* person. But my question is—you said that the only thing they could do would be to turn it over to the Cabinet people, and what was Bryce's feeling about that? The reason I ask is that he was very sensitive to this problem in the Eisenhower administration.

Anderson: Most of the meetings that Bryce was in, I was not in. So I don't know what his particular view was. But from my discussions with people and what I could see, I think that what Nixon did was the only thing he could possibly do. There was no other alternative. Time was running out. He had to take over the government. He had his Cabinet, and we were unable to

develop in a very short period of time a sophisticated list of people, so there was no other alternative.

Young: So the alternative of just delaying a substantial number of these appointments until people could be found, leaving some of the offices vacant, was not a viable option considered.

Anderson: That happened as a matter of course, but I don't think that was—in fact, that's what has happened with George W. Bush, but that's another story. That's happening right now, still happening.

Knott: So you go on to become a Special Assistant to the President. Could you talk just a little bit about that and life in the Nixon White House, your observations?

Anderson: Basically, the way it was set up, Arthur Burns came in as counselor for all domestic policy and I was basically assigned, I was called a Special Assistant to the President, but I functioned as Burns's deputy for all domestic policy. That included economic policy, but Arthur liked Paul McCracken a lot, who was the chairman of the council, so he didn't fool around with that too much. Although he always, in the final analysis, did economic policy.

We were over in the Old Executive Office Building. The first year worked pretty well. In fact, what happened the first year, if I can remember now exactly, we had an initial plan that was actually, I think, terrific. Let me go back to the transition. During the transition, after Arthur was appointed, we sat down. We had our own little hotel—I forget the name of the hotel—and we had a small staff and what Nixon wanted was a blueprint for what he should do as President. So we sat down and went through everything, all the issues that he had taken positions on, and we had a very good database on that.

Let me go back to one other side thing—Right at the end of the campaign, in October, he was being charged with not taking specific positions on many issues and he got very upset about that. I remember, we were talking about it on the plane and I made the mistake of saying, "Well, you have taken positions on hundreds of issues." And he said he knew it, dammit, absolutely, no question about it. And he said, "We ought to print them and we ought to put them out in a book." And he gave an order. "Book."

So I called back and talked to Annelise and talked to Dick Allen and said, "He wants a book." They went to work. They went through the files, pulled out all the rough drafts and all the papers, and called Bill Casey. Casey came in, and Casey owned a small publishing firm in New York. In five or six days they had assembled, organized, planned, set in type, a book. In fact, I have copies of it in the office, I can show you. On the sixth or seventh day, when we were landing in New York, one of the researchers came onto the plane and handed me this box of these books.

I remember going back with the book, and he liked that book a lot. He thought that was really terrific. He looked through it and looked through it and said, "I knew it." There were actually more issues than he thought he'd taken a position on. So he said to me, "Give one to every reporter. Put it in their lap." So I went up and dropped one in every reporter's lap and everything

stopped. There was no more criticism.

Then, I think it was that same day on the plane, he said, "You know, that was really good. I think we ought to do another one now on all my speeches." I thought, *Oh God, that would really kill the people back at headquarters.* But they did it and a week later there was a second book out, which published all of his speeches. It's one of the few times in a campaign that we've actually done that and actually published everything that the candidate's been saying, total, across the board. Except in 2000, when we gave the idea to George W. Bush and they put out an even larger book, which no one has ever seen: 25,000 copies of everything Bush had ever said, all over the country. But that's another issue.

Knott: So then in the White House as Special Assistant—

Young: Arthur Burns, and you were deputy to Arthur Burns.

Anderson: Yes, that's the way it worked.

Young: You dialed back from that point.

Anderson: Oh, yes. And there's one more step before we get there. During the transition, we went back through all the things that Nixon had said during the campaign, all the things that were in the Republican platform, and pulled them together into a notebook. There is an existing copy, I believe there is a copy in the Nixon library. I may have a copy myself. Anyway, this was in the form of a letter to Nixon, this whole notebook. It took every single issue, what the issue was, described briefly what it was, and then gave a specific recommendation for actions the President should take. So that went in to Nixon during the transition. Then it came back early on in the administration. He had gone through it and page-by-page, he had noted, "Postpone," "Do," "Yes this one," what he wanted to do. Then we would take the instructions from then-President Nixon and draft letters of instruction for his signature to go to the specific Cabinet member who was supposed to implement these things. That's how the government started. So we have that.

Young: You said the list earlier was quite long. He had taken positions on even more issues than he thought. Before you sent out the letters of instruction, were these prioritized in any way?

Anderson: Oh yes, sure. You take all the stuff that he had said and we went through that and prioritized it into a smaller number, the ones that we thought were a combination of important—

Young: "Must items," some of them.

Anderson: Yes, exactly. The things to do right off. Then those were the ones in which the letters of instruction were sent out to the Cabinet. For example, I remember drafting one on the draft that went over to Mel Laird.

Young: Okay.

Anderson: That was the early stage, when things were really rolling. We'd finally got the

Cabinet in place and then all the instructions going out. Then on the domestic side, along came [Daniel Patrick] Pat Moynihan and Pat came in because there was an article that he had written during the campaign and Nixon had seen it and liked it.

Young: On welfare?

Anderson: Yes, I forget what it was exactly. But Pat was charming and delightful. They got Pat to come into the administration and made him the—what was it, the Assistant to the President for Urban Affairs or something? And he had been in the White House before, so right away he had a big advantage over most of the other people who had come in. I forget the exact timing, but very quickly he had ginned up this welfare reform package and that began a long period of ideological warfare between the forces of Arthur Burns and the forces of Pat Moynihan.

Books have been written about this whole thing. We just fought. Someday someone is going to untangle it all, but there were incredible arguments made to Nixon back and forth, and misrepresentations and things that weren't true and things that were true. I think the bottom line was that we argued about this until August. Pat was eventually proven totally wrong, it was defeated, it was a flawed idea, but in the meantime, we lost the first year.

All the plans that were laid out in that initial document in terms of moving ahead and doing things were put aside because the whole effort of the entire domestic staff was arguing about this.

Young: Where was Nixon while this argument was going on, in terms of this issue?

Anderson: He was watching it. He was kind of appalled and couldn't figure out why all this arguing was going on.

Young: He didn't announce for welfare reform?

Anderson: Not really. It wasn't a big thing, but he was fascinated by it. The arguments that were made were very subtle and persuasive. For example, the essence of the argument came from Milton Friedman, the guaranteed income. If you go back and read, what Pat was really looking for was a guaranteed income, that was what the whole argument was about. But you couldn't say that because nobody wanted a guaranteed income—well, a few people did. But it was all couched in different language, put together and they would present an argument, we would try and untangle the argument, we would go back and forth and back and forth. It was not pleasant, but it went on for a long time.

The final result was it was sent up to the Hill and it was ripped apart on the Hill. In fact, I remember when what's his name—Who was the Secretary of HEW [Health, Education, and Welfare]?

Knott: [Robert] Finch?

Anderson: Finch, yes. When Finch went up on the Hill to present it, he was asked questions so

brutally that he choked up and he had to stop and they had to dismiss the hearing. They said, "Mr. Secretary, you go back and when you know what you're talking about, come back up here." I remember meetings when it was a standoff between Moynihan and Burns. Nixon stepped in and turned it over to Ehrlichman, that's how Ehrlichman rose. He was supposed to be the mediator to take charge of this whole thing. I remember having meetings in Ehrlichman's office over on the second floor of the West Wing and we'd go over and sit down and all the various elements would come in and we'd talk about this.

Basically, the way it would work—I remember this now—there were key elements. There was, first of all, the cost of the program. Second, there were the number of people it covered, and third, there was the degree to which they received benefits, how much they got in benefits. So, we'd sit down and someone would say, "Well, the cost is right and you'd get everybody covered, but gee, with this new program there's a cut in benefits. You can't do that." Ehrlichman would say, "Fix it." So they'd leave and come back the next meeting and say, "Fine, everyone gets a nice, reasonable benefit and everyone's covered." Then someone would say, "But you just cut off a third of the people on welfare. You can't do that." They'd say, "Oh yes, that's right." So Ehrlichman would say, "Fix it." So, a week later they'd come back in and they'd fix it.

And every time they'd fix it, it was like having a little ball of incompressible fluid with sticks in it, and you push in one stick and the other sticks came out, and there was no way to push all the sticks in. We did that, week after week, pushed in one stick and another stick came out, and we pushed in the other stick and it just kept going around and around and around. Some of us argued that what you're doing is impossible, and no one would listen. Finally, one day, when someone had pushed in one stick and the other sticks came out, time was up and they sent it up to the Hill. And it was defeated.

Young: So this was all hatched in the White House?

Anderson: Oh, yes.

Young: Finch was not involved.

Anderson: Sorry, it was run from the White House, but the main analysis work was done by HEW, sure. Oh, I remember those guys. They'd look you right in the face and lie and feel very good about it, because they thought what they were doing was the right thing to do, and who cared about whether it worked or not. We needed a guaranteed income, and hence therefore. . . .

Young: Was Nixon troubled by this kind of indecisive—?

Anderson: Yes, he was. He thought it was terrible, because he never, I don't think he fully understood why it wouldn't work.

Young: But his response was to tell Haldeman to fix it, and Haldeman would tell the others to fix it.

Anderson: He told Ehrlichman—

Young: Ehrlichman, sorry. It was domestic policy, sort of.

Anderson: I remember once I wrote a memo this time—I'd done some research on, ever hear of Speenhamland?

Knott: No.

Anderson: [Karl] Polyani?

Knott: Oh, yes, I'm sorry. I didn't know what you were saying, yes.

Anderson: Polyani, in his book he talked about what happened in England, which I thought was an exact parallel to what these folks wanted to do, which was Speenhamland. They had set up a guaranteed income in England. Actually it was a guarantee of so many pounds of meat and so many loaves of bread and stuff like that. And Polyani describes very brilliantly how the whole thing led to utter disaster. So, I wrote this up in a nice little memorandum and sent it in to Nixon, which infuriated Moynihan. So that's the kind of battles we had.

Young: Well, he ended up in India.

Anderson: Yes. He didn't like India. You have to ask him about that, but he didn't like India.

Young: I saw a draft of a transcript of a farewell talk he gave to the White House staff when he was leaving to go to India. It was all about serving your President.

Anderson: Well, the thing about Moynihan was that I once described him as—in the Nixon White House staff, everybody was dressed in a dark suit and tie and so on. And Moynihan would come to a meeting and he'd have a light colored suit on and a big red bow tie and he was a lot of fun. He wrote memos that were fascinating. I remember hearing stories that Nixon used to take his memos and put them on the top of the stack because he liked to read them. He was interesting, it was fun. It wasn't always accurate, but, hey.

Knott: So Nixon had an interest in domestic—again, what we try to do here is—

Anderson: Oh, Nixon drove this, absolutely. And I think one of the reasons was that at some time when he was a kid I think his mother had to go on welfare or something, and the one thing that drove him on this, he hated the idea of these welfare bureaucrats coming in and checking on the house. He did not want that. So we assured him that that would never happen again, which is not true. Anyway, it was a long, complicated story. All I can remember was that the real problem was that we wasted the first year—not wasted, because it was an important thing to do, but we didn't do anything else. Because of that, it led to a lot of other problems.

For example, one of the things that Burns proposed during that first year, he warned Nixon. He said, "Look, the budget is getting out of control. The economy is not that good," and basically he proposed what, later, Reagan proposed. I remember the meeting where Arthur Burns proposed,

"What you need to do is A, control spending, and B, you need a systematic tax cut, 5 percent a year, every year for three years," which is very close to what Reagan did when he got to be President. And it was never done. The tax cut was forgotten about and they gradually let loose the controls on spending.

Knott: Is it during this time that you have some interaction with Governor Reagan in California? Any feedback on these welfare proposals?

Anderson: The only interaction I had was we had one meeting in California with Reagan and I was part of the staff and I went and sat in on the meetings. That was the first time I actually sat in the same room with him. I never really talked to him or met him but—

Knott: Do we want to move on from the Nixon years at this point? Or Jim, do you have anything else on Nixon? Then we can—

Anderson: I want to add one more thing on Nixon, because I left in March of 1971. And just to set the record straight—

Young: I was going to ask why you left.

Anderson: First, to set the record straight, that was before Watergate. Some people said it was the smartest thing I ever did. Actually, it was the second smartest thing I ever did.

Asher: What was the first smartest thing you ever did?

Anderson: Thank you. The reason I left was for the first year I was deputy to Arthur Burns. He was a terrific, wonderful person. In fact the three greatest men I ever met in Washington were Burns, Harlow, George Shultz. They just dwarfed everyone else. Then, what Arthur really wanted to do, he didn't want to sit in the White House, he wanted to become chairman of the Federal Reserve.

That's what he and Nixon had talked about during the transition, but [William] McChesney Martin wasn't going to leave. In fact, as Arthur Burns told me one night—I guess I can tell this story about Arthur—one of the things he used to like to do is 6:30, 7:00, everyone had gone home, we always worked until late at night. In fact, during the transition, we even worked Christmas Eve and Christmas day, but that's another story. And in his desk he would pull out the lower drawer and he had a bottle of bourbon. We would have a little bourbon and talk about the day and so on as to what happened.

I'm sorry, where was I?

Young: He wanted to be chair of the Fed.

Anderson: Oh yes, and the story he told me, he said, "McChesney Martin, he'll never leave. He won't leave until it is midnight Hawaii time," which was true. But as soon as he resigned, Arthur left the White House and became chairman of the Federal Reserve system. That left me sitting

over there. So I got a new title, Special Consultant to the President for Systems Analysis, which no one has ever had before or since.

Knott: We saw that.

Young: We saw that in the titles and were kind of curious about how that came about.

Anderson: They didn't know what to do with me. I think that's a fair statement. I was assigned to work with Ehrlichman, and I did that for a year and decided life was too short. He was smiling and jovial and basically dishonest. It was just not a nice person to work for. But that's a long story.

Young: Why did Nixon have him there?

Anderson: I think the reason is—and it is also true of Haldeman—many, many times people tried to say to him, "Why don't you get rid of Haldeman?" I think the reason was that both Haldeman and Ehrlichman—let's say Nixon had 24 things he wanted done. They were doing 21, 22 things brilliantly and two were just totally fouled up. So when you say, "Let's get rid of them," his viewpoint was, "Who is going to do the 21, 22?" And there was nobody else. So I think they were there because in the overall judgment, what they were doing outweighed the mistakes. He was aware, there is no question about that. He knew what they were doing. He knew the bad things they were doing. But he kept them because of the other problem: "If I get rid of them, who is going to do all this other stuff?"

Young: This was before the time when at least in some of the accounts Nixon sort of closed the walls in around himself, or as Haldeman put it, to be his Berlin Wall. Nixon inured himself, so it looks like, as the troubles began to catch up with him.

Anderson: It may. I'm not sure what happened because I was—

Young: You didn't see it?

Anderson: All the time that I was there during the campaign with Nixon, in the White House and so on, my view of Nixon was that he was absolutely, totally, knowledgeable about everything that went on. He wasn't cut off at all. Among other things for example, the speechwriters were his pets. He loved the speechwriters. Safire, Buchanan, Price, those guys. And they had special access. Even Haldeman and Ehrlichman couldn't shut them off and every day, for example, from Pat Buchanan he got a briefing of all the news, what was going on and so on and he wrote on that. So he had channels coming in. No, I think there's a great myth that he was cut off. He wasn't cut off.

Young: Where was Harlow when you were there?

Anderson: He was one of the top advisors. He was working, mainly dealing with the Congress.

Young: That was his main thing. But he left also, at a point.

Anderson: I didn't tell you about the smartest thing I ever did. After I left, I went to the Hoover institution. Then in the fall of '71, I got a call that Nixon wanted to see me and I went back to Washington. This is unusual in that I met with him alone in the Oval Office and basically he said that he wanted me to come back and run the policy operation for the Committee to Re-Elect the President. I think the reason was that at the time they were getting a lot of trouble from conservatives and he needed another conservative in there, so I was picked. I was thinking to myself, *Oh God no, I don't want to do that.*

Then he said—and he was extremely good when he wanted something done—he said, "Also, we're going to make your wife Annelise a Special Assistant to the President, too." He said, "Think of it, only time in history, a man and a wife, both Special Assistants to the President of the United States." And I'm thinking to myself, *That's it, I've got to come back. Because as soon as I tell Annelise, there is no way I'm out of this one. This is going to happen.*

So we talked about it and I said, "Look, I really don't want to work for Haldeman or Ehrlichman." He said, "No problem. You can report directly to me," which I knew wasn't going to happen. He said, "No, no problem." So we talked about it in general terms. Then the door opened up and Ehrlichman walked in and he looked up and he said, "It's okay, it's settled. Why don't you work out the details?" So I went with Ehrlichman back up to his office. We sat down and Ehrlichman said, basically, "Okay, what do you want?" So I said, "Hey, you guys called me. I don't want anything." He smiled and said, "You don't want anything?" I said, "No." He said, "Great." Shook my hand, that was it. Done. So I came back here. Never heard from him again.

Young: Not from Nixon?

Anderson: No.

Young: So, what is the moral of that story?

Anderson: The moral of the story, I think, is in the White House people don't realize the extent to which the President of the United States is forced to delegate enormous authority. You know how busy you can get during the day, try multiplying that by 100 times, 500 times. The pressures that come in are incomprehensible. So when he says, "Do something," he usually thinks, *Well, maybe it will get done.* Most of the time, it doesn't get done, but he says, "Maybe it will get done." And he doesn't have time to follow up.

He doesn't have time to sit down and say, "Ehrlichman, what happened with Anderson?" And whatever Ehrlichman tells him, he may say, "Well, Anderson wasn't interested," which is probably what he told them. Now, he's not going to pick up the phone and call me and say, "What happened?" and follow through on all this. You can talk to Dick Allen. Similar things happened to Dick Allen, in terms of he gave instructions to have Dick do certain things, and Dick was never told and then the President was told that Dick hadn't done it.

There's a wonderful book called *The Twilight of the Presidency* by Reedy. You ever read that?

Young: George Reedy.

Anderson: In which he says, "If you try to understand the White House"—most people make the mistake, they try to understand the White House like a corporation or the military and how does it look, with the hierarchy. He said, "The only way to understand it, it's like a palace court. And if you can understand a palace court, then you understand the White House." I think that's probably pretty accurate. But those are the things that happen. So anyway, I didn't go back. So I missed Watergate.

Asher: Darn.

Anderson: Although I will say something about Watergate, if you ever want to look at Watergate. A lot of people missed it. The way the White House is organized, there are probably a dozen compartments, and they're watertight. Like with Nixon there was the [Henry] Kissinger compartment, then the Haldeman compartment, the Ehrlichman compartment and the Burns compartment and the Flanagan compartment, the Harlow compartment and they're all over the place. And the staffs don't talk much to each other. People don't realize how big the White House staff is. Watergate was confined to two compartments—with one minor exception, one of the guys from Kissinger's came over—but Haldeman and Ehrlichman, that's where it ran from. But that's another story.

Knott: Could you tell us about your early contacts with Governor Reagan, your early impressions?

Anderson: Came back out here and then, let's see, I guess it was late '75, I got a call from the same people that had run the Nixon campaign, or worked the Nixon campaign, John Sears, Lyn Nofziger. I was going back to Washington for some reason and they said, "Come down, have dinner with us." So I sat down with them, we had dinner and talked and joked and they said, "We're going to do it again."

By the way, one of the things I discovered about campaigns. Often the candidate will change, but—I remember when we got on the plane with Reagan, it was the same plane, same company, two of the same stewardesses, some of the same Secret Service guys, some of the same press guys, some of the same staff. Different campaign, different candidate.

Anyway, they said, "Do you want to do it again?" I said, "Absolutely." I had followed Reagan quite a bit. In fact, in '68 before I started working for—I'm not sure, but I think I had tried to work for Reagan but it didn't work out. I could check that in my files. I think I have a dim recollection of doing that.

Anyway, I liked Reagan a lot. We had followed him very carefully, watched what he was doing and thought he was terrific. I loved his policies, so I said yes and we got deeply involved in the campaign. It was probably the early fall, maybe the late summer of '75. Got to know [Michael] Deaver and [Edwin] Meese. I guess the first time I really met him, we started taking turns traveling with him because it was during the early days of the campaign when he would go out, only one person would go along with him.

Young: Could we break a moment, a slight break, then resume?

[BREAK]

Anderson: We basically welded the national campaign to the plane and something else that nobody noticed. We didn't hire consultants. Consultants are really bad things to have in a campaign. In fact, when we go through campaigns, I was in the [Robert] Dole campaign in '96, traveled with Dole, and it was probably the most incompetent campaign ever run. It was beyond belief how bad it was and it was run by consultants. It was just terrible.

The other thing we did in the Nixon campaign, besides welding the plane together with the policy shop and home and all the various hundreds of policy people working for him, the media people were run by the campaign. They were part of the campaign and we had great contact with them. There was tremendous interaction between the policy people and the campaign, so that when they were producing an ad, something on radio and so on, they were doing exactly what Nixon wanted done. They weren't out on their own developing things, and that was critically important to coordinate those three things and keep them together.

Knott: Going a little astray here, but what is it about consultants that—?

Anderson: Because getting involved in the campaign—most of the people who get involved in the campaign, I know it sounds silly, but the reason they do it is because they feel very strongly about the issues. They want to do it. They're not in it to make money. Consultants are in it to make money and any decisions they make usually have as a view, "How can I get money? What kind of a contact can I make? Will I get business? Do I get a percentage of this? Do I get a percentage of that?" And they would recommend things which are not good for the campaign but which make them money. Plus, they don't know much about campaigning. They've just been in campaigns. And they're not emotionally wedded to the candidate. They're professional, quote-unquote. Terrible.

Young: Well, it's become a big industry now. That's part of it.

Anderson: For example, when George W. Bush ran in 2000, there were no consultants. This was a team he had welded together over a period of many, many years, so it is very different stuff.

Young: But Reagan used Stu Spencer.

Anderson: Yes, that was when he ran for Governor.

Young: Yes.

Anderson: Not when he ran for President. Stu was there; he was on the plane.

Young: He was there but he wasn't—

Anderson: He wasn't, no. He was one of many. They had people that they paid money to, but Stu was very close to Reagan. He was not the usual consultant who comes in as a hired hand. Basically, a consultant is someone who can work for anybody and Stu wouldn't work for anybody.

Young: Stu wouldn't.

Anderson: No.

Young: No, I think that was probably special case, at least that's what I gathered from our conversations with him. Okay, so let's go back to two of the Reagan campaigns, the one where he was trying to get the nomination, running against Ford. Then the second, the successful campaign.

Anderson: Okay.

Young: So, if you start with the first, '76.

Knott: If you could just tell us a little bit about the role you played and anything that stands out from that experience, lessons that Ronald Reagan may have learned in 1976.

Young: You might think about, again, the connection between the experience and the people of the Nixon campaign, and some of those ideas, going over to the Reagan campaigns.

Anderson: I should warn you that from time to time I'm going to get '76 and '80 mixed up.

Young: I do myself.

Anderson: I don't have all my notes in front of me. They kind of flow together.

Young: This is the nominating campaign, the primary campaigns.

Anderson: I think the critical thing about the '76 campaign was that there were people that had been in the Nixon campaign. The most important ones were John Sears, Lyn Nofziger, whereas people like Michael Deaver and Peter Hannaford and Ed Meese were basically Reagan people.

The campaign—I'm trying to think of a way to describe it—it was probably a classic case of someone beginning a campaign and not fully understanding all the things that had to be done. I guess my job was to set up the policy shop. Dick Allen, by the way, I just talked to Dick out in the hall here. He was the main staff on foreign policy, defense policy, but that was later on. Early in the campaign, I was about the only one and we were very short-handed.

Young: Almost ran out of money at one point.

Anderson: Yes.

Young: Tell me, how did Reagan come to make the decision to run for the nomination against an incumbent President? Can you shed any light on that?

Anderson: Yes, I think the answer to understanding Reagan, and it may be true of a lot of other people that run for President, it's sort of assumed that they say, "Gee, I think I'll run for President." No, no, no, no. We have found an incredible amount of evidence that he had been thinking about this for a long, long time and working on it. In '68 he was running. People in '66 were talking about running for President. People who got him to run for Governor, they didn't get him to run for Governor, they were thinking that this guy could be a tremendous President of the United States, but first he's got to become Governor of California.

The more I look on the history of it, the further and further and further back you get—in fact, we found one speech he gave in 1963, it's in the book *Reagan in His Own Hand*, in which he lays out a strategy for how to defeat the Soviet Union, which is the strategy he did follow after he became President of the United States.

So there is a whole range of things. What happened, I think, in '76 was, the reason he ran was that he didn't agree with the policies that [Gerald] Ford was following, the whole Ford-Kissinger, especially in terms of national security.

Young: Détente and so forth?

Anderson: I think the evidence is clear now, the more we look back on it, that whereas a lot of people feel that what Reagan was really interested in was going after the welfare cheats and cutting taxes, that wasn't his primary interest. His primary interest was, he was deeply concerned about the possibility of an all-out nuclear war. In fact, I've even found little glimpses of it back in the '40s when he was talking about the terrible problems that we had after World War II.

When he ran in '76, what sticks out in my mind now, is that it focused on New Hampshire. The interesting thing that no one has really carefully looked at, is that he won New Hampshire even though he lost New Hampshire.

Young: How's that?

Anderson: Well, because New Hampshire had special voting rules. Not special, but normal voting rules, and I forget the exact numbers, but it was like, "Vote for 16 of the following delegates." The people who supported Reagan in New Hampshire were red hot for Reagan. They just loved him. And I forget the exact numbers, say there were 20. Nobody would get off the ballot, so all 20 went on the ballot. So when it came time to vote, somewhere on the order of 10 to 15,000 people voted the whole slate—and by so doing disqualified their vote.

Young: Oh, I see.

Anderson: When the votes were tallied, the people who voted the whole slate, those votes were cast out because they didn't follow instructions. If you put those back in, he won New Hampshire. But he didn't, he lost New Hampshire. I can remember. We were stunned. I have a

photograph of us sitting in the room watching the television set in there. You've never seen so many long faces in your life. Then he went on to lose the next one and the next one. Basically I think up until that time, he had never lost anything.

Young: He won North Carolina, didn't he?

Anderson: I've written about this, but that's a—

Young: But he'd never lost anything. That was your train of thought, before.

Anderson: He was winning. So this was an enormous test of the candidate, because a lot of people would say pack it in and go home. I think the turning point in this whole business was one day, the day of the North Carolina vote. We had flown into a place—was it Wisconsin? Ducks Unlimited, if I've described it correctly. I remember we were meeting in the middle of the afternoon in this old hotel. The windows were open and the drapes were blowing. It was like something out of *Gone With the Wind.*

We had a staff meeting and basically John Sears was running it. Ed Meese was there, Deaver and Nancy Reagan and Reagan, and I think Peter Hannaford was there. And we were reviewing what was going on. Basically what was going on was, we were toast. It was done. He had just lost five straight primaries to Ford. The Republican Governors were all calling on him to get out of the race and don't destroy Ford.

Let me back up, just for one second here. I want to maybe set the stage on this a little bit. It was not considered to be an appropriate thing to do what Reagan did. In fact, in late '75, when I decided to sign up with Reagan and to challenge Ford for the nomination, I was in Washington. So I went around and I talked to all my old friends. I talked to Arthur Burns and I talked to Bryce Harlow and explained to them what I was doing. They smiled and said, "It's not going to happen. He's not going to win. He's an ex-Governor and he's lost, but if you want all this, fine."

Then I went and I talked to Bill Baroody, and you can put this on the record. I think it's time to put this on the record, now that Campbell's dead and we're going to do his memorial service today. I talked to Baroody, Sr., who was then head of American Enterprise Institute. Now, prior to this, both he and Glenn Campbell had started AEI together. Then Campbell had come out here to Hoover in 1960 and they were extremely close friends.

In late '75 I was an adjunct scholar at AEI. Glenn was listed on the AEI thing as in charge of research or something. They were very close. Every year we had two annual meetings of the Hoover Institution and one was out here in the summer, but the winter meeting was at AEI. We had joint publication programs. It was a very close cooperation between the two think tanks, the two major think tanks, one in the East, one in the West. So I went in to see Baroody and I told him what I was doing. He looked up and said, "No, you're not." So I figured he got me mixed up with one of his sons. By the way, one of his sons was in the White House working for Ford at the time. Basically he instructed me that I was not to work for Reagan. So I thanked him and said I was going to work for Reagan and walked out.

When I got back here, the phone call had come in from Baroody to Campbell, telling Campbell that if I insisted on working for Reagan, I was to be fired. Campbell said he wasn't going to do that. It was one reason why I always loved Campbell. Baroody broke off the friendship. He fired me from AEI. He fired Campbell. He destroyed the joint publication program. We never had a joint meeting, and I've never been invited back to AEI in the years since. Just broke the whole thing.

Knott: Wow.

Anderson: It is also true in 1980 when Reagan won that very few people from AEI came into the Reagan White House.

Young: What was Baroody's reasoning? You don't run against a Republican?

Anderson: No, I think the reason was that he was supporting Ford, like all my friends were supporting Ford, all my Republican friends were supporting Ford. And he was used to giving orders. People sometimes think that only the Democrats fight. Not true, the Republicans fight a lot among themselves, sometimes just as viciously.

Young: But I would think that somebody would make an argument that would say, "later, not now, don't run against a person of your own party," and they would make that argument.

Anderson: Yeah, but you didn't know Baroody.

Young: No, I didn't. I was wondering if that was his basis.

Anderson: No. His basis was, he had decided. And there was no argument. I'm speculating now, but that's the way he was.

Young: There were a lot of very strong feelings when Reagan ran.

Anderson: Okay, so here we are, coming up to the North Carolina primary, he's lost five straight. The Republican Governors have been calling on him to get out. The editorials are calling on him to get out. Nine of ten of the past Republican chairmen of the party are calling on him to get out. Except for George Bush, who was the current chairman of the party, who didn't say anything.

And we're out of money. We're about $2 million in debt. We couldn't buy anything unless we paid cash in advance. I remember when we had to get rid of our plane. We finally had to rent, I guess on a weekly basis, some short-term basis, a funny little thing, it was painted yellow. I remember they called it a yellow banana. It was incredible, a funny little yellow plane.

We would stop at a campaign site. I remember, Michael Deaver would get out and go to the McDonalds and come back—no, sorry, Kentucky Fried Chicken—would come back with a big bucket of Kentucky Fried Chicken. We'd pull out chicken and that was our food. They wouldn't sell us anything unless we paid cash in advance. We sat down and had that meeting.

The polls were showing we were behind by ten points, 55-45 in North Carolina. It was done. There was nothing. It was lost; it was gone. So I was thinking about getting back to the Hoover Institution and toward the end of the meeting, Sears said, "By the way, there's a guy down in Texas—" I forget his name. I put it in the book, I can't remember—Lyon was his name.

Young: Yes, Jimmy Lyon.

Anderson: I don't know whatever happened to Jimmy. So anyway, he said, "He's willing to lend us $100,000—not give us, but lend us $100,000—if we use that money to run the talking head." I guess it was Reagan, we used to call it the talking head, just focus on Reagan speaking, attacking the defense policies of Ford. He said, "That's it." So there was silence and then Reagan said, "Okay, you borrow that money and I'm going to run in every blankety-blank primary from here to the convention, even if I lose every single one."

I said, "God almighty, this is a kamikaze flight we're on here." And he was serious. That meeting was over and we walked out and a phone call went down to Jimmy Lyon and we were looking at—I don't know how many more primaries there were, 20? There were a lot of primaries left and this was not going to be pleasant.

So, that evening he was speaking to this group of Ducks Unlimited—what was the name of the reporter, it's in my book—anyway, he was one of the well-known anchors.

Knott: Frank Reynolds.

Anderson: Frank Reynolds, yes. We were just sitting, listening to this speech. I was sitting in the back of the room, was talking to Hannaford and this Frank Reynolds came running over and tugged at my sleeve. I turned, looked at him and he holds out his hand. He's got a little slip of paper in his hand and we look down and it says, "55-45." So I'm thinking, *It's like we figured.* And he's all excited and he's saying, "No, no, no. You've got the 55." So then Hannaford came over and he said, "We've got the 55?" So we said very calmly, "What percent of the vote's in?" And he said, "Two percent." So we said, "Two percent, what the heck do we do with two percent."

So he kept coming back and after the third or fourth time and it was up to about 10 percent of the vote was in, and we were still ahead 55-45. Peter and I went over to the bar and we had a Coke. I said, "My God, we're going to win this thing, you know." And he kept coming back. We just kept saying, "Well, what percent of the vote? It's too early." And when about 20-25 percent of the vote was in, we were still maintaining the lead and Reagan was winding up his speech and the press was just going absolutely crazy.

So we told other people and they got to Reagan and they hustled him off and we got him in a back room and told him, "You're winning." He said, "What percent of the vote is in?" So we're at 25, I forget what it was, and he said, "Well, it's too early." So this went on and the vote kept building—30 percent, 35 percent, and so on. Our plane was getting ready to go back to California and the press was going absolutely crazy jumping up and down and wanting a

statement and Reagan refused to make a statement. He said, "No, we have not won."

And we got on that plane and flew back to California and we got the pilot on the plane—we didn't have ground-to-ground communications that early—to check. And when he would give us the percent coming in, we were sitting there with a calculator. Finally about halfway home, I don't know the exact time, we calculated that even if Ford won every vote that was left, Reagan still won. And he checked it and said, "Okay, I win." Then he settled on it and we had champagne and vanilla ice cream. Then he got off the plane and made a statement.

Young: Champagne and ice cream, in case that was missed on the tape.

Anderson: Champagne and vanilla ice cream. And that began a resurgence of Reagan. It was stunning what that win did. It just blew everyone out of the water, this one. My recollection is I think it was the most powerful time in the Presidential campaign that I've ever seen, then or since. Because, we'd fallen so low and in a blink of an eye, bang, you're back up and moving again. And then he ran.

That set off an enormous campaign and he won a lot of the following primaries, so that when we came in on the convention, it was the most dramatic convention that's happened. Nothing since has been close, because we didn't know who was going to win. And that's another story, but to fall down so low and come up so, bang, fast, was very unusual.

Knott: Did Reagan's resilience surprise you? You had lost five in a row. I think you described in your book everybody was down. Was he down, or was he thinking this was still doable?

Anderson: This is when I was getting to know Reagan and now, knowing what I know now, looking back on it, no, he didn't blink an eye. He was just straightforward. He was going to the mat. He does not give up. He just said no.

He was convinced he was right, and he went ahead and did it. But he was never—you might talk to Nancy. But he never gave the slightest feeling of being depressed, or too elated. He was a little happy and had a little champagne and ice cream when he won, he was pleased about that. But no, it was straight ahead.

Young: Then he goes to the convention.

Anderson: Then he goes to the convention. That was the big one.

Young: With the outcome not quite certain.

Anderson: No, it was totally up in the air.

Young: Okay.

Anderson: And the reason it was totally up in the air was that—these are rough numbers—but we knew 45 percent of the delegates were with Reagan and we knew 45 percent of the delegates

were with Ford. The other 10 percent were essentially, they were for whomever was going to win. That was the problem, because they didn't know who was going to win. So it became a psychological game. How do you convince—these delegates are all there, but they hadn't decided how they were going to vote. No one has done the real history of the arm twisting that went on and the things that happened. We, in the Reagan campaign, tried to do a couple of things to change the psychology of it.

The first one was, Sears came up with the idea of announcing the Vice President ahead of time. And he talked to me and a couple of other people, including Deaver. Maybe it was just the three of us. I remember having long discussions with him and he went through all the possibilities and came up with [Richard] Schweiker. At first you roll your eyes on Schweiker. Then he laid out the record, what Schweiker had voted for and what his background was and all the others, and on the record—I have written this up as a whole chapter, I never published it—it was obvious, he was terrific.

So we had secret meetings and we flew him out to California and it was all set and done and he was going to be announced as the Vice President. Then the challenge would be to Ford, he'd challenge him to announce the Vice President and then Ford had a big problem with that. The only mistake we made was that we forgot that nobody else knew what we knew and when it was announced it was a disaster. It was a big lesson. Just because you know something doesn't mean that the voters know or the delegates know it.

Knott: You're referring to questions about Schweiker being conservative enough?

Anderson: Yes, everybody thought he was a left-wing liberal. They thought that Reagan had sold out, it was a terrible problem. The other thing we did, we almost won the convention, was the morality in foreign policy—I think that's what it was called—platform plank.

We had this idea that if we could go on the convention floor and get a test vote so that the delegates voted for something which was clearly a Reagan position, then everyone would say, "Reagan is going to win." So we decided to do that through the platform and sat down and I drafted a statement. Hannaford was there and the two of us worked away and we drafted this platform statement. We put in the platform a series of positions that were not held by Ford in the Ford White House but were held by all Republicans. Basically again it was [Aleksandr] Solzhenitsyn and foreign policy. I think we had it as, "Under the hand of God," or something. It was a very good platform. We put it out on the floor.

There are a lot of other people that know more about this, but I talked to Bryce Harlow. By the way, he was the guy who beat us on this one. He was up in the room with Ford and Kissinger and [Nelson] Rockefeller. He tells me this story, I never checked it out, but I think it is true. The word came up to the floor that this plank was going through and Rockefeller was incensed. "It is an insult to the Presidency, just terrible, terrible. Have to defeat that, it cannot be in the platform," which would have been terrific.

Harlow intervened, and in his own inimitable way said, "Well," talking to Ford, "Mr. President, maybe we ought to check with the floor people and see what's going to happen." Ford said,

"Absolutely." So they called down to the floor guy, and said, "Well, if this plank goes on the floor, what happens?" He said, "It would pass." "Then what will happen if it passes tomorrow night?" And the answer was, "Reagan wins the nomination." So Ford said, "Okay, you instruct all my delegates to vote for it." So they all voted for it and it passed, overwhelmingly. That's why it is in the platform. We lost.

Young: So Harlow made it Ford's idea.

Anderson: Yes, yes, sure. Brilliant. Just, "Poof! Okay, it's ours."

Young: Co-opted.

Anderson: Yes. It upset Rockefeller and Kissinger, but hey.

Young: Harlow was a master at that.

Anderson: I know. I talked to him afterwards and said, "Damn, you ruined the whole—" Actually, in retrospect, I haven't fully developed this argument, but I think you could argue that that move by Harlow elected Reagan in 1980. The reason was, nobody realized the extent to which the Reagan campaign in 1976 was threadbare. We were hanging on by our fingernails. If we had barely won, two things would have happened. We would have had the nomination, but half the party would have been absolutely incensed. The whole Ford wing would just have been furious and all the Governors and all the power structure would have been very, very upset. I think the odds are very, very high that Reagan would have lost in 1976 in terms of the general election. If he had lost, it would be very doubtful if he could have come back in 1980 and run.

So, it may be rationalization, however, I give Harlow the credit for it.

Young: In your book, Harlow was also the one to suggest calling Reagan to the platform.

Anderson: Oh yes. That's right.

Young: Which is the other side of that story.

Anderson: Actually, since then I've found out some more to that story. There is one guy named Richard Burress, who is a fellow at Hoover, who was working with the Ford people on the floor when the internal discussion started to go. It's unclear if it was Harlow who suggested it, but other people were getting very worried because the party was split in two. Ford and the key lieutenants on his side were saying basically, "Don't pay any attention to the Reagan people. We're going to win this." But if they did, under the current conditions, the party would have been split and it would have been just awful.

Anyway, it's a little unclear, but Johnny Rhodes may have been involved, other people were involved in telling the Ford people they had to do something. Bryce was there and then he came up to the sky box. Because the Ford people ran the convention, so we were way, way, way up in the sky box on the other end of the auditorium. I was in there, all the doors were locked, all the

security and stuff and somebody came in and said, “There’s a guy named Harlow wants to see you.” I couldn’t figure out what the hell he was—so I went up. This is just before Ford came on to speak that night. I went out and I let him in and basically he said, “Look, this party is split in two. Unless we can bring it back together tonight, it will be a disaster for everyone. Reagan has to speak.”

Now, there was a lot of sentiment in the crowd down on the floor. The Reagan delegates were screaming, “Come on down, speak, speak, speak.” And the floor people were going, “No way.” So I called over. I got Deaver; I think Deaver was there. I don’t know who else was there, but I know Deaver was there. We talked to him and I think Michael said something like, “Well, has he been asked? What’s going on here?” And Harlow said, “We’ll get him asked.” Michael said, “Well, tell us when he’s asked, but he’s not asked.” There was all this back and forth.

It was sort of left at, “Well, if he’s asked, maybe he’ll do it. I don’t know.” So Harlow left and went back down and I don’t know who he talked to. There are people still alive that can tell you exactly. It would be a fascinating story as to how this worked. The word got to Ford, evidently just as he was beginning his speech and he gave his speech to the whole floor. We’re up there listening to it and then toward the end, evidently Ford intended to, on the microphone, say, “Now, I’d like to have Ronald Reagan come on down and speak.” Now he hadn’t told Reagan this. But when he started to speak, the crowd, they were so noisy you couldn’t hear anything. Then Ford improvised and just took his hand and started going like this, [motioning], looking up at Reagan.

We were up there and I remember Reagan leaning over to Deaver and saying, “Am I being asked to come down?” Everyone is screaming, “Come on down,” and Ford is going like this [motioning], and Michael says, “I think so. I think you’re being asked to come down.” They started to get up and he adjusts his coat and he turns to Michael and he says, “What am I going to say?” And Michael says, as he’s pulling on him, “You’ll think of something,” and is moving him out. The Secret Service came down and said, “What’s going on?” We said, “We’re going down on the podium.” So they started moving out of the sky box and I figured, *Campaign’s over,* so I got caught in the slipstream and went down with them. I ended up standing on the stage, being with them. We went down all these little stairs, went through this little door, came out, and there was the whole thing. All the cameras and all the delegates were standing.

I found out later that Reagan had talked to Meese, “Just on the off chance I win the nomination, what should I say?” and had tried out some ideas on him, including the idea of being ahead in time a hundred years and looking at what history—but he had nothing written out. He came down the stairs flying and came out, and suddenly everybody is shaking hands. We’ve got incredible photographs. We just had a big conference down at the Reagan library. I was on a panel with Peggy Noonan, myself, we were going over the ’76 convention. Someone had found the actual video of what he said. I’d forgotten how powerful it was.

The thing that struck me most about it was that the delegates remained standing the whole time, which is highly unusual. He gave a tremendous speech. The other critical thing about that speech was that under that kind of incredible pressure, first of all, he never mentioned Ford’s name. He talked about the challenges the country would face, not the party. And the main thing he was

talking about was the threat of nuclear war. It wasn't welfare reform, it wasn't taxes, and so on. People have forgotten that now. I think that's interesting. Because when you have that pressure you do what you think is most important. It worked real well, it was a powerful speech, and it did bring the party together. Not enough, but together.

Young: The split in the party, is it correctly characterized as moderates versus right-wing or an ideological divide? Or to what extent was this a contest between two figures?

Anderson: I'd say 98 percent ideological. The same way in the Democratic party. If you take all the people who are Republicans from one side or the other, there is a variation and they tend to group. You know there's a lot of overlap, but there's a grouping. It's still true today. It is getting less and less but it's still true, sure.

Young: You quote in your book somebody—I forgot who—after Reagan had given his talk, that, "Ford has just delivered the party to Ronald Reagan."

Anderson: That was somebody else. I forget now.

Young: Someone said that.

Anderson: Yes, someone said that. I remember the quote I heard going out, people talking, saying, "God, we may have nominated the wrong person." There was this feeling. I think it was the first time a lot of people had seen Reagan. There was a tremendous audience and it was powerful. There's one other thing about that, I think was a fascinating story. People have often wondered why Ford didn't pick Reagan to be Vice President. I think the answer is that after the first night vote, when we had the vote on the morality in foreign policy, it was clear that Ford was going to win. Then the next day, the next night, getting ready, a call came in from Ford's suite, from Dick Cheney who was, don't forget now, he was Chief of Staff for Ford. And Sears took the call and basically Ford wanted to meet with Reagan.

Sears tells Reagan—we're all in the room together, Meese was there, Deaver, myself—said, "The President wants to meet with you." Reagan says, "No." Sears says, "What do you mean, no? He wants to meet with you, talk." "No," he said, "I'm not going to do it. And the reason is," he said, "he wants to meet me, he's going to ask me to be Vice President and I don't want to be Vice President. And I don't want to tell him no, so I'm not going to meet with him." So Sears got back on the phone, explains to Cheney that he won't meet, and he explains why. A little while later Cheney called back and said, "Look, Ford promises he will not ask him to be Vice President." So Sears tells Reagan and Reagan said, "He promises?" "Um-hum." So, "Okay, I'll meet with him."

So they had the meeting and Ford says, "I'll come over to your hotel," so he came over, then Reagan left and the two of them went into a room and they talked for about a half-hour and they came back out, all smiles and laughing and Ford says bye. So Reagan comes in the room and we said, "What happened?" And he says, "Oh, we just talked about it, he had about five or six possibilities for Vice President and he went down the list. I think Dole was one of them." And he said, "I thought they were all good people, they were all terrific, it's all fine." So then, the next

night, Ford picked Dole.

After the next day when we left the convention and we were flying back home, we were talking on the plane, I went up to Reagan. We were talking about a lot of different things. I said, "Let me ask you a hypothetical. The other night when you went in and sat down with Ford, what would have happened if when you got in the room, the door shut and there was just the two of you and Ford had said, 'Now look, I don't give a damn what I promised, but what the polls are showing clearly is that if you go on the ticket with me, we beat Jimmy Carter. And if you don't go on the ticket, Jimmy Carter may win and it's your damn fault.'" Reagan said, "Well, I would have gone on the ticket."

Young: That was, however, after it was all over.

Anderson: Absolutely.

Knott: That's good.

Anderson: I think he would have. That was the way Reagan worked. He was much more—well I've said this in print—he was much tougher. He was the toughest person I ever worked for. He was much tougher than Nixon.

Young: In what way?

Anderson: I once described him as "warmly ruthless." He had this appearance of being friendly and jovial and nice, never argued with anyone, never complained. But if you shook your head and thought about it a little bit, he always did it his way. It was like there was a steel bar right down the middle of him and everything you touched was soft and fuzzy except the steel bar in the middle. He always did it his way. No matter how many people talked to him, no matter what happened, he always did it his way. If you were in the way, you were gone, you were fired. He never took any pleasure out of it, just gone.

I think if you really want to look at Reagan, one of the things we show with this new book we have, is something that I knew from dealing with him. He was incredibly smart. I know this doesn't sound reasonable, but he was incredibly smart. I've dealt with professors at Columbia and professors at Stanford, but he could look at something and understand it and grasp it and turn it around and work with it and play with it. He was incredibly quick. I'd say he had a brain that was comparable to—and I'd talk to Milton Friedman or Ed Teller and Arthur, all those guys, he could stay with them.

Now, he hid that. He just backed off. He never argued with staff. You could have ten different people tell him the same thing and he'd just listen. He never said to them, "Look, you dumb bunny, ten years ago I wrote an article on this, a long article." He'd just say, "That's an interesting idea." So many of the policy issues that were proposed to Reagan over time, by different people, he listened, "That's very interesting." Then when he did it, even though it was something he'd decided many, many years previously he would do, all these people were delighted. He was doing what they had told him. He was happy with that, he didn't care.

He used to say privately, “There’s no limit to what a person can get done if you don’t care who gets the credit.” And he was just very smart. The second thing is, there was this feeling that he was lazy, that he took naps. Well, I traveled with him for almost four years. He never took a nap. It was total nonsense. In fact, he worked all the time. We have uncovered evidence with this book in terms of the handwritten documents and so on, he was writing all the time. He was studying, he was writing, he was working all the time, in private. As soon as he came out in public, put on the public persona, he was friendly and jovial and talking.

So I think people made the mistake of saying, “Gee, this guy is an easy-going—obviously, we never see him working, so therefore the staff must be telling him what to say.” Not true. And when they ran up against him, they assumed he could be persuaded and pushed around. Big mistake. And the woods are full of people that tried to do that, like Al Haig, Don Regan, a whole bunch of them.

I remember one little thing in the campaign where—let’s see, where was it, yes it was in ’76—one of the staff was answering some questions from reporters about naming a Vice President. The staff guy got up there and said, “What he’s saying is totally wrong politically. He’s got it all wrong, he shouldn’t be saying this, he shouldn’t be saying that,” telling me to straighten it up. So I said, “Hey, you tell him.” So he sits down with Reagan, explains to Reagan why what he is doing is wrong. Reagan looks at him and nods and says, “Thanks,” real pleasant, “Thank you very much.” Next day there’s a press conference and the second or third question is dealing directly with this. And I’m standing there and I’m looking. So Reagan looks around the room, and he looks around and he finds this guy that gave him the lecture and he looks directly at him and gives the wrong answer. He did this all the time, nobody noticed. To this day they don’t notice, but that’s all right, he didn’t care.

Young: I’d like to come back to this because I think one of the things this oral history can help future people who look back on the Reagan Presidency is to cast some additional light on the figure of Ronald Reagan and the kind of person he was. Your work is doing that also, but it is going to be a big puzzle that people are going to want to figure out.

Anderson: I agree.

Young: Because they’re going to see, well, the various things, the various images are stereotypes that were applied to Reagan early on. He was too old, he was out of it, then he wasn’t really smart and then maybe he was something else.

Anderson: Right.

Young: And that’s going to be in the mix of what people—

Anderson: I agree.

Young: Then they’re going to get what appears to be diametrically opposite views.

Anderson: It is.

Young: And then they're going to start looking at Reagan's actions to figure out all of these things. Did Reagan ever change his mind in a significant way?

Anderson: I agree.

Young: That he's a man of principle, on his own internal guidance system, but he would also compromise when he had to, but not on principle? On result? All of these, I'm just throwing out some of the things that are already on the circuits.

Anderson: I think you're absolutely right and that's what I find so fascinating about this. When we go down to the Reagan Library, we're in the room we do the research in, the back wall, there are at least 200, maybe 300 books that have been written on Reagan. It's unbelievable the number of books, and you can just pick them out at random, they're all wrong. They start off with a premise. I worked with Edmund Morris for many years and tried to talk to him. He was always baffled by Reagan. He could not understand it. But he never shook one premise, which was, Reagan was dumb. He knew that. That was a lock.

Now, once you start off with that premise, that A, he's dumb, and you add into it, B, he doesn't work very much, then you look at what he's done. I would argue that you either have to say, on the one hand he was the luckiest man that God ever made. The things that he actually accomplished were unbelievable. He ran for the nomination of the Governor of California. That's not easy to do. Try it some time. He got elected Governor, try to do that. People are trying right now—Bill Simon and Dick Riordan are trying just to get the nomination. Very, very, very difficult to do. And then he governed for four years and got reelected, very hard. Did that. Then he ran for President and almost made it. Then he ran for President and got elected and he governed through all those years and answered all the questions, and dealt with the Cold War, a lot of other things. Won the Cold War, got nuclear disarmament, got reelected and left—you know. Being dumb and lazy. It doesn't compute. There's something wrong here.

It has been a puzzle and I would argue it's been a puzzle not just for his political enemies, but for his friends. When we found these handwritten letters that we put in this book, and actually they're policy papers—could I just take a second and explain this?

Knott: Absolutely.

Anderson: Because in the '70s, from '75 to '79, he had to make money. He was out of work, left the Governorship. Deaver and Hannaford took over the management of this and they set up speaking engagements for him. He was making money giving speeches. He also agreed to do a twice a week newspaper column. Peter Hannaford wrote most of them, and he edited them. Did that, and then they found this radio program. It was suggested by Efrem Zimbalist to a guy named Harry O'Connor. They were talking one day about they wanted a radio program and Efrem Zimbalist talked to Reagan and Reagan sent Deaver down and they worked this out.

Around the same time, Walter Cronkite came to Reagan and offered Reagan twice a week to be

on the evening news with Cronkite, have a commentary. Deaver was ecstatic, said, "My God, we've got 40 percent of the listening audience of the United States. This is wonderful." And Reagan said, "No, I don't want to do that." The reason was that he said, "Well, Michael, they'll get tired of me and I don't want to do that. I want to do radio." I'm sure Michael was thinking, *You've got to be kidding. We've got no radio, we've got no stations.* But he did radio. This comes back to what I said about his being—

Young: It's also solo.

Anderson: Solo?

Young: With Walter Cronkite—

Anderson: That's exactly right.

Young: —you're not solo.

Anderson: I think that's the key thing. Not only that, but if you do it with Walter Cronkite, then you're at the mercy of the network. If they don't like what you're saying, you can get fired or whatever. It's not guaranteed.

Young: Or there has to be—

Anderson: Yes, back and forth.

Young: It has to be back and forth. That's not the venue—

Anderson: So the initial idea was that Hannaford would draft these things and Reagan would speak them. Well, after a very short period of time, like maybe one, maybe even the first one—Reagan loved radio. He had done radio before. And right away, we have the first draft he wrote. He gets a yellow pad and he writes the whole thing out and at the bottom he says, "Pete, I thought I'd try one." From there on, of the 1,040 commentaries that he gave, we have found 670 handwritten drafts he wrote himself. Maybe a couple of hundred were written by Hannaford. I even wrote one of them, and he would edit them and work them, so he didn't write them all. But he wrote 670. And when you look at these, they're incredible.

I remember I used to sit next to him when he would write them out and the way he would work—for example, when we first started taking turns traveling with him, he'd go out on a plane. We'd fly commercial. He'd get on the plane and he would sit—he always had first class seats—he'd sit next to the window and you would sit on the aisle, sort of as a blocker to him. And then he'd be friendly and talking to the stewardesses and the people coming down the aisle and laughing and talking and as long as you were talking to him he'd be talking back, he liked people. However, I discovered that if you stopped talking to him, even for ten seconds, doing something else, BANG, he would pull up his briefcase, put it in his lap, open up the little briefcase, get his little glasses on and he would focus on the briefcase. He would read articles, he would read books, and then after a certain period of time, he'd get out the yellow pad and then

he'd get out his pen and he'd just start to write.

It was fun to watch him write because he didn't—you know, most people write and they cross out—he would just write, just steady, just purring along, total concentration. If it was a long flight he'd do this for hours, totally oblivious to everyone else, very happy being by himself. I've said in print, he was a loner. He had a wonderful time by himself.

Knott: He acted just like a professor.

Anderson: That's what he did. Those documents have survived and now we are finding many, many more documents. We're finding all kinds of speeches, we're finding all kinds of things that he wrote, all kinds of instructions he was giving. We've just signed a contract for a new book on his letters. We've found literally thousands of letter drafts he wrote to other people. In fact, when we're through in here, when we break for lunch, I want to show you. Up next to Shultz's office there's one, as an example of what he was doing. I'm going ahead.

Toward the end when we're writing this book on the things that Reagan had done, two things. One, we couldn't figure out when he had done all this stuff, because nobody seemed to know. We finally figured it out and we went and we talked to people like David Fischer and a guy named [Dennis] LeBlanc, and Elaine Crispin. Do you know who they are?

Young: I don't know who they are.

Anderson: Nobody knows. They were the people during the '70s who were his secretary. They were the people who traveled with him. For example, when he left the Governorship, he hired a—one was a young California state trooper and an older state trooper and they were sort of protection, drove him around, helped with his ranch. We talked to them. They said, "Yes, well sure," and they told the same story that happened to me when I went out with him. For example, Dennis LeBlanc, young state trooper. He said, "Yes, in '75 we used to go over 7:30, 8:00 o'clock in the morning and pick him up at his house." They would drive up into the ranch, into the mountains in the Santa Barbara area. He said, "We had a red station wagon, because he said red was Nancy's favorite color. He would always sit in the back and all the way up—which is about a two and a half, three hour drive—he wouldn't talk to us. He would write."

"Then we'd get up in the ranch and then he'd work all day, he'd be building fences and building the roof, and doing all those things they've got pictures of." Then he said, "We'd pile back in the car, drive back down to L.A., and again, he'd sit in the back and get out his pad of paper and read and write, all the way home." Now, we talked to David Fischer and he told the same story about traveling in the '70s, '78, '79, on the plane, he was doing the writing. And we talked to Nancy and she said, "Oh, yes, well, you know." So when we said, "When he comes home, what does he do? Take off his shoes, have a beer and watch television?" She said, "Oh no, no, no. Never does that, doesn't watch television. He has a desk in his bedroom and he reads and works." We found, there must have been eight or nine different people that nobody has ever heard of, but they were with him at the time when he was doing this stuff.

The picture that emerges is that he was writing and working, most of his time in private, and

nobody knew.

Young: Preparing.

Anderson: Yes. Just getting ready and doing things.

Young: Getting his thoughts.

Anderson: I'll tell you one more story, and then we can get some food here. Then we started to look for papers, and what we're discovering is that there are a lot of private collections around. A lot of people have got papers—they got them from Reagan—that by themselves don't seem important, but you put them together. Toward the end when we were finishing up the book, I got a call from Nancy Reagan. She told me that he was no longer using his desk and hadn't been for some time because of the Alzheimer's, and they were cleaning it out, and would I come down and look through the papers.

So I took the next plane down and went through all the papers in his desk. Most of the stuff—I was looking for handwritten drafts, but there was a lot of stuff in there. Mainly there were things that you would use as source material if you were writing something. Articles, journals and things, and the usual stuff you throw in a desk drawer. But I pulled out one folder, and it said, "National Defense" on it, and inside there were five yellow legal pages, covered with his handwriting. It was unclear what they were. I'm reading through it. I made copies and brought them back and the next day showed them to Kiron [Skinner] and Annelise, my co-authors. He was talking about, "Dear Mr. Minister," and he was talking about nuclear weapons and about human rights and all kinds of things.

We puzzled over all that and we finally figured out that it had to have been written sometime during the mid-'80s, but we didn't know what it was. So the next day I took it in and I showed it to George Shultz. We were going through it, and it started out talking about, "Mr. Minister." So I said to Shultz, "In that period of time—Mr. Minister, could it be [Andrei] Gromyko?" And he said, "Oh my God, I know what that is." He went up and he pulled a book off his shelf. A book he had written nine, ten years ago, his autobiography. He looked through the index and said, "There it is."

He had written this whole story in his book. What had happened was, in the fall of 1984, in the White House, Shultz had gotten word—I don't know, you can ask him, there's another whole story here, I'm told—that Gromyko at a cocktail party somewhere in Europe had let it be known that he might be willing to begin discussions with the United States. We hadn't talked to the Soviet Union for almost five years because of what had happened in Afghanistan in '79. So Shultz went down, I guess Reagan was in L.A., went down and visited with the President and said, "Look, we've got this piece of information. Would you be willing to open up negotiations with the Soviet Union?" And Reagan said, "Absolutely. Let's just do it. Go set it up."

So I still haven't found out how he set it up, but Shultz set it up. So Gromyko was coming over to the United States in September. Of course, the whole White House bureaucracy goes to work and the State Department and the NSC [National Security Council] staff and they prepare the

briefing books and all the papers and so on. Let me just step aside—one of the things we learned in the campaign was that Reagan doesn't like briefing books, but that's neither here nor there. But they prepared the briefing books and they gave them to him. Then he went up to Camp David.

I think the assumption was that, well, he's up there sleeping and taking naps, and playing in the woods. But he came back down on Monday morning and he called Shultz and asked him to come to the White House. This is the story that Shultz tells in his book. So he said he walked into the Oval Office and Reagan says, "George, I just want you to know that I really appreciate all the work the boys have been doing in terms of preparing all this material," he said. "But this is something that I've been thinking about for a long time and I've written my own talking points. If you want to take a look at them, fine, but they're done." I don't think Shultz ever looked at them, I don't think he ever looked. He just said, "Okay, you're the President."

Then, we checked with Gromyko's autobiography and he refers to this. Reagan went in, ran the meeting and so on. Anyway, many years later, that folder I pulled out of his desk was the handwritten talking points that Reagan had put together. It is just, I think, an example of something that is totally opposed to what you think about the way that Reagan operated. Basically, he went up to Camp David and he wrote instructions for everyone and laid them out and didn't tell anyone and just went ahead and did it.

After we have lunch I'll show you, we made a photocopy of the original documents and they're hanging next to Shultz's door.

Knott: That would be great.

Young: Good, I'd like to see it.

[BREAK]

Knott: We had been at the '76 campaign and then we sort of jumped ahead a bit. Do we want to go back and move chronologically again? Actually, I had one question about '76 before we get to '80, and that is your assessment of John Sears. Seventy-six, close call, you almost pull off an incredible victory. Eighty, things go pretty rough, but could you give us an assessment?

Anderson: Let me give you the bottom line first. If it hadn't been for John Sears, Ronald Reagan would not have been President of the United States. On the other hand, if Ronald Reagan had not fired John Sears, Ronald Reagan would never have been President of the United States. That's because of a change as this whole relationship developed.

I think for a long time Reagan had been thinking about the idea of running for President. The more we look back in history now and various things, you see little glimmers where he's obviously entertaining the idea. On the other hand, in terms of someone coming forth with a clear package of how you do it and move ahead, it was Sears that did that. Sears recruited people and organized it and so on. In many respects, Sears was quite brilliant. I think the most brilliant thing about him was that he had the capacity to do things that other people don't think of doing. I

mean, how many people do you know that sit down and say, "Gee, I think I'd like to elect someone to be the most powerful person in the world and I think it should be Y and we'll go about working it out." You just don't do that.

So, on the one hand, there's not that much competition, but he did do it. He worked on it and recruited people and put it together and ran quite a brilliant campaign. Then, what sometimes I think happens to people in campaigns, they get enamored with themselves. They believe the press clippings. They change. Really saw this happen with John back in early '79, I had gone down to L.A. to begin to run the policy shop for the campaign. It's a long story, but we were staying in a place called Marina Towers and Sears was down there and set it up and we were pulling everything together.

Some of the policies that we were developing, he had some ideas that he wanted to do politically. I would come into the meetings and every now and then would say, "Well, that's fine, but it won't work and here's why it won't work." Instead of being very grateful for my analysis, let's put it this way, he took umbrage and thought this was counter-productive. Then he took quite a bit of money in the campaign and diverted it and set up a competing research group in Washington, D.C., and did not tell me about it. I found out. I had sources and so I confronted him with it. I'm shortening up a lot of things that happened.

About the same period of time, I forget the exact timing, which one went first, but Lyn Nofziger was fired. Michael Deaver wasn't fired, but there was a situation where it was very unpleasant and Michael basically agreed to resign, which Reagan allowed. Later said it was a big mistake on his part. In my case, I discovered this operation that was going on in Washington and confronted him with it and he denied it. So we had a big discussion and he said it wasn't happening and I knew it was happening. So I quit. I said, "Fine, run it yourself." I told Reagan I was leaving and in his usual way he said, "Fine. That's the way things are." Reagan never got involved in the machinations within the staff.

I talked to Sears most of that day, he tried to talk me out of it. I just packed up, got in my Corvette and drove home. In the meantime, Deaver had left, Nofziger had left, and it continued on that way.

Young: But those were almost all—Meese was still around—

Anderson: Oh yes, Meese was still around.

Young: But all of the people who'd worked most closely with Reagan were leaving.

Anderson: Yes.

Young: How was Reagan allowing that to happen?

Anderson: That was Reagan. This is what people never did understand, and I don't think to this day understand about Reagan, is that it just happened. He let that happen. He was fully conscious of it, it happened, fine, he was going ahead with the campaign. He was not like other people.

Young: He was not reading that as a sign of trouble?

Anderson: I don't know. I have no idea. All I know is that he let it happen and that left Sears and Charlie Black and one other guy, I forget his name. Anyway, this continued on and people got more and more concerned about it and the campaign was running deeply in the red and then—you've got to talk to Ed Meese and Dick Allen. They know the story of what happened.

Then Sears decided to move on Meese. I'm not sure of all the machinations, but word leaked out that they were going to get rid of Meese. So basically the morning of the New Hampshire primary, what we do know is that Sears and Charlie Black and Jim Lake, the three of them sat down with Reagan and said, "Look." Now you have the chairman of the campaign, Sears, press secretary, and the chief political guy saying to Reagan, "Look, you've got to get rid of Meese, he's a problem. So you fire Meese or we're all leaving." Things had been done ahead of time so Reagan evidently just smiled at them. I think he was with Nancy in the room and said, "You better read this," and handed them a press release in which they were fired. They were stunned but they walked out the door before the vote started in New Hampshire in 1980 and they were all fired.

That led to a situation where Meese came back, Dick Allen. They brought in Bill Casey to be the new chairman of the campaign. He straightened out the financial things, started running things. By the way, Bill Casey was enormously important in that campaign in terms of what he did. In fact, he was the final guy to sign off on the economic policy I'd been working on. Then gradually, over the period of months, Nofziger came back. I came back, Deaver came back, just like old home time again, except that Sears was gone, Lake was gone, and Black was gone and they have been gone ever since.

Young: Now, let me think a minute. When you're all being gotten rid of by Sears, who apparently has turned into a control freak of some kind, Reagan says okay.

Anderson: I think he developed megalomania.

Young: Okay, that's one way to—all right, delusions of grandeur, whatever.

Anderson: Seriously, he would talk to the press like he was running the campaign. There even was a time when he refused to talk to Reagan because he got upset with Reagan.

Young: So while all of the loyal and proven people are being let go by Sears and Reagan is saying, "Fine, okay," Reagan doesn't intervene in any of this.

Anderson: No.

Young: But now you're all gone and something happens.

Anderson: Yes.

Young: That he pulls a surprise move on Sears.

Anderson: Yes.

Young: Fires him and his people.

Anderson: Yes.

Young: So he certainly did intervene at that point and take a decisive action.

Anderson: Yes.

Young: I'm wondering what happened there. And then all of you come back. Who is inviting you back?

Anderson: I think I got a call from Meese. I'm just speculating now, because nobody I think really knows, but I think the basic attitude is that—and I think this also holds—let me jump ahead a bit. If you look at the eight years that Reagan was President, policy never changed. Staff changed a lot. There was enormous turnover in the staff, but things kept going on pretty well. I think that in the initial phases when Deaver left and I left and Nofziger left, he didn't see that as critical. Maybe gets back to my speculation when I say that he was warmly ruthless. He was going to win this nomination and he needed Sears, and he needed Jimmy Lake. And he needed Charlie Black. There's no question about that, especially at that early stage in the campaign.

And then they pushed it too far. They came back and started talking to him about Meese. I'm guessing that was the thing that clicked it. Plus, the situation had changed. He was now, they had done all the work in the New Hampshire primary. The vote was ready to go. My own speculation is, it was a kind of calculation that you would attribute to other politicians like maybe Franklin Roosevelt would do something like this, and I think that's why he did it.

Young: So they had more or less outlived their usefulness to him with New Hampshire?

Anderson: I think they had outlived—put it this way, their relative usefulness had declined enough so that when they went to the next stage, he cut it. It took a while. Now, I've said this before. I think that if Reagan had any weakness it was that by and large he tended to believe that people told him the truth. If you gave him a piece of paper he assumed you had checked it and it was right. He was not suspicious of people. Nancy was suspicious of people.

Young: Yes.

Anderson: As she should have been. I mean, she was more normal in that sense.

Young: Absolutely.

Anderson: So she was very valuable in many ways, in terms of identifying these problems. I'm not sure of all the things that happened. Ed Meese is the fellow—you need to talk to Ed Meese

and Dick Allen because they were part of setting up the decapitation of Sears and Lake and Black.

Young: We didn't ask Meese about that, but he gave us part of the story.

Anderson: He was critical.

Young: We missed that.

Anderson: But I think in the larger context it is clear evidence that people never did—what appears to be a puzzle is a puzzle unless you say, "No, the guy was smart, tough. He knew exactly where he was going and he did these calculations and at the right time pulled the plug."

Knott: When you came back did he—I'm just curious—did he ever say to you, "I'm glad you're back," or "Welcome back," or was it just like you had never left?

Anderson: Just like I had never left.

Knott: There was no—

Anderson: No. I remember getting on the plane, he said, "Hi, great." It was fine. This used to drive some people working for him crazy because they thought that you should have special attention and a lot of stuff, but he didn't do that. He rarely told staff, "You've done a great job." Almost never.

Knott: Almost never.

Anderson: I don't recall any time.

Young: Well, he and Nancy Reagan were a team politically as well as a couple, is that correct? She traveled with him.

Anderson: Yes, I would say that.

Young: And she was on the lookout for how her husband was being served.

Anderson: I would say she was more than that. Most people think of Nancy Reagan as either a housewife or a former actress. I always thought of her as a Smith graduate. She was smart, she was tough, she was knowledgeable. She sat in on our policy meetings. She commented. She was his partner. They worked together. She was terrific. She was good. And she was very tough.

Young: She had some of the qualities that he did not have.

Anderson: Yes, she complemented that part. And the people that she would identify as being problems, in my judgment, she was dead-on every time. Sometimes it took a while to convince Ronald about that, but no, I think she was much more important than people realize. She was the

only one—he had maybe one other friend, no other close friends. Maybe one other friend, Judge [William] Clark, but other than that, nobody.

Knott: And she would occasionally comment on policy matters that you were—

Anderson: Oh sure, she sat in on the meetings. Sure.

Knott: And she would have political concerns, perhaps, about a particular proposal, or ...?

Anderson: I liked to talk to her. She had good judgment. She was smart, she was tough, she was good. She still is. You talk to Nancy and she's—

Knott: We'd like to.

Anderson: Be very careful. You can make the assumption that that lady doesn't know anything, but no, no, don't do that.

Young: No, quite. In fact, Richard Neustadt, who is a famous Presidential scholar, has even written about the crucial role that Nancy Reagan would play for her husband. He said he had a question for Philip Zelikow, who is now doing some stuff for W., he said he wants to ask him, "Who is the President's Nancy?" Who is performing that role for this President? So that role is—

Anderson: There is one major exception. Quite often she would disagree with him and they'd go back and forth. To the best of my knowledge and recollection, they always did it his way. He would listen to her, but I never saw him do anything that she wanted to do, he didn't want to do.

Young: Okay. I wouldn't say that's an exception, but it is part of the complementariness.

Anderson: There has always been this question about who is Reagan's mentor, or who did he study? And now I guess some people are going to ask the same about Nancy. The more I find out about him, I don't think he had a mentor. I don't think she had a mentor. I really think they made up their own minds, and that's maybe why they got along so well together. But there's no evidence that I can find that he read some article or book, had an epiphany and suddenly he was—in fact, I just came across an interesting record I bought, 1946. It was a record—back in 1946 there was something called the American Veterans' Committee.

Young: Oh, yes.

Anderson: Which turned out to be a Communist front group, and Reagan was a member. This American Veterans' Committee sponsored some radio ads and they got some Hollywood people—Jack Benny was one, Orson Welles, and Ronald Reagan—to make the ads. So I bought this record, I was fascinated. I wanted to see what the hell Reagan said in 1946. Basically Reagan in his ad makes the point about the plight of American veterans coming back from World War II having a hard time getting housing, how the American people should help them get housing, open up your garage, do this, do that, to help them get housing.

Jack Benny does the same and Orson Welles does the same. Everything he says in 1946 he can say today and everyone would agree just fine. It's what George W. Bush would call "compassionate conservatism." But not the slightest hint of the ideology that the overall thing was put in there.

Young: Yes.

Anderson: It's interesting, the further back I go in looking at Reagan, there is no change in his views. Just doesn't happen. For example, when he was registered as a Democrat—and I've got all kinds of speeches and things he said while he was a Democrat. Well, they're exactly what he was saying as a Republican. Came across one letter, I've got the handwritten draft now. In 1960 he wrote a letter to Hugh Hefner. To run in *Playboy.*

Young: Yes, yes.

Anderson: An article appeared in *Playboy* earlier that year by somebody who was a communist.

Asher: Dalton Trumbo?

Anderson: Dalton Trumbo. Reagan evidently objected to *Playboy* publishing this article by this guy, so Hefner heard about this—I don't know how, I'm working on the details—and wrote back a letter to Ronald Reagan explaining what he was doing and basically challenging him. It was a long letter—two page, single-spaced letter—talking about freedom of the press and free speech and all this and that.

Well, a little while later Reagan writes back to Hefner, six pages of handwritten draft, in which he explains all of his thinking and what he's doing and why he is having trouble and why he did the stuff as head of the Screen Actors' Guild. It is a very interesting philosophical discussion of free speech, something we wouldn't expect a Democrat in 1960 to be writing, but he does write it. And every time I find a hard piece of evidence, it supports the idea that there was no change in Reagan. He changed his party, he did this and that. He has said something to the effect that, "I didn't change, my party changed. My party left me," I think is the way he put it, but he didn't change.

Young: He didn't change in his principles or his basic views. But surely over the period of time, he had to change as circumstances required, not in terms of his principles but in terms of his practices. Surely you can see his political skills change over this period. It would be extraordinary if—

Anderson: Wait a minute. I'm trying to think because I've been spending a lot of time looking backwards. Like what, for example, when you say—?

Young: I don't know, but I mean it would be extraordinary to come first time into politics and to never change your way of getting your way.

Anderson: I tell you, I go back and I read them—

Young: I'd say it is extraordinary, not impossible.

Anderson: I know. I read some of the movie magazines back in the '40s and '50s and they talk about his political views and how he is a natural politician. Somebody in the late '40s saying, "This guy may run for President," and they keep talking about this.

Young: Okay.

Anderson: And he takes over the Screen Actors' Guild, which was a bigger deal than people give him credit for at the time. This was representing the entire movie industry, dealing with all kinds of powerful people. Not only did he do a good job the first year, but he got re-elected and re-elected and re-elected. They loved him down there. And he was a masterful politician. That's what he had a reputation for.

It seems I have gotten, in the flux of the campaign in '76 and '80 especially, a lot of stuff was written down about who Ronald Reagan was and what he did and so on and so on. His political enemies left out a lot of stuff. And his political friends, I know when I was involved in the campaign in '76 and '80, I think there was sort of a general feeling, *Well, we don't want to talk much about his acting career because he was just an actor.* Well, he was much more than just an actor. If you look at that question you asked, I think it's a fascinating question. My guess is you're going to find that his *modus operandi,* how he operated, didn't change. I don't see any changes.

Young: Maybe I'm just a—

Anderson: No, I think you're right.

Young: I'm saying, you learn how to be an actor. You might have natural talents for acting, but there is a craft to acting that you learn.

Anderson: True.

Young: And especially before a camera. I think Reagan had this enormous gift to look at a camera and not be looking at the camera or thinking "camera," but he could be communicating with an audience as if it were a person.

Anderson: Okay, but let's go back a little further.

Young: Okay.

Anderson: For example, he goes to Eureka. He fights his way into Eureka. He's a politician in Eureka. There's this famous story where he leads, he gives a speech to the students and does all these things. I've gone back and looked at his high school and college career. He was doing other things. For example, when he was 17 he wrote a poem, a beautiful poem. Poetry? He was writing for the yearbooks. He was in the drama school. Then he went out for sports. He did all kinds of

things. He was a leader.

If you go back and talk to the people, they tended to gravitate. They said, "Whenever Reagan walked in a room, we kind of listened to him." Other little hard points. Very little is known about his early career, but one of the things Edmund Morris found were his grades in the first year. You know what they were? Almost perfect: 100, 100, 100, 100. He was a smart little kid. Nobody knows that.

You go through how he got his job to go on radio. Well, the way he did it was highly skilled and political. Then he gets this job and they give him a mike and somehow he knows what to do. When he was in college, he came in second or third in the nation in some acting, drama contest that the college had. In other words, there's a whole lot of stuff out there—let me give you another example.

We discovered that when he was 26, he got a movie contract. Now, that's amazing in itself to get a movie contract, and it was primarily on the basis of his voice and people liked him. Before he left and drove to Hollywood, he agreed to write for the *Iowa Sunday Paper*. He'd write back and tell them what it was like to be a young guy in Hollywood. Well, we checked that out. We looked and looked and finally we found—in fact, a friend of mine in L.A. found them and sent them to me. He wrote 17 major, sorry, 13 major articles. Or was it 17? I have to check that out. Let's use 13. These major articles for the paper, and they're long articles. And he describes what it is like to be a 26-year-old, very handsome, young, unmarried man in Hollywood with all these beautiful movie stars. And he's having a wonderful time and he describes how he's meeting this and doing this and going here and how it is happening, and it's fascinating stuff.

Nobody knew about those. I'm convinced. I think so far we've only published about 5 percent of the material that's out there, maybe less. It's all over the place. No one is looking.

Young: Well, he may have had a lot of experience in campaigning and a lot of political experience—I'm not saying that he didn't bring a lot—but when it comes to dealing, for example, with a legislative body and possessing constitutional authority, when it comes from moving from Sacramento to Washington and inside the beltway, it seems to me one has to learn and adapt one's skills. I'm just looking for how he adapted to new situations, not that he was learning politics for the first time.

Anderson: Let me tell you what he did when he went to Washington. One of the first things he did down there, he was laughing and joking and [Thomas P.] Tip O'Neill was saying, "Well, now he's in the big leagues. We're going to kill him." Reagan said something to the effect, he said, "They're going to discover I don't have horns in my head and I don't eat my young."

One of the first things he did, he decided he would go up to the Hill and deal with it. They owned the Congress, the Senate. Oh, what's the name of the Congressman from one of the Western states. Damn.

Young: [Jack] Brooks?

Anderson: No, no. The older one. I forget. He was a revered Democratic Congressman. Anyway, Reagan goes up to the Hill and they have the big meeting room and all the Senators are sitting around. Hanging up on the wall is this huge portrait of this guy that they've just hung up there, he's just resigned from the Senate and they revere him. In comes this Republican, Reagan. So he sits down and the first thing he does he smiles and talks and laughs and—oh, Mansfield.

Young: Mike Mansfield.

Anderson: Mike Mansfield. You know the first thing he does? He tells all the Democratic Senators that he has just appointed Mike Mansfield as the ambassador to Japan. And they're stunned. Now, I don't think that's a skill you learn.

It's the same thing when Arthur Burns became chairman of the Fed. You know the first thing he did? He called—what the hell was his name, chairman of the committee, the Banking Committee. I forget his name. Arthur called him, old curmudgeon, and said, "How about coming over to my office and let's have a lunch and talk a bit." The guy was stunned. He said, "Never in all the time that I've been running this thing did any chairman of the Fed every talk to me and invite me to lunch." These are little things, but you add them up.

Young: Okay.

Anderson: And basically I think Reagan had enormous—he liked people, he had a respect for people, and he talked to them and he worked with them. He could also be very, very tough if you didn't do it his way. What he did as Governor, he said, "Fine," went out and talked to all the people and said, "Send in your letters," and put enormous pressure on politicians who disagreed with him. He tells the story that the leader of the opposition came into his office, hands in the air, said, "We give up." So I think it's a combination of being nice and ruthless.

Young: Same thing.

Anderson: I don't know. I think the question that you ask is fascinating. It would be interesting to go back and say, "When did he change, if he changed? And what was he doing that changed?" I've yet to find it.

Young: I won't carry it any further. I wasn't really so much referring to change as growth, in dealing with institutions and unexpected situations for the first time. I'm not implying that he changed anything, but you can follow Franklin Roosevelt, he wasn't the same kind of politician by 1933 that he had been when he was Assistant Secretary of the Treasury. He had grown, he had developed a mastery that he didn't have.

Anderson: I think in that sense the first thing is, you've got to look very carefully at the Screen Actors' Guild. He had enormous responsibility there. Then there is a little hiatus in time, then he goes into the Governorship. I think he learned an awful lot in the Governorship.

Young: That's my impression.

Anderson: I think that's true.

Young: We usually find that out about Presidents. When you don't study their Governorships, you really should.

Anderson: If you start off and say, "Look, does it make any difference if you're Governor of the largest state in the union for eight years?" And it makes an enormous difference. In fact, one of the studies I've done for this book I'm working on, gone back the last 50-60 years and just institutionally, what job does a person hold before to become President, before they get elected? You know what the most popular job is, the most likely?

Young: Governor?

Anderson: No, President. You run for re-election. If you want to become President, the best way is to start. That's the most likely. It just helps a lot. Second is Governor. I was going to say Senator, but there's a lot of discussion about whether Jack [Kennedy] really won in '60 or not, or whether poppa took it for him. So unless you're either President, Vice President or Governor—as long as it is some kind of a state—and my working thesis is that the American people aren't about to allow anyone to have this enormous power unless they've demonstrated some executive capabilities.

Young: Right, right. I heard a big, very friendly argument once between Gerald Ford, after he was President, and A. Linwood Holton, who was the former Governor of Virginia, about what was the best background to prepare one for the Presidency. Was it executive, being a Governor, or was it having experience in Congress? Ford was saying Congress and Linwood, the former Governor was saying—it was a very interesting sort of by-play between the two. It used to be the Senate used to be the preferred springboard in the very early history, then it changed to the Governors and then—

Anderson: But in our lifetime, the last time we elected a Congressman was 1880 or something.

Knott: Nineteen-eighty. There's a good segue.

Young: Academic discussion almost we're having here.

Knott: In 1980, were you involved in the debate preparation at all for the debates against Jimmy Carter and John Anderson?

Anderson: Yes.

Knott: Any recollection of anything that stands out? Was there some concern that Ronald Reagan might not do well? What was the thinking inside the campaign about the debates and whether he should go with them?

Anderson: I'd say there were two separate things. This gets back to the three part campaign. Back at headquarters, Reagan had beaten Bush and had done something that all start politicians

do—Nixon did it, Reagan did it and I think the other Democrats did it too. We were ordered to incorporate Bush's staff into our campaign. Now, the normal inclination is, no way, but it's a very smart thing to do. It's a good thing to do. So Jimmy Baker came in and Frank Hodsoll came in, David Gergen came in. Then they had to find something for them to do.

Baker was very busy, so they asked Baker to prepare for the debate. The first thing he did, which was very smart and we did it before, took the old estate that Reagan was living in—I think the Kennedys had stayed at that estate years earlier—and there was a big garage. They went in that garage and they mocked up on the interior a rough facsimile of the exact debate stage where it would take place. It had the podiums, it had the lights. It wasn't pretty, but it was a way in which you could run the mechanics of when the lights came on, the flashing and who was where and what the distance was, so you get a feeling for what was going on. Then there were two views on how to prepare for the debate.

The people on the plane—Deaver, Spencer, myself and the people who were traveling with him, Nofziger—we were delighted. We thought it would be incredible if we could get Carter into a debate. People forget, but we were behind in the campaign. It wasn't until the end that Reagan went ahead. But back at headquarters—and I wasn't there, but what I was told—was that a lot of people back there were aghast at Reagan having a debate with Carter. My God, they thought he'd get chewed up and be—

Young: Who were the people "back there?"

Anderson: Baker, Meese. I'm not sure about Meese. Casey, Ann Armstrong, the co-chair, people like that. There was a lot of concern back at headquarters about Reagan being in a debate, they were worried about this. Then Baker was in charge of preparations for the debate and he delegated that to Hodsoll and Gergen to prepare a briefing book. I remember being out on the plane and getting calls from my staff, Doug Bandow, Kevin Hopkins, and they were annoyed. They said, "Look, these guys are preparing a briefing book and we should be preparing it." I said, "That's okay. They have to be doing something, so don't worry about it. Keep working on the policy." They worked very hard on that briefing book.

I used to get calls from my staff people, furious at them, because they were doing it in total secrecy. They would go behind locked doors. At night they would lock all the doors. They wouldn't discuss what they were doing with anybody. Later on we found out why, because someone had stolen Jimmy Carter's briefing book. We didn't know that at the time, but that's all right. Then, my recollection is that when we came back into town—I don't remember the exact dates—they presented the briefing book to Reagan. What usually happened when you presented Reagan with a briefing book is that he'd thank you very much for it, it's really terrific, and he'd pick it up, look at it, and then when he was on the plane he'd put it down by the chair, underneath the chair and never look at it again. Because he didn't do briefing books. It wasn't the way he operated.

The way he did like to operate is what we finally did. In this mock-up place, this garage, we selected, I think it was David Stockman to represent the opposing person. Then Reagan came in—in fact, I've got photographs of them, he was wearing a red sweater, if I recall correctly.

Then we took turns. Four of us would sit down at a table and we'd pretend we were the press. We wouldn't tell him what kinds of questions we were going to ask him. I remember we came off the plane and just sat down and scribbled about a dozen questions and sat down. We did this once before the debate with Anderson and once before the debate with Carter.

They'd start going back and forth and we would ask questions. The deal was to try to ask him the meanest, toughest questions we could think of to get him furious, to try to stick him. Dick Allen was there asking questions, Alan Greenspan was in there, one of the questioners. Who else was there? I've got photographs of everybody who was in the room. It was incredible. Pat Buchanan was there.

Young: Was George Will ever in these?

Anderson: Yes, George Will was in there, sure. They were part of the practice session. What I recall about that is that Stockman was so good and we were so tough that Reagan got mad. He just got furious. Afterwards, we came out of the debates, especially the one with Anderson, someone asked, "Well, how did it go?" And he said "Hey, after the practice, this was nothing," which was the purpose of the whole thing. Most candidates don't like to do that. They really don't. They hate it. Dole wouldn't do it. He locked himself in a room with one guy and never let anyone see it.

Basically, my recollection is that Reagan never read the damn briefing book at all. He picked it up, said thank you very much and then went it and did it the way he usually did it. Then as it got closer to the debate there was still a lot of discussion and the people in the headquarters were very, very nervous about him doing the debate. The people on the plane were not nervous and Reagan was not nervous. So he did the debate, that's when he said, "Oh there you go again," and walked away.

Knott: You were at the debate?

Anderson: Oh yes.

Young: You were perhaps—correct me if I'm wrong—but there was one debate in the re-election campaign that did not go well for Reagan. That was the first debate with Mondale.

Anderson: That was '84.

Young: Eighty-four.

Anderson: I was gone, and the reason for that was very simple.

Young: How did that happen? Do you have any insight on that?

Anderson: Yes, well, I've talked to people who were in the White House at the time and basically by that time the staff had changed tremendously and the people in charge—the main guy in charge of the debate preparations was Darman, Richard Darman. Darman is an interesting

person, in some ways like Sears. Absolutely brilliant, incredibly smart. He got a bad reputation the first year for opposing Reagan. He never opposed Reagan. All the meetings I sat in with him, he would argue maybe the policy, against it or something, but whatever Reagan wanted to do, he tried to get done. He was extremely good at it, in terms of working out tactics for getting things done. He was just good, I'm sorry.

And if it hadn't been for Darman—he's one of the people that was indispensable during the first year or two in terms of getting all the stuff passed. But he knew so much and he had a personality—one of the jokes in Washington was told to me by a Democrat, Bob Strauss. The joke was, why do people take an instant dislike to Darman? Saves time. He had no friends, but he was real smart.

During that debate he was in charge of the debate preparation because he worked directly for Baker and so on. He prepared extraordinary briefing books, all details, all kinds of numbers. I guess they somehow convinced Reagan that this was a very important thing to do. He got tied up in all these little minutia, these numbers and so on and so forth. Right at the end of the debate he started to tell a story. Remember, he got cut off? And the story he started to tell—nobody recognized it, but I recognized it—it was exactly the story he told in 1976 at the convention in his speech when he got called down. He liked it. It was a powerful story and it worked at the convention in '76, and he was going to use it to close in '84, but he ran out of time so it looked dumb.

Then I understand Nancy got involved in this thing and straightened it out and came back. But that's all speculation.

Young: Strikes me as very odd that Darman would be chosen to do the briefing. This was a—

Anderson: No, Baker was in charge. He worked for Baker. Who else would do it?

Young: I don't know, but Darman doesn't strike me as having a very good ear for what's going on outside Washington.

Anderson: Oh, but he has an excellent ear for the people he's working for. If he was working for you, you would love him. I guarantee you. He would make you so happy, you wouldn't believe how happy you would be.

Young: I wouldn't, right.

Knott: So you're on the plane during the fall '80 campaign with the candidate. What were the—

Young: Who else was on the plane? Was Spencer there most of the time?

Anderson: No, I don't think so.

Young: You and who else?

Anderson: I'm trying to think, let's see. On my staff, I used to rotate them. Doug Bandow would come on for a while, and Kevin Hopkins would come for a while. Ken Khachigian was on the plane.

Young: Yes.

Anderson: [Nicholas] Brady was on the plane. Deaver was on the plane. Spencer might have been on the plane quite a bit, as I think of it now. Meese rarely came out on the plane.

Young: He was back at headquarters,

Anderson: He was running headquarters, yes.

Young: And did you have basically the same kind of coordination in this campaign that you spoke about in the Nixon campaigns?

Anderson: Oh yes. Basically what we did was that—and this will get us into the transition a little bit—I sat down with Meese early on in the campaign in '80. We went over the mistakes that Nixon had made in his campaign. Meese took charge of the personnel operation and got Pen [Pendleton] James very early on, got him to work on that. And then, in terms of coordination, yes, we had great coordination, because I was in charge of the policy and all the people back there were very responsive.

Young: But you had the press feed, the—all of those things that you were talking about with the new technology.

Anderson: Oh sure. We had the reporters out there, we had the press feeds, we had all the material coming back and forth to the plane.

Young: Did you have the book of Reagan's commitments or was that not needed this time around?

Anderson: No, we did not publish a book of Reagan's commitments, because nobody was raising the question about Reagan not being specific.

Young: Right.

Anderson: The big huge overriding issue in that campaign as we rolled into September—you're testing my memory now—but if I recall correctly, the big issue was economics. It was just dwarfing everything. People have forgotten now, but by August of that campaign, Reagan had not put forth his economic program. The big issue in '80 was the economic issue, and by August of '80, Reagan had still not spelled out his plan.

We had a big debate going on inside about how specific we should be. Criticism was mounting in the press: Reagan doesn't know what he's talking about, he has no plan, he's talking fuzz, there are no specifics. We said the only way you can win this, is you've got to put numbers on it.

You've got to be absolutely specific. Most people said, "No, no, no, no. No numbers."

We went back and forth on that. Finally, we had draft after draft. The key people who worked on that—we would work on a draft and I would send it around for commentary to Shultz and Greenspan and Arthur Burns. Michael Boskin was a member of our task force on tax policy and Casey and then other people in the campaign. I remember one of the top political guys on the campaign—can we say obscenities on here? Because it's accurate.

Young: Sure.

Anderson: Because I remember I got back one of the late drafts of Reagan's economic speech and it said, "Marty, this is a piece of shit!" Exclamation point. They hated it. We went back and forth on this for a long time. Reagan liked it and the key economic advisors liked it and so we kept it. Finally it was decided, on September 9th there'd be a main speech given in Chicago. We still hadn't resolved the question of the numbers. So Alan Greenspan was invited to come out to Chicago and the night before, we were scheduled to have briefed the press ahead of time. Greenspan, myself and somebody else was going to do the economic—there was a little bit of national security in the speech.

Anyway, so Alan and I were supposed to go in and brief the press and we were still working on the speech. That afternoon I sat down with Alan and we were going through it, and I said, "We have to have the numbers." He said no, he couldn't support the numbers. So we went back and forth. Finally I asked him what numbers couldn't he support. We had a schedule of all the years and how much the cut was and all this and that. It was called the feedback. This was the idea, this was the dynamic scoring. In other words, if you put in a tax cut of $100, you don't actually get a $100 tax cut because there's economic growth. You may only lose $70 or $80 or whatever, and it went back and forth.

So I finally said, "Well, how much could you live with?" We went back and forth, and finally he gave me a number. By the way, I've gone back and recalculated that number, it turns out 17 percent feedback. We didn't know it at the time. He just gave me a number. I said, "Would you live with that number?" And he said yes and I said fine, bang, and I put it in the typewriter and typed it up and that was the number and that's how we got the number.

We went out that night and briefed the press and gave all the facts and all the numbers and so on. I remember we started off and I said that we originally had decided to do this with smoke and mirrors but instead we're going to do it with facts tonight. He gave a speech the next day and stopped all the criticism. Just stopped, dead. Because we had the actual numbers. Now the reason we got the numbers—in fact, even to this day I bet you no economist can tell you the answer to this. If you want to have fun with an economist, ask him, "In the fall of 1980, what were the deficit forecasts showing?" You're not an economist, so it's okay.

Knott: Surplus in a few years, wasn't it?

Anderson: Yes. All economists will say, "Large, growing deficits." In fact, the forecasts were showing large growing surpluses of an order of magnitude relative to the economy much greater

than they were at the end of 2000. There were huge surpluses. In fact, they grew to $180 billion a year five years out. What the Reagan plan did was very simple. He looked at that and said, "Look, we've got a huge surplus building up, we give it back to the people. It's their money." So we had this huge surplus building up. Ten percent went into more spending on defense, 90 percent was the tax cut. That's what all the economic forecasts, Senate budget committee forecasts were showing, all the blue chip reporters were showing, everybody was showing large increasing surpluses.

So when we put out the numbers, there was no argument. We showed the surplus and cut it up and that was it. All the criticism went away on that one. Now if you go back and ask people, they don't remember the surpluses. They think there were large deficits. Now the next stage of it is, after he got elected, it turned out the economists, as sometimes happens, were all wrong and the economy turned down and the deficit started to widen.

Young: Yes.

Anderson: Then the early days in the White House, all our discussions were on how do we control the deficit? It's mounting. And I've got some wonderful shots where we go into the White House and we're presenting him with a big chart showing a growing deficit. To go ahead on this a little bit, we had one little device that worked and I think was largely responsible for everything happening the way it did. In the early months of the Reagan Presidency there was tremendous pressure to slow down the tax cut or not have the tax cut. And he wanted the tax cut.

One of the things we did—and that's why you have to talk to Dick Allen—I remember during the transition I talked to Dick and he was about to do something, he was going to resurrect the President's Foreign Intelligence Advisory Board, which had been set up under Kennedy and Carter had gotten rid of it. It was a very powerful board that went over all the intelligence agencies. He showed me the executive order and it was a nice executive order. So I had the idea that what we needed was an economic policy advisory board, because we had these very powerful, famous economists that weren't about to come back into the administration, but they're all sitting out there. There had to be some way in which you could use their talents.

I proposed it. I took basically his executive order, scratched off "foreign policy" and put in "economic policy." Meese liked the idea. Bush liked the idea. Reagan liked the idea. Deaver liked the idea. So it was going to go ahead. Then what happened was that there was strong opposition from the Secretary of the Treasury, chairman of the Council of Economic Advisors, and Stockman, the budget guy, because basically—they didn't say it in these words—but the basic attitude was, "What do you mean, going to have people come in and talk to our President? This is *our* President now and we are running this. We don't need advice." They didn't want advice. Reagan overruled them and said, "We're going to do it. It will be great."

So Shultz was nominated as chairman. We put on it Greenspan and Arthur Burns and Paul McCracken, Bill Simon. It was a good board. And I'll tell you one other story, the intensity of the reaction to that board as we were setting it up was such that—Don Regan especially didn't want it—and when I sent around the executive order to have it checked by all the various agencies, it came back from Treasury for us. I looked at it and it was fine, no changes at all. I

thought that was great. But then, maybe being suspicious like Nancy Reagan, I checked it against the original draft. What they had done, he had ordered his staff to change the board, so that instead of it reporting to the President and me being the executive secretary and running it and paying for it out of White House budget, it reported to the Secretary of the Treasury and he staffed it and he ran it.

Young: Yes.

Anderson: So we just changed it back to the original and sent it out. And it was a very powerful board because then, as the months developed and after a few weeks, we had a weekly meeting. Don Regan and Stockman—Murray Weidenbaum was a little better—but the two of them just said, "This is an intolerable deficit. We've got to slow the tax cut down, postpone it, cannot have the tax cut."

So I pick up the phone and call Shultz and Shultz would call a meeting of the board and they would come into town. They would come in at 9 o'clock in the morning, they'd sit down in the West Wing in the Roosevelt Room and we'd have coffee and little things and they'd talk about this and analyze it back and forth, all around. Then at 11 o'clock the door would open up and in would come the President. Basically what he did, he came in—it was fascinating. Because we had Stockman and Regan and Weidenbaum all sitting around the table in the staff positions, and they were very quiet. Then Reagan would come in and Reagan would laugh and he'd make a joke with Milton Friedman and tap Alan Greenspan on the shoulder and say, "Hi, George." These are all his old friends. He'd sit down and—I exaggerate a little bit. Then George would summarize the whole meeting, because we don't give him the whole two hours.

Basically we would tell him two things. First, he was the greatest President since Abraham Lincoln, doing a terrific job. They didn't say Abraham Lincoln. And second, what he was doing in terms of the economy was exactly right and if he stuck with his guns, we'd come out of it faster than any other thing he could do. And Arthur Burns would say, "That's right, you've got to cut these taxes." And Alan would say, "Yes, you've got to do it." And they all said, "Do it." And Regan and Stockman would be very quiet. That would hold for six to eight weeks, and then they'd say, "We've got to do it," so we'd call another—we did this five or six times. They'd come back in, do the same thing. Basically they told him that he should do what he wanted to do anyway, which he probably would have done anyway.

Young: And—

Anderson: It is a wonderful device.

Young: Silenced the opposition?

Anderson: To the staff. You see, what I argued for a long time is what you need if you're President of the United States, you need an outside mechanism of private citizens who are not beholden to you or anyone else, that will come in and tell it to you straight. Because the staff, all the pressure in there, they develop their own agendas very, very rapidly.

Young: Reagan came by that idea on his own, do you think? There was a foreign policy sort of directorate too, which you mentioned in your book.

Anderson: No, he, see, Reagan operated differently. He never said to Dick Allen, "I want to resurrect the foreign policy advisory board." He never said to me, "I want to bring in these guys." But it was our job to think of these things, was the way you operated. So we gave it to him and he said, "Good, do it." Now, if he didn't like it he wouldn't do it. But he said, "Good, do it." So we had the foreign policy board set up too. The first thing the earlier George Bush did when he got elected President, he disbanded the boards. Trying to get George W. to put the boards back, but that's another story.

Knott: Could you talk a little bit about the 1980 transition in terms of your recruiting and selection of domestic policy-making staff and contrast it, perhaps, with the Nixon experience?

Anderson: Yes. Sat down with Meese. The theory was, what we really wanted to do, to avoid the mistakes we made with Nixon, was to have a really powerful personnel group. They had done a great job. For every position in the government, they had identified a nice description of what the position was, what the main things were, who was doing what to whom, and they also had a description of three, four, or five people who were qualified to fill that position.

Then we said that the main purpose of this whole thing we're doing here is that Reagan has for many years been studying and explaining to the American people what he wanted to do and he's told them, and now he's been elected. So the critical thing is to get done what he wanted to do. So I had a title—let's see, was it Assistant to the President for Policy Development? It was a misnomer. Ninety-nine percent of what we did was policy implementation, getting done what he wanted to have done and that was the whole focus.

So during the transition, we did something that hadn't been done before, and I don't know if it's been done since. We set up three briefing teams, so that when President Reagan decided who he wanted as his Cabinet officials—let me take Don Regan as an example. Cabinet members, when they're first selected, are very cooperative. They will do whatever the President wants. So when they came in, they were first of all given a briefing by Bill Timmons's operation. If they're going to become Secretary of Treasury, where the building is, how many people you've got working for you, what are the current things going on up on the Hill, what kind of problems you have to deal with, where the bathroom is. All the logistics, all the things that you must know and it can take you a long time to figure out. They were given terrific briefings so they could walk in and start to go.

Then we set up a briefing on personnel. They were essentially told that they could select anybody they wanted to as long as the President agreed, and they all agreed to that. So then they were given a list of people that the President had pre-selected, and told that if they chose from them, bang, they're in. And most of them decided that was a wonderful thing to do, so they did that.

Now, in the economic area we did something special because that was *the* critical issue in terms of getting Reagan's economic policy done. One of the things I'd learned in the Nixon

administration was as soon as the meeting started and you have people come in from the various agencies and around the government, the first question was, "What should we do?" They totally ignored what Nixon had said during the campaign. We argued and fought and I remember sitting in meetings with 10-15 people and losing 14 to 1. They didn't want to do what he said in the campaign. So we had to fix that.

So in economic policy, Pen James was in charge of it, and we worked it so that a person named Annelise Anderson was put in charge of staffing the economic section of the government. She did happen to be married to me but that's—and the idea was that instead of figuring out which departments to fill, we asked the question, "When economic policy is made, who sits in the meetings?" There are certain people. You've got the Secretary of the Treasury, but also the Assistant Secretary for Economic Policy. And you've got certain people in the budget department to sit in, plus the economists, and there are about ten different people that make it.

So we identified those positions and then for those positions, we went out and identified three or four people that could fill those positions that were not only superbly qualified but agreed totally with Ronald Reagan on that issue. So when Don Regan came in, he was told, "Here. Here are the people to pick from." I'm not sure if he realizes to this day, but he picked all supply-siders to fill the positions.

Then the third thing we did, we set up in my shop a policy briefing and Doug Bandow and Kevin Hopkins, my two assistants, were put in charge of it. For each Cabinet member they produced a loose-leaf notebook. They went back through the campaign, through the Republican platform, all the statements that Reagan had made. So, for example, on economic policy, they took all the statements on economic policy and put them in the book and the same thing for HEW and all the other ones. Then we sat down with the Secretary and just said, "Look, here is what your President has said. This is what he wants to do, this is what he said." We reminded him, "Here are the chapters, here are the pages, here are all the things to go." And we gave him the book. Later on Stockman referred to them as the "holy scrolls."

So when they took over, they knew exactly what was going on. They had people surrounding them that all agreed with what Reagan wanted to do and they had all the right policy. So that was just the beginning. That was during the transition.

Then we set up in the White House to make it work. That's a different story. But you want more on the transition?

Young: This was very much in contrast with the Nixon set-up.

Anderson: Totally. Because in the Nixon thing, there was very little attention in terms of briefing all the things that were going to happen, like with the Simmons thing. That was a very important thing. The personnel thing was nothing, they were told to have their own personnel and there was no policy briefing.

Young: I think it was probably very different, but it was a somewhat different situation with the Bush transition from Reagan. It was a somewhat different situation.

Anderson: Oh yes, it was totally different.

Young: Personnel selection was comparable, I think, but not identical.

Anderson: Well, they had a hard time because—

Young: A very hard time.

Anderson: —there's a lot of evidence to suggest that the first thing they did in terms of the transition was to make sure that the person had not worked for Ronald Reagan, which led to a lot of difficulties, but that's another story.

Young: Okay.

Knott: Were you surprised when Ed Meese was not selected as the Chief of Staff? Did you expect—?

Anderson: Yes. I thought Ed Meese—

Young: He seemed to be a natural.

Anderson: I agree, and I think he was and is a natural. There were a lot of things that developed. I think there was a—I'm not sure exactly, now I'm speculating—but there was competition between Meese and Deaver. I think that Reagan felt a very strong sense of obligation to Deaver because of the fact that he had let him go when he shouldn't have let him go. Also, the fact that during the campaign Deaver saved his life.

Knott: Is this the peanuts?

Anderson: Yes. On the plane, the peanuts.

Knott: I'd never heard that until I saw that in your—

Anderson: I was right there when—you know—

Young: Yes, I know.

Anderson: He was dying, he was choking to death, until Deaver came up behind him and [sound effect]

Young: Gave him the Heimlich?

Anderson: Peanuts all over the place.

Asher: I actually hadn't heard that story.

Anderson: I was sitting across from him on the plane and he was wolfing down these peanuts and having a wonderful time. All of a sudden he stopped and then gradually, about a minute, he just turned white, gray and then he turned—he got up and he couldn't breathe. The first reaction was he was having a heart attack. Someone ran for the oxygen tank, which would have killed him. Deaver figured out what was going on and thinking very quickly stepped behind him—because Reagan is so much bigger than Deaver. The little guy got behind him and just slammed at his stomach, really hard, and out came all these peanuts and he took a deep breath and he came back. Almost died. So I think he remembered that. There are a whole lot of things that go on.

But I think the decision was made that basically Meese wasn't going to work for Deaver and Deaver wasn't going to work for Meese. I'm just guessing now. And Jimmy Baker was there. He had done a good job in the campaign, he's a very good manager. This comes back to my original theory about Reagan, him being incredibly tough and warmly ruthless. He said, "Fine, we're going to have a troika." And the amazing thing about the troika, it's like—someone said it's like balancing an egg on its end—it worked, for a long time.

Young: Of the three, I believe Baker had the experience in Washington that might have—and that might have been instrumental—

Anderson: I think you're right.

Young: Because Reagan hadn't worked in Washington before.

Anderson: That's true.

Young: He was new to Washington, and here was somebody who could work inside the beltway.

Anderson: And not only that, the other thing is that Baker's got a totally bad reputation, which is not deserved. Because at least during the year and a half when I was there, all the meetings inside, he was trying to do exactly what Reagan wanted to do. He would go back and forth to the Hill. He was doing the negotiations with the Congress. He'd report and he would come back and discuss and tell Reagan what was going on and tell him what the choices were. Reagan made all the decisions, Reagan made all the compromises. All those calls were Reagan's. They weren't his, Baker's. He was totally loyal in trying to get the job—and he did a good job.

Young: But there was a lot of—I remember, there were reports in the press from disgruntled right-wing—

Anderson: Oh, I know.

Young: That Reagan has betrayed them or something. I mean, it wasn't only Jim Baker.

Anderson: They even attacked me.

Young: It was Reagan himself.

Anderson: It's true.

Young: Okay. Sure. This model was constructed at one time of the pragmatist versus the ideologues. Was that real?

Anderson: No. Basically it was that they were dealing with—it was basically being driven by what I would call Reagan's "style of negotiation." If you look at his whole life, what he did was the following—I mean, he did it here at Stanford on the library, too. He would decide he wanted to do something. Then he would get himself to the point where he would ask for 200 percent of what he would settle for and convince himself that he wanted it. I say convince himself—nobody ever knew—but he always acted as if he had to have the 200 percent. Nobody, he never said to someone, "It's what I'm looking for." It was always, "Had to have it, absolutely had to have it."

And he negotiated and negotiated and fought and everything for that 200 percent. Like that 10 percent a year for three years. First Baker came back and said, "Mr. President, they might go along with some of this tax cut but first they're going to insist that you cut the top rate from 70 to 50." Now during the campaign we had discussed that and everyone had agreed and Reagan had agreed that politically you couldn't do it, impossible.

So I remember the meeting when Baker came in, this was a Cabinet meeting and told the President that they're insisting on cutting it from 70 to 50. Reagan said, "Well, I just guess we'll have to do that. Don't throw me in the briar patch." Then, what happened was, Baker would come back and say, "Look, they're not going to go for the 10, 10, 10. They absolutely refuse to. They'll give you 10 percent in three years," and Reagan would say no. Then it came back, I remember I was going to say, "How about 10, 10 and 0? Then the 10, 10 will work well and we'll get the other one." That didn't work, they did 10, 20, and that didn't work.

Finally one day they came in and they said, "Look, 5 percent, 10 percent and 10 percent." Reagan said, "Okay," and it was done. And that's what it was. And if you do 5, 10, and 10 and you do the final calculations, it's not 25, it's about 23 percent totally. Everyone remembers the 30 percent, but Reagan did this time and time again. He would demand what he had to have but then settle for anywhere from 50 to 100 percent more than he should have gotten, all the time.

Young: Also you mentioned, I believe, in the book, he would require that the result not be contrary to any of the statements or commitments, public commitments or principles that he had enunciated. That seemed to be an important—

Anderson: There are times, every now and then, he would change his mind. For example, once he was Governor, I remember—but the big difference is, he'd change his mind. I forget what it was on, I think it was on a tax cut or something. Evidently he had made an earlier statement, that "My feet are in concrete on this." And, I draw the analogy to what George Bush did when he said, "Read my lips."

Young: Yes.

Anderson: Okay. They both changed their minds. But when Reagan changed his mind, he got up, and he was very deferential. He said, "Look, the sound you hear is concrete cracking," and he was rueful about this. He did not like it. He said "I'm changing my mind," and he was sincere about it. On the other hand, the earlier George Bush, when he broke his pledge to raise taxes, remember what he said? He was out running and he turned around and pointed to his fanny and said, "Read my. . . ." It was a sense of arrogance. Reagan never had that. And it's a huge difference.

Knott: I had forgotten that.

Anderson: Yes. You can't do that. The American people will not tolerate that. They get mad. Anyway, then the transition, the guy who was in charge of the budget was Cap [Caspar] Weinberger and things worked.

Young: One other thing. You said that one of the big issues in the campaign, the later campaign, was that the President has not spelled out his economic blueprint enough.

Anderson: Right.

Young: There was also some concern either then or earlier about Reagan's inexperience in foreign policy.

Anderson: Right.

Young: I wonder how that was addressed in the campaign and then in the preparation for governing?

Anderson: I think the best person to talk to is Dick Allen because he was deep in the middle of that and he's right down the hall.

Young: This isn't the time, but—

Anderson: I think that's a very interesting question. It may be one of the reasons that led to the selection of Al Haig, because a lot of people were against Al Haig. They thought that Al Haig had a lot of experience and knowledge and stuff like that, but you'd have to talk to Dick Allen. I was not a part of those discussions.

Young: Yes, and that's a very important part of the story.

Anderson: I agree.

Young: I was fascinated in your commentary about contrast. You seemed to be contrasting the experienced and careful preparation on the domestic side for governing and apparently it didn't work out quite that way.

Anderson: That's why you have to talk to Dick because I—

Young: Okay.

Anderson: He will disagree in terms of preparation—

Young: But in terms of implementation—

Anderson: Implementation is different. One of the reasons I think, and you can ask him, is that, on the foreign policy side, there is a much smaller number of players. One of the things we did on the domestic policy side, when we got into the Presidency, is we sat down with Meese and we tried to figure out, how do you handle this thing? Because when you become President and you've got all these Cabinet officials and all these staffers running around and all these things happening and so on, if you're not careful, it gets way out of control very, very quickly.

Whereas on the foreign policy and national security side there are two critical people, Secretary of State and Secretary of Defense. They're supposed to be coordinated by the National Security Advisors. However, if one of them should not want to be coordinated, which I think was the case with Al Haig, things can get very difficult. I think the problem was not the planning or the institutional set-up, it was the recalcitrance on the part of some of the key players.

Young: One reason that this is fascinating is that when people compare the Reagan transition and governing to the Bush transition and governing, where you see apparently something that is quite the opposite, where you see a close-knit, intimate team with a President who is very much interested in foreign policy. And on the domestic side you see scatteration and always trying to feel for an objective or vision or whatever they call it, where there was just an enormous amount of frustration, I'll put it that way, among the operatives.

Anderson: That's nicely put. That's true.

Young: I'm very even-handed. I'm no left-wing or right-wing—

Anderson: I think you're absolutely right and I think there are reasons for this.

Young: It's fascinating to look at these two very different—

Anderson: It's because on the foreign policy and defense side, it is fortuitous that it happened because of what happened on September 11th, but it just turned out that Cheney was a former Secretary of Defense. He's going to be Vice President, there is a huge change right there, and then Rumsfeld, who was deeply involved in the campaign, and we had worked with him very closely for a long time and had been Cheney's boss for a long time, had been Secretary of Defense. I mean, it's amazing how that locked in. And Colin Powell, one of the most revered people in the world, and had worked in the Persian Gulf War and then Condi [Condoleezza] Rice, had been on Bush's National Security Council. She had worked with Bush for many years and she was a close friend of Colin Powell, she had worked very closely with Rumsfeld and she knew Cheney very, very well. They all worked together and that's the way it's supposed to be.

Young: So in the elder's administration—

Anderson: Yes.

Young: Sure.

Anderson: They all knew each other and they worked well together and they understood exactly how it's supposed to work. There wasn't one or two of them—I mean, let's say Colin Powell is going off inside making speeches about, "We really should never have gone into Afghanistan. This is terrible, a dumb thing." Or if Condi were saying, "We ought to put nuclear bombs on them." Just different kinds of policies. But now, if you look at the domestic side, I think it's interesting.

When we get into talking about how we organized the domestic side and you can look at how other people have organized it, it is always a real problem. We talked to the Bush people about how they should organize it. That advice was ignored and they have organized it the way they organized it. There are differences and we're seeing the differences.

Young: I think the way it was organized under Reagan was really historically quite unusual. I don't know of any particular parallel to it, though you can find a little bit in the war-time Roosevelt administration that is somewhat parallel to it, but never that degree of coordination in a normal political situation. It also strikes me that Reagan had what I don't see any evidence that George H. W. Bush had, was that he had a plan in his own mind of what he wanted to accomplish. So that there was a guidance factor, a Presidential "must list" that was present to inform that process and guide it. And there wasn't in the successor's administration. You've got to break up—

Anderson: I've got to give a speech at 3:30 or so.

Knott: We'll break at 3.

Anderson: Let me get in a few words about how we organized the thing because—

Young: Okay.

Anderson: And then we can come back to it tomorrow. But I love to talk about this, because nobody ever asks me. I think it really worked. You ought to talk to Meese too, because we sat down and worked on this for a long time. But the guiding principle was that on a wide range of issues, we knew where Reagan wanted to go. He had said so. And the lovely thing about working for him, he didn't change his mind. Once he laid—everything was consistent. The one thing we really tried to do, the idea was that if you have four or five policies and they complement each other, they all become stronger. If you have one policy that contradicts the other one, the thing gets jumbled.

So we were very careful about making sure they were all complementary. The trick was, how do

you make this work in the government? We sat down with Meese and we decided the following. First, maybe the textbook way of doing this is you have Cabinet meetings, but that doesn't work. If you have a Cabinet meeting on every single issue, you drive the Cabinet crazy because there are a lot of issues that most of them are not interested in. The foreign policy guy is not interested in the—and so on. So the other way you can do it is you can have separate Cabinet meetings, just deal with Cabinet agencies separately. But that's a problem because there are a lot of issues that involve two, three or four different Cabinets.

So what we decided to do was to set up what we called "Cabinet Councils." The way these things worked, you put together two, three or four different Cabinets around a cluster of issues. One issue was economics. Then the trick was, the Cabinet Council, when it met, had to have the same status as a Cabinet meeting. So the President was the chair of each one of the Cabinet Councils. But because the President can't go to all the Cabinet meetings, there was a chair who sat in his absence, which was a preeminent Secretary. So in the one in economic policy, the person who chaired it in the absence of the President was the Secretary of the Treasury. That person should be the leader, if you don't have the President. Then there were other groups that worked the same way. Each one had a designated Cabinet member to be the *de facto* chair, other than the President.

Then the question was, how do these Cabinets meet? Where do they meet, who sets the agenda, what's the policy? That's the critical part. Because you don't want the Cabinet Councils calling their own meetings whenever they want to have a meeting. What we did was, we set up for each Cabinet Council an executive secretary. The executive secretary was to work with the chairman of the council and get suggestions and ideas for various dates. Then this all came back through me and through Meese, because all the executive secretaries of the cabinet councils were from my staff.

Then we set it up so that the Cabinet Councils never met outside of the White House. See, this was the other problem they had on the foreign policy side. They met in the Defense Department, they met in the State Department, they met all over the place. Our idea was, you want to have a meeting of the Cabinet Council, you have to come to the White House. Why that was important was, members of the Cabinet like to come to the White House. When they leave, they can tell everybody, "Sorry, I have to go meet with the President. I have to go to the White House." That's good for the Cabinet member to come to the White House.

When they came in, we had all the meetings in the Roosevelt Room, in the Cabinet room. I would argue that more work got done in the five or ten minutes before the meeting started and in the ten or fifteen minutes after the meeting started, because during that period of time the Cabinet came in and you couldn't send replacements. They got a chance to meet and talk to the White House staff and the White House staff got a chance to talk to them. After the meeting, they all split into little groups and talked, had a cup of coffee and back and forth and it was a wonderful way in which the White House staff got to meet the Cabinet and vice versa, so it wasn't the White House staff versus the Cabinet. They were all working on the same issues, the same problems together. Then after the meeting was over the Cabinet Secretary would sit down and take charge of all the action items and so on.

Then the next step was, we needed groups to feed information in. So we set up these working groups and the working groups were designed to focus on a specific issue like welfare reform or energy policy, whatever it was. For the working groups, you could pick them from any agency of the government, you could pick them from outside the government if you wanted to, but there were always one or two from my staff on the working group. So eventually we had, I don't know, 70 or 80 of these little working groups going on. What this gave us was an organization, and all this went through Meese's office so he knew exactly when the meetings were scheduled, what was going to be on the agenda. We set the agenda, who was going to be at the meetings, staffing. Some of the meetings the President chaired if they were important enough.

The best part about it was we knew what was going on. In other parts of the government, when something comes into the White House, it's the first time you hear about it. Suddenly you have to make a decision. But in this system, if something was going on in a working group on energy or welfare reform that was contrary to what Reagan wanted, one of my staffers would come back and tell me and we'd fix it, before it ever got there.

Young: Were working groups doing any actual legislative drafting, or what did they do?

Anderson: Policy.

Young: Policy what?

Anderson: Policy ideas, principles, issues, positions.

Young: Implementation?

Anderson: Implementation, yes, sure. Then, once it was decided what to do and the President signed off on it, then it would go to the legislative group and they'd work with the Congress and work it through.

Young: That was LSG [Legislative Strategy Group], and that was Baker.

Anderson: LSG, yes, that's right. Baker and Darman, that group. And as time went on, the policy group gets less important and the legislative group gets more important as it shifts.

Young: Yes, sort of the tactics.

Anderson: But the clear thing, when I look back on it, it was a device that allowed us to keep track of what was going on and what people were developing before it came in to—no, let me give you an example. I described some of this in the book. I probably should have been fired, but I wasn't.

Early on in the first few weeks of the administration, before we got the Cabinet Council structure set up and designed and operating, the normal thing happened. The Attorney General came in, had a big new idea. We're going to have a national identification card for everyone. You know the story. That was right off the wall. We had never heard of it. Some of the people in the White

House had heard of it, in all the little special ways and so on. The State Department wanted it. They wanted it and the Attorney General wanted it and boy, they came running that little thing in. And we hadn't prepared for it. That was the kind of thing we wanted to stop, which we did, but only when we got the Cabinet Council set up.

Young: That was quite a story.

Anderson: Yes, I almost got fired. No, Reagan wouldn't—that's what I love about Reagan, he'd never fire you.

Young: "Maybe we ought to just brand the babies."

Anderson: That was the way Reagan operated. For example, he didn't say, "That's a dumb goddamn idea," or, "I don't like that," or, "You shouldn't have done that," or "I wouldn't do this," or a philosophical discussion. No, he just said, "Well, we can brand all the babies." And everyone said, "Oh my God. It's off the table."

Young: We should break now. Have a little chance to rest.

[BREAK]

Young: Steve, you had some questions about domestic policy and something that you did and spoke a lot about, which is SDI [Strategic Defense Initiative], which doesn't quite fit into domestic policy as we usually think about it. So Steve wants to ask something about that.

Anderson: You have to remember Ronald Reagan was not a typical President. Didn't work that way.

Knott: You were with then-Governor Reagan on a very important trip that he made to NORAD [North American Air Defense] headquarters in Colorado Springs—

Anderson: Um-hmm, '79.

Knott: Nineteen seventy-nine, yes, and you do talk about it at considerable length in your book. I think it was an important event—perhaps I shouldn't assume that. Could you give us some account of the impact of that visit on President Reagan?

Anderson: Yes, first let me just back up a little bit on it.

Knott: Sure.

Anderson: A number of people have written about that, including one woman named [Frances] Fitzgerald. To put it charitably, it is totally wrong, because the clear impression she is trying to give is that Reagan went on this trip and he suddenly realized what was going to happen and he thought back to an old movie and he got all excited. It just, frankly—and I think she's an intelligent woman so I think it's probably done deliberately, misrepresentation of what happened.

What happened was very simple. In ’79, a friend of Reagan’s from Hollywood—I forget his name now, I think I’ve written it in the book—suggested, he somehow knew the commanding general at NORAD. He suggested to Reagan that it might be fun, be important, given the campaign, to take the trip. So Reagan agreed and the trip was arranged. It was my turn to go out and travel with him, so I was on the trip. So there were three of us that went. There was Reagan and this other fellow, I think he was a screenwriter in Hollywood.

I can tell about the details of the trip, but the basic import of the trip was that this is not the first time that Reagan had thought about missile defense. In fact, earlier he had made visits to Livermore [Lawrence Livermore National Laboratory] with Ed Teller and had been briefed on missile defense. He was fully familiar with Nixon’s ’68-’69 stuff on missile defense and all the things that had been made. He was fully aware of it.

But I think what was different about this trip is, this was the first time, it drove it home. It’s one thing to talk about it conceptually, or on paper and so on, and it is quite another thing to go into that mountain. Have either of you been at the mountain at NORAD?

Knott: Yes.

Anderson: You know, you go in with the big steel door. If you haven’t been there before, it is dramatic, you kind of walk inside of a mountain. Then toward the end of the day we were taken down and shown the main room, which I probably shouldn’t have described this way, but it was like something out of a movie, which excited Ms. Fitzgerald a lot. But it’s like a movie. It has a huge screen—well, you’ve seen it. There’s something about that, it makes it more concrete. It dramatizes it.

I remember one of the things—I told the story in the book—while we were sitting there, in the lower left-hand corner showing the United States, were all these little blinking lights. They had just told us that little blinking lights meant there was an attack coming. So we watched them for a little while and finally I couldn’t resist. I said, “What are the little blinking lights?” And they said it was just drug smugglers coming across the border at night.

Then when we met with the general for the final pulling everything together, I asked the question. We had been briefed on the Soviet threat and the missiles and the SS-18 and so on. The question I asked them was, “What would happen if the Soviets let loose one missile, one SS-18 and aimed it at your front door?” And he didn’t hesitate. He just said, “Oh, blow us away.” I think that was the part that was striking. And we said, “What do you mean, blow us away?” And he said, “Oh, the whole place is obsolete. It was designed back in the late ’60s when they didn’t have missiles like that and the power and so on. It’s gone.”

I think that what that did, it wasn’t that it was something new, it was that it brought it together very clearly in Reagan’s mind, that basically we were naked to an attack. We had spent probably billions of dollars on a system that was quite brilliant in identifying where the missiles were coming from and where they would land and how long you had before you die. But that was it.

On the plane going back, he was thinking about that in the context that he was going to run for President. The way he put it was, if you become President, and if there is any kind of an indication of a nuclear missile attack on the United States, the President has two choices, both of which are equally bad. One choice is, you can let the missiles land in whatever city they're aimed at and watch millions of people being killed and make what happened to the World Trade Center in New York look like nothing, and then complain about it. Or, you can launch your retaliatory strike and, in his words, cause Armageddon. He was serious about Armageddon. And you can *really* blow up people on the other side.

Then there's a question about having the questionable satisfaction of knowing that before you die, a lot of others will die. He said that's just totally unacceptable. How did he put it, "These are just two bad choices, unacceptable choices. There has to be a better way." Then he said, "The only way is missile defense. You have to stop it. Either tear down the missiles or stop them as they're coming in." So, that was the concept. But Ms. Fitzgerald—the people since then have read this, I have been told, as "Oh my God, he went there and he had this idea that suddenly this was possible." He knew that all along.

Knott: When did he first start thinking, at least in very general terms, about missile defense? Do you have any sense of that?

Anderson: I went back and checked on that, in fact, just recently. And, I have found, I checked with the records at Livermore Lab. While he was Governor, he did visit the Livermore Lab. I've got photographs, he was in the lab, he was briefed on all this stuff. It was clear he was very familiar with everything that Nixon did in the '60s in terms of missile defense. When going back and going over some of the essays he wrote in the '70s, he does talk about missile defense as one of the elements.

Young: At Livermore, Teller was there. So Teller had had that also, the concept of missile defense.

Anderson: Oh yes.

Young: And in fact, was pushing it pretty strong, I think.

Anderson: Yes, sure, sure.

Young: As early as the '60s. So he would have been exposed—

Anderson: One of the things that is so much fun about history and going back and reading these things, is that a lot of the things that appear to people to just sort of appear full blown, bang—no, no, no, they happened a long. . . . They're all kinds of things that built up and built up and the more you track back, the more you find. So I think it's very clear that he was fully aware of it, knew all about it, the concept of missile defense. The trip to NORAD I think was important in the context of running for President, just before he was running, in that it made it very concrete—to have the general tell him and to watch the screen and to look at this incredible complex and to be told that it is obsolete.

Knott: Did you remain—I know you were on the domestic side—but how engaged were you during the White House years?

Anderson: In missile defense?

Knott: I mean, I know you left fairly early.

Anderson: See, the thing about Reagan, the assumption is made that everything is divided in neat categories, and he didn't work that way. In fact, at meetings he thought if the domestic people wanted to comment on the foreign policy and the foreign policy on the domestic policy, that was just fine. He wasn't a stickler for "you stay in your box and you stay in your box," which upset a lot of people on the staff, because they're used to staying in their boxes.

I just want to tell one story. It gets into some of the things that happened later on, then we'll get into missile defense. I remember, early on, there was a trip to Canada. I think it was Reagan's first trip out of the country, so all the foreign policy people went to work on it, Dick Allen preparing and getting everything ready. But then it appeared that a lot of domestic issues were involved because of the border. Maybe a third of the issues they were going to discuss were really domestic issues, so I get called in to the planning, so we're working on it.

The first time there was a meeting on this whole thing, it was in the Cabinet room at the White House and it was called for a certain time. So I get over there maybe 5-10 minutes early and walked in and Al Haig was standing behind the table all by himself, leaning forward. He looked up at me and said, "What the fuck are you doing in my meeting?" I mean, he was really upset. So I said, "Hey, any time I get a chance to make your day I take it." But that was the way he operated, you see. He was very upset that someone from domestic policy was in *his* meeting. But Reagan didn't operate that way, that wasn't his style.

On missile defense, I guess I had a personal interest in it, because when I came back from the trip from NORAD I wrote a paper for Reagan. The main reason was that at the time there was nobody else there. So I wrote the foreign policy, national security paper. There were three papers, one was economic policy, one was on foreign and defense policy, and one was on energy policy. Those were the three big issues we were developing. We discussed it internally and a decision was made in the campaign that he simply could not talk about missile defense, anything dealing with nuclear weapons. Given all the political problems, it would have been totally misconstrued.

In fact, what's kind of fascinating, we talked real clearly that we had to get rid of the ABM [Anti-Ballistic Missile] treaty. That was back in '79. I understand today that we got rid of it. Took it out. So it takes time for things to happen.

Young: You were interesting, saying Reagan did not compartmentalize, referring to the mix. It almost always seems to me there is a mix, something which most scholars don't recognize, I think, between what is an international issue, a foreign policy issue, and what's a domestic policy issue. Particularly in economics. I mean, you can't possibly make that distinction, so it is in a

sense kind of a false distinction. But I also remember—I can't remember your exact words—you said yesterday that things were pretty compartmentalized. You were not referring to Reagan's thinking but—

Anderson: The way the White House is organized. The organizational structure of the White House.

Young: Strategy, lobbying, policy issues?

Anderson: Yes.

Young: Okay.

Anderson: Because people don't realize how large the White House staff is and people have their own areas of responsibility. What was different from Reagan was that if you had a meeting, he liked to hear everyone's views. Although after a while, the people in foreign policy did most of the talking in foreign policy.

Young: On the size of the White House staff, for a humorous note, I've calculated, it's about the same size, at last count—when you count detailees—as the Marines that were sent to Tripoli.

Anderson: Well, maybe it should be bigger.

Young: They did okay.

Anderson: I think the common thing, every new President coming in says it is way too big, he's going to cut it down, then they get there and say, "Whoa, maybe not."

Let me say one word about the missile defense thing, because I don't think people understood that. I was interested in it and we were working on it and then it was not used in the campaign at all. Then a lot of other things came up. Then something happened internally that led to it. In the morning we always had a senior staff meeting, which is a normal thing in the White House. Baker chaired it and everyone sat in and then when the meeting was over everything led from that meeting. The problem was that the way the policy thing was set up—Dick Allen had foreign and national security and I had the domestic and economics—we basically reported through Ed Meese, who was the overall counsellor. Ed had a very deserved reputation for being incredibly busy and handling a whole lot of things and if you didn't get a hold of him, nothing got done.

So the logistical problem was, how do you coordinate what everyone was doing? There was no way to do it in the first weeks of the administration. It just didn't seem to work very well. So I suggested to Ed that what we ought to do is after the senior staff meeting, we go to his office and have a policy meeting. He thought that was a great idea, so we set that up. Every morning then, we would leave the first meeting, which was dealing with public relations and logistics and who was coming in and all kinds of things. But not policy. That usually got relegated to the tail end.

So the people who went to Meese's office were Meese, Dick Allen, myself. We also brought in

someone from the budget, because money was always a problem. We had done something else—no one paid much attention to it, but OMB [Office of Management and Budget] is a critical part of the Office of the President. They have an incredible staff of professional people, 400 or 500 people that are really terrific. They don't change with administrations and usually they go to war with the White House staff. So we were determined to make them part of the White House staff. The way we did that was, after Stockman was named to be the budget director, we took a very careful look at who were going to be the four associate directors. It did not make Stockman happy, but he was given most of the associate directors. One of whom I happened to be married to, Annelise Anderson. So I had a good review of what was going on in the budget department. She liked Stockman a lot because he was very capable. Then, the most surprising thing, we made the deputy head of OMB Ed Harper.

Young: Yes.

Anderson: He and I used to share an office suite with Nixon back in the '60s. I knew Ed very well. At the same time that he became the deputy, we also made him a joint appointment with the White House as an Assistant to the President.

So when we met, he came to the staff meetings and then in the morning when we went back into Meese's office, he came in every morning representing OMB. So we had national security, we had domestic and we had OMB represented, and we brought in the science advisor Jay [George] Keyworth. Then Ed had staff and so on. We had the whole policy shop represented in Meese's office. That's when we went through a whole range of policy issues, everything from welfare reform to taxation and—because of the way it was set up—all national security affairs went in there. That's when we started talking about missile defense.

So that was the avenue in which missile defense came up and was on the agenda. We talked about it from time to time and brought in people like Karl Bendetsen and other people who were working on missile defense, and got briefed and discussed with them. Through that office, set up meetings with the President and we had a lot of discussions on missile defense that never went to the Defense Department or State Department.

Young: But the President knew about it.

Anderson: Yes. I guess this gets back to one of the basic attitudes we had when we went in there, which was the basic purpose of the White House staff is to get done what the President wants done, not what various agencies want, not worrying about the agencies and who is doing what to whom and how you are doing it. You have to consider that but the basic thing was to get the information to him so he had a full knowledge of all the pros and cons. He made the decisions and that was the purpose of the White House staff.

Young: As against, for example, taking essentially a mediating role between the various competing ideas that come up in the administration. That wasn't—

Anderson: No, that wasn't high on anyone's list.

Young: It was exactly the opposite.

Anderson: For example, I remember when we had quite a wild time with the science advisor. It didn't fall anywhere so I got the action on appointing and working on the science advisor. The stuff came in, we talked about it, talked to Ed Teller and so they recommend this nice guy named Jay Keyworth. We had, at the time, what was a naïve idea that the science advisor should represent the President's views to the science community.

Young: That's not the way it used to be.

Anderson: No, we soon discovered that. Well, the science community went bananas on this. They thought it was just outrageous. They wanted *their* views represented to the President.

Young: Sure.

Anderson: Someday we have to go through the letters that flowed in. The lobbying was unbelievable on the science. I mean, if you think the labor unions are good lobbyists, you should see the science people. I remember, he even got a letter from Bill Buckley running down Keyworth, how bad he was and so on. We said no, no, no and we stuck with it and appointed Keyworth. But it was just one little example, the idea that representing the President's views was something that had kind of gone off the table.

Young: The problem of the President's staff getting colonized by outside interests is one you can never fully overcome, because that expectation is built in there. However, one of the interesting things about it is that it was an approach that was both extremely savvy about the kind of cross-pressures you would face when you got in there, and also so closely geared to forethought and foreknowledge of the President's own priorities and directions. Those elements are often not present. That's really unusual historically, I think.

Anderson: We had one big advantage—most people, including a lot of the staff, did not realize the extent to which Reagan had thought about these issues, had read about them, had studied them, for a long, long time, and had written about them. Some of the stuff we're just finding out now. One of the things that pleasantly surprised me, working with him, was how when he said something, it stayed. It was because he'd been thinking about it a long time and everything meshed together. I've often said that working with him, he was different than most top executives.

For example, one of the contrasts between Reagan and Nixon is that Nixon thought like most academicians I know, they have a concept in their mind and they lay out this concept and they see all the elements of the concept, then they start to fill them in, but they have this overall idea. Whereas Reagan seemed to work from more of an inductive system. He would take a position on X, take a position on Y, take a position on Z and so on. It was only later on when you put them together you realize it all worked. It was not obvious when he was doing it. He never seemed to lay out an overall A, B, C, D on how things fit together, he just did things and they fit together.

I remember when I was writing up the economic statement, the policy paper in '79, I think

people were surprised that he really liked it. I thought, *Well, he should like it because it included everything he'd ever done.* He had never lined them all up and said, "One, two, three, four, five, here's a policy system and here's how it all works together." But if you went back to everything he had said and talked about and so on, individually, all the little points were there, which added up into the whole.

Knott: To move away from SDI, before you took your position as Assistant to the President for Policy Development, I believe you mentioned yesterday that you met with Stuart Eizenstat during the transition, is that correct?

Anderson: No.

Knott: That's not correct.

Anderson: What happened was that after we came in I called him, just to talk to him. I invited him over to the White House for lunch and he came in and we talked for a couple of hours. What was striking, that's happened time and time again, is that whereas we would disagree on the policies—and we didn't discuss a lot of that—in terms of the organizational structure, how you do things and so on, we had the same problems. He was very interested. I remember, we spent a long time talking about this new system we were trying to set up with the Cabinet Councils and how it worked. He liked the idea. He was very supportive of it at the time.

Young: Yes, because they had a lot of problems that were being addressed with Cabinet Councils that didn't get solved, I think, in the Carter administration. Long ago, before this recent interview with Ed Meese, he had an earlier interview at the Miller Center. I think this was about 1991 or somewhere there, and he mentioned then, he mentioned it again in our interview, about some of his consultations with the Carter people during the transition, in particular Al [Alonzo] McDonald.

It so happened that we had earlier, for the Carter project, interviewed Al McDonald who gave me, in trust, the copies of the papers that he had prepared for Meese. That is, the mistakes we made, the problems we encountered and so forth and so on, which were quite fascinating in terms of a critique from an outgoing administration, a critique of their way of doing things and problems, benefiting an incoming administration. So this whole question of how a transition goes, area by area, is really quite an interesting one. I was surprised, by the way, to hear about these breakfasts that he would have with Meese and hear it from both Meese and from Al.

Anderson: I think that people don't realize that there is usually, not always, there is an extraordinary amount of cooperation between the outgoing administration and the incoming administration. I remember when we came in, when Nixon won, Lyndon Johnson threw a big party in the White House mess. My recollection of that was they welcomed us with open arms, sort of the new troops coming up on the front line and the old troops exhausted and going home and saying, "Fine, it's all yours. We're out of here."

Young: There were five people in your position as I counted during the eight years of the Reagan administration. There was Anderson, then there was Harper, then there was John Svahn,

and I think Roger Porter, and then Gary Bauer, and then Kenneth Cribb. This is a question about when you left the office, how it evolved, didn't evolve, changed. You had mentioned earlier that as time went on, there were some changes in the way things were done in the White House. I'm asking whether the succession of new people in the Office of Policy Development, how historians should read that, those changes. What was going on, whether it was change, whether it was continuity?

Anderson: I've always left after a couple of years, so I'm really not intimately familiar with how the other years worked. But from what I've seen, I think the best way to understand it is that usually the assumption is made that the function and role of the office stays the same. I don't think it does. And I think it's especially true for the domestic policy shop. When a new President comes in—let's take a new President coming in, the same way that Bush just came in and Clinton came in and so on. In terms of affecting change and getting things done, you probably have a window that opens up that is no more than a year long. And if you do everything right, you can get things done during that first year in terms of major changes.

So the basic function of the policy shop when I was there was that we had all these ideas we had built up over the years and how do you implement them, how do you get them going, how do you develop a policy, how do you lock it in. But once a decision is made, "Look, we're going to have instead of a 30 percent tax cut, we're going to have a 25 percent tax cut. Instead of it being 10, 10, 10, it is going to be 5, 10, 10." The whole game shifts. That's done. Now it goes to the legislative people, they have to deal with the Congress, they have to deal with the press, they have to deal with a whole bunch of other problems. Once that's in place, then the whole thing shifts again and now we're going for re-election and the next time up.

You start examining what you've done, how you've done and so on. But in terms of taking an idea and how do you lock it in and how do you decide what you're going to do, it's done. So you can start working on new ideas, and to a certain extent that happens, except that my guess is that when a new President comes in, priorities have been set over the past four or five years as they've been building up to this thing. They know what they want to do and they've got one, two, three, four, maybe a half a dozen major big things they want to do. And when they're done, there are not another half a dozen big major things they want to do. It gets down to the second tier and the third tier and the fourth tier. That's when people really start to argue and scream and yell.

So for example, this one little thing. I remember early on in the Reagan years, 1981, we had a very powerful staff that came that was working for me. They were very excited people and they all wanted to do what they were particularly interested in. One person wanted to save the cities. Another person wanted to do something about school prayer. Another person wanted to do something about abortion. Basically my view was, "Look, those are all interesting issues. However, that's not what the President wants to do first. The first thing the President wants to do is get the economy straightened out, because that allows him to do what he wants to do in military affairs. The two go together. Everything else, while very important to a whole lot of people, is secondary to what he wants done."

So basically what we did was I turned the shop into—instead of policy development on a broad

scale, it was implementation of economic policy. Now, my staff did not like that. That was one of the main reasons to have the working groups. I remember, take one case, typical. I sat down—I think it was Gary Bauer. Later on he was giving me credit for his start, but I remember him raising his hand and saying, "We've got to do something about abortion and about school prayer." I said, "Fine, that's your issue and we'll set up a working group. Go work on it." And he's worked on it ever since. You have to deal with that.

Now, as the thing changed and the bigger issues got done or not done, then you can go on to the second tier and the third tier of issues. Then the arguments get much tougher.

Young: And the debate becomes more public, inside the White House.

Anderson: Sure, because there is no limit to the number of issues that you can talk about and argue about and decide what the government should do or shouldn't do and so on. Just as there are different degrees of priorities.

Let me say one more thing about Reagan that I think went unnoticed. One of his strongest assets was he had sort of an instinct in terms of setting priorities. The way things worked in the White House, what was a priority at 10 o'clock in the morning, at 2 o'clock in the afternoon might be gone. Unless you shifted gears very rapidly, you were spending all your time doing things that were not relevant. You could fill up your whole day with that stuff.

I don't know quite how he did it, Reagan just had a knack. People said, "Well, he was delegating a lot of stuff or he didn't care about the details." No, no, no, he was just very carefully moving, as the whole thing shifted underneath him and different things came up, he was on the big priority and he was on the next big priority, and he kept moving to them. I think that is one of the reasons why he was as successful as he was. He never lost track of what are the big important things that affect the country and he just kept moving and touching them.

Young: Okay.

Anderson: That's a real skill that most people don't have. Someone once said, I forget who the author was, "Many are dedicated in the pursuit of the path they have chosen, but few in pursuit of the goal." And that's what most people do.

Young: But now, getting back down to these second level issues and how they come to figure more importantly in the political life, in the policy life of the White House. Would it be accurate for future students of the maturing and progress of an administration to associate this second phase or this new phase with the problem of leaks? Of unacknowledged advocacy, the battle for the President's mind? Because I remember at one time Reagan said, "I'm fed up to my keester with leaks," or something like that.

Anderson: Oh yes, they all do that.

Young: That comes later. It's not a problem at the beginning?

Anderson: Oh, it's always a problem. Look, every President has probably said he gets fed up with leaks, and A, people say there shouldn't be leaks. They happen. My experience has been that most of the leaks, maybe as many as 70, 80, 90 percent of the leaks, come directly from the top. They're done deliberately. Everyone talks about the problem but not much happens about it. I think you lose sight of it—if you start worrying about leaks, you're losing.

Young: Reagan got off that pretty quick, but he was pretty public in his statements about it. There was a whole question of lie detector tests and—

Anderson: He may have said something in public, but it's what he did privately that's important. When I was there, there was no attention being paid to leaks. There were leaks all the time. I was accused of all kinds of things. It just happens. But no one paid any attention to that.

Young: It's just important for the historical record.

Anderson: In some cases, like during the Nixon years, they made a huge mistake. They were going to plug the leaks. Remember, they had the plumbers. Big mistake. No, I think that what administrations should do, and we were doing—we started to do it before I left. I'm not sure of the degree to which it continued. But the real trick it seems to me is that once you have implemented what you've run on, then the next stage is, you either just keep sitting back and keep working and massaging what you've done, or you develop new ideas. And if you're going to develop new ideas, then one of the things you need to do—I would argue—is you need to bring in outside people, and you need to set up task forces.

Now, Nixon started to do this, Reagan did it to a certain extent. I know Lyndon Johnson had task forces, a lot of people do this. But what I would recommend, if I were sitting there in the fourth and fifth year, is you very systematically identify an issue. Then go around the country and pull together half a dozen or ten of the best people you can find and you set up task forces. People love to be asked about what they're working on. Put them to work and ask for their recommendations, make them confidential.

I think the surprising thing about most things that happen in government, everyone talks about leaks. The amazing thing is how many things do not leak, how sometimes you can have something where dozens and dozens of people know something which is secret. They don't tell anybody, they just don't. So that's not a real problem.

I think the key to continued success is the continued renewal of new ideas. Adjusting to what's going on, what's coming up, what is a big idea, how do you handle it, what the recommendation is. Then the President makes a decision.

Young: Is there an example of that in the Reagan administration? Or did the impending collapse of the Soviet Union and the rise of [Mikhail] Gorbachev take the place of the big new initiative?

Anderson: I must admit I didn't pay a lot of attention internally to what was going on, how they were doing it. All I know is that when I left we had 70 or 80 working groups set up and we had designed them so that not only could they have people from different parts of the government,

but they could also bring in people from the outside if they wanted to and set up a group of task forces. People, once they get in the White House, in the government, are loathe to bring in outsiders and they work very hard. They have their President and don't want anybody to talk to their President. It's done because if they do, they end up doing much better, but that's—

Knott: Are there any other issues that we haven't talked about that were consuming a good amount of your time during your position?

Anderson: With Reagan?

Knott: Yes. We've talked primarily about economic recovery as the top priority. Is there anything else that—?

Young: How did the regulation thing go, with Jim Miller?

Anderson: Well, the main regulatory issue was one that we had developed in the campaign which was on energy, which was the decontrol of prices. The first week or two of the administration if I remember correctly, it came very early, the question came up what should we do about deregulation. Our recommendation was, do it.

Immediately there was tremendous resistance within the Reagan administration, let alone outside. Everyone was just saying, "No, no, you can't do that. If you take off all the controls, the price of oil will go up. The people will be cold this winter and they'll be freezing to death and you won't be able to drive your cars." So my recollection is that most of the strong advice Reagan got was, "Do not follow through on that campaign pledge." One reason why I like Reagan is that he just smiled and said, "Okay, deregulate." Again, if I remember correctly, for a week or two, sure enough, everyone was right. Prices started to go up, it was just really terrible. Then, turn around, and they started to slide and I think they've been sliding ever since. But it was done quickly and it was done. And no one paid any attention.

Other issues came up, the law of the sea. No one paid much attention to that but that was a major issue that came through the section I was in. Doug Bandow worked on that one, and our recommendation was that it was a bad treaty, bad policy for the United States, shouldn't do it. And everybody else in the administration was aghast, said that every other country in the world was signing it and we ought to sign it. Our argument was, "Everybody else is wrong." Reagan said fine. I know Reagan didn't want to sign it. He said, "No, I won't sign it," so he didn't sign it. People are still upset about that one.

What else? There were a lot of issues.

Knott: Did you briefly consider abolishing the FTC [Federal Trade Commission]? Did that fall under your—?

Anderson: No, we didn't. I'll tell you what we briefly considered to abolish. One day the head of the postal service came in and we asked him with a straight face, "What do you think about the private express statutes? Shouldn't they be gotten rid of?" He nearly had a heart attack. One

day we'll get rid of those, we don't really need those.

Young: There was the Department of Education, that was supposed—

Anderson: Oh, the Department of Education. We had a lot of meetings with the head of the Department of Education. I know Meese and I were very keen on getting rid of that one and then the other issues just overwhelmed us. It is very difficult to get rid of anything. Let me tell you one more story about that. This goes back to the Nixon days, probably 1970.

He decided that we've got to cut some of this spending. Ed Harper was working on it, Ed Harper and I were both assigned to work on the budget, and to find something to cut. So we went through it. We discovered tea tasters. They had a budget of about $300,000, something like that, and they had a big table where they would put cups of tea, and they would circle around them and taste tea, and they would put a government certificate if it was good tea or bad tea. We said, "Ha! There's a good one." So we took it out of the budget, wrote a memorandum for President Nixon, sent it in and he loved the idea, "Yes, get rid of the tea tasters." In fact, Harper's got a photo of him sitting there with a cup of coffee and it says, "From one tea taster to another," or something like that.

We were so pleased with ourselves. We had gotten rid of the tea tasters. About a week later someone said, "Not so fast." It turned out that that was a law, it would have to go through Congress committee and this and that. We said, "All right." So we worked with someone else, we developed legislation, sent it up to the Hill. That's easy to do. It went to the committee, was referred to the subcommittee, and there it sat. We worked on that and worked on that and worked on that and it wouldn't go anywhere. There was nothing we could do. And we worked on it and worked on it and we worked on it. Finally we just gave up because we had other things to do, and we never got the tea tasters. Now, I've followed it all along and sometime in the last three or four years, I forget when it was, but they did get the tea tasters. But it took about 20 years.

Young: Probably spent more getting rid of it.

Anderson: It was worth it, though.

Young: Okay.

Knott: There were reports at the time that there was a division in the White House between the pure supply-siders, who were less concerned about deficits, and the more traditional balanced-budget Republicans. Where did you fit in that? Is that an accurate description of the two—?

Anderson: That's an accurate description of the press reports.

Knott: Okay, could you give us the—

Anderson: The problem was that a few people who were identified as supply-siders and who were puffed up by the press as supply-siders, like Jude Wanniski and [Arthur] Laffer and those people. They were presented in the press, partly because of what—for example, take Jude

Wanniski. I mean, he gave interviews to the press and said things that weren't true. Like, he was up against Alan Greenspan and Arthur Burns and there was this big battle going on and he was winning. That was nonsense because there was no battle. He was totally out of the campaign, he had nothing to do with it, but it was good for his business. The enemies of Reagan loved the idea so they portrayed that. Then they talked about the supply-siders and they represented people whose basic idea was if you just cut taxes everything would be okay, never mind the deficit and whatever.

Now, that was bizarre because there might have been one or two people that had that view. I know one of them. I think Gilder had that view, but he wasn't an economist. All the economists I knew, no one had ever said that. No, what the view was, what Reagan said all the way along, we needed a comprehensive economic policy with five major parts. The first and most important thing was to control spending—nothing to do with taxes. Second was to reduce marginal tax rates, that was the tax part. But the third part, just as important, was to do something about regulation, to reduce regulation and stop it. One of the most important things Reagan did was not in terms of reducing regulation, but stopping any new regulation. And the fourth thing was monetary policy.

People forget, but Reagan's idea was very simple, it was to have a stable, predictable monetary policy. He had been consulting with Arthur Burns and Alan Greenspan and had it perfectly set. Then fifth, which no one paid any attention to but was a critical part of the whole program, was that whatever you do, don't change it. Be consistent. One of the great mistakes that Carter made was—I counted up one day, he had five and a half economic programs. Our theory was that if you put an economic program in place, even if it is a bad economic program, American business and capitalists and people are very clever. After a period of time, no matter how bad it is, they'll work their way around it. So just don't change it. It's the uncertainty of the change coming up that causes most of the trouble.

So that's what Reagan did and it was portrayed as if all he cared about was cutting taxes, which was nonsense. So, if you say, "Was I a supply-sider that thought if you cut taxes it would solve all the problems?" The answer is no, because it never was there and neither was anyone else. It was a story that was largely made up in the press. It did not exist.

Young: One of the distinctions that's drawn here is how much priority you give to deficit reduction as a goal in and of itself.

Anderson: Okay, let me say one thing about this. First of all, the goal of the economic policy was not to get rid of the deficit. It was not to have low interest rates. The goal of the economic policy was to create steady economic growth and create new jobs. Now that's a very major difference that most people forget about and Reagan had that in mind the whole time. Look, what we need to do is do what is necessary to have steady economic growth and more jobs being created. If you do that, everything else falls into place.

Now, the other elements were part of that process in how you get this thing done. But then there was something that trumped all that and that was national security. Reagan said again and again in the campaign, very clearly, go back and look at all the speeches, that if it ever comes to a

choice between running a deficit and protecting the United States, we will protect the United States first. It was clear. So when, in the campaign, things change as you go through time, in the early stages, September and October when he made his statement, we were looking at large increasing surpluses. The policy was, we should return most of that to the taxpayers.

Then, as you get into the transition, and the deficit came up and the surplus faded away and he took a look at some of the material coming in from Bill Casey as to what the real threat to the United States was, things changed. Then the decision was, we're facing increasing deficits, what do you do? His answer was, we have to incur additional defense spending, because we need that, even if we're going to have deficits. And the best way to get rid of the current deficit is to follow an economic policy which will, as rapidly as possible, lead to increased economic growth and creation of jobs, which is what he did. I hate to say it, but if you look back at history, that's what worked. Now it may have been accidental that it worked, but that's what worked.

Young: How does Social Security and Reagan's ideas on Social Security fit into all of this?

Anderson: In the following way. It is interesting, I was going through some of the old papers a few weeks ago. In 1978 he wrote an essay on Social Security in which he said, "Look, the thing is going to go bankrupt and it needs major reform. Probably the only way to save it is if we allow people, instead of forcing them to put their tax money in Social Security, allow them to invest in stocks and bonds." Well, he tested that idea in the '70s and the '80s in the campaigns, that was a non-starter. That was just really off the wall.

Young: Pretty scary to a lot of—

Anderson: Pretty scary, off the wall. Again, coming back to what he wanted to do, his main goal was how do you protect and preserve and increase the retirements benefits the older people get? What's the best way to do it? That got translated into he was trying to cut benefits, which was not true. Social Security did not surface as a major issue because politically there were only so many things you could fight and that one took a lot of education. Now today, 20 years later, we're discussing exactly what he was talking about.

Young: It couldn't be at the time.

Anderson: And even today, it's very difficult. The Social Security Commission is still tied up in knots and they're postponing their report because they're still fighting.

Young: Wasn't Kissinger on the commission that was established?

Anderson: No, it was Greenspan who headed—

Young: There was an outside commission established to study Social Security, and this was after reform went nowhere in Congress.

Anderson: I think it was Greenspan.

Young: Was it Greenspan?

Anderson: I think it was Greenspan who was the chair. I'm not sure who was on it.

Knott: You were a supporter of a balanced budget amendment to the Constitution.

Anderson: Still am.

Knott: How devoted was President Reagan to that cause?

Anderson: He liked the idea a lot. He thought it was a good idea. It was just one of the things that wasn't going politically.

Knott: He did include it in a State of the Union—

Anderson: I forget, I think he probably did. Time and time again he liked the idea of a balanced budget. In fact, I would argue that at the time of the balanced budget amendment was when we had the large surpluses. When you can do it.

Knott: Sure.

Anderson: And you can write it so that you take into account a situation in time of war, emergency, so there is always an out. The tendency to spend money is enormous, among both Democrats and Republicans, equal. They both love to spend money.

Knott: Just different priorities?

Anderson: Yes.

Knott: Could I ask you—this is getting a little bit off-track. You were in the White House the day President Reagan was shot. Can you give us some of your recollections from that day? Jim and I both recall a photograph of you sitting, I think, in the situation room.

Young: In the book, you mentioned the Haig part of it, but that cannot be the whole—

Anderson: Oh no. Something else has happened since then. In fact, two nights ago, Dick Allen and my wife and I sat down and we watched three hours on this. What's happened in the last couple of years, Oliver Stone has first of all made a major movie for Showtime, an hour and a half movie—

Knott: You know, I saw an ad for that and I couldn't figure out what the heck—

Anderson: And it is put forth as a documentary explaining what happened during that whole day, including what happened in the room. Now, they finished that movie. Then they discovered, when they started talking to people, some of the people who were in the room, like Dick Allen, that what had happened that day was the following. When I heard Reagan was shot I walked

downstairs and went into the situation room, because everyone was gathering there. Dick Allen was in charge and was setting things up and chairing it. We sat down around the table and he reached out and put in the middle of the table a small tape recorder and announced that this was not ever done but he was going to record what happened. And he did.

The whole day transpired and everybody forgot about the little tape recorder but it just kept whirring away all day long. It was his tape and he took it with him and he has it. So he has a tape recording of the whole day. When the Oliver Stone people found out about that, it caused a problem because it contradicted what they said. So they tried to get him to work on the—I forget, you have to talk to Dick Allen about this. But it didn't work out. They listened to some excerpts of the tape, which totally contradicted what they had said. They listened to it and then my understanding was they smiled and said, "See, it totally confirms what we said." Which is if I said, "This is a green table," and you said, "No it's not, it's black." Basically their attitude was, we have the airways and we're going ahead.

Then Showtime got nervous. So then somehow they talked to the *New York Times* and the *New York Times* television people came in and said, "We will do a documentary." So there were competing documentaries. I did a long interview with them, and a lot of other people did, and the *New York Times* has produced an accurate documentary. It explains what happened and who and so on. And the accurate story is that things were very calm that day. It was extraordinary the degree of calmness and how carefully people handled things and what they did and so on. With one little exception, and that was when Al got a little excited and went up—he was trying to do the right thing. He was trying to—they didn't like what Speakes was saying—

Young: Larry Speakes.

Anderson: He was saying, "I don't know, I don't know." He should never have gone up there. But in going up there he ran up the stairs and he was sweating and he was excited and he got his Constitution mixed up and anyway, everyone's been talking about it ever since. So the answer is, you really have to sit down and look at the one and a half hours on the movie that Oliver Stone has produced and a 20-minute analysis afterwards trying to contradict it and then before that, they have the one-hour *New York Times* documentary.

Knott: Oh I see, they're going to be paired together.

Anderson: They already have.

Knott: Oh I see—

Anderson: They ran it two nights ago, they paired them up. And Showtime, being real nervous about the Oliver Stone piece, ran the *New York Times* first and then ran Oliver Stone's piece. Basically Oliver Stone's piece is fraudulent. It's fun, it was more fun watching it than the *New York Times* documentary, but if you watch it in the sense that this is a funny movie, okay. But I'm afraid that most people will watch it and say, "This is a documentary, it is exactly what happened." It's not even a nice fraud, it's a nasty fraud.

I mean, for example, they wheel him into the hospital and he's dying. He's lying on the stretcher and they recreate that nicely. Then just as he's about to go into the operating room, in comes this woman, screaming and yelling, "Oh Ronnie, Ronnie, Ronnie!" And she says, "Oh here," and she rushes up to the stretcher and says, "Here, I've brought you your jelly beans," and that's supposed to be Nancy Reagan. I mean, this is just craziness, but that's Oliver.

So I'm sorry, that's a long answer to that question.

Young: But there's another question.

Anderson: I was down there the whole day.

Young: I want to hear something about what went on, just the impact. Not just the first day and what happened in the drama of the announcement and the tape recording, but suddenly here's the central figure in the administration, the President himself is not around. A question arises about what, in these kinds of moments, how did the White House staff function when there wasn't that morning meeting, at least for a couple of days? What happened, was there any preparation, was there any thinking about what happens in case the President gets sick or is disabled in some way?

Anderson: Oh sure, there's all kind of thinking that goes on. There have been books, a Stanford professor wrote a book about this. There are a few—I'll be semi-charitable—but there is an academic view of what should happen. Basically the academic view is, you've got the President in charge, he's in control. Something happens to the President, who's in control and who's in charge? Wrong, that's not the way it works. It is not like throwing a light switch.

I think what happened that day is probably a clearer example of it. When we got the information that he had been shot, we did not know the seriousness of it. We did not know if he was dead, we didn't know how wounded he was, we just knew he had been shot. Now, what happened was, and no one can seem to understand this is—nothing. You wait. You find out what the situation is. You don't rush off and assume, "Oh my God, he's been shot, we're going to put the Vice President in charge." Or you don't say, "Well, he's been shot but he's in charge so let's talk to him and see what he is going to do." You wait and say, "Well, let's see what happens." And people were very calm and they just settled down.

It is amazing how much goes on in the government, in the White House, without someone "controlling" it. It works, people do things. Life proceeds. They were just very careful. They took slight steps, they checked to make sure this wasn't an overall plot. They checked to see where the Soviet submarines were and the Soviet submarines were a little bit out of their normal course and closer to our shores than they were supposed to be, so they checked that out. Then a little while later they said, "Well, that's not a problem"—and there were more submarines, and they said, "Wait a minute, what's going on here." Then they discovered it was the end of the month and that actually they were changing battalions and so they had more submarines, there were always more submarines. They didn't act precipitously and the academic mind can't understand that.

Young: Well—

Anderson: I'm not talking about your academic mind.

Young: Some academic minds. Not in defense of academics, but I used to, when I was teaching a course on the Presidency, I used to say, "You ought to pay more attention when you're thinking about Presidential staff and governance, about Eisenhower's long period of disability. And it didn't really make any difference."

Anderson: No.

Young: You can construct all kinds of scenarios—so I had no assumption behind that. But in part because that is the impression that everything—people panic or things come to a standstill.

Anderson: They don't.

Young: The business of governance continued during this period, much as it would in ordinary times.

Anderson: In fact, when you talk to Dick Allen, one of the things we're working on now is—that I think eventually would be really fantastic—he has got this unique record of what happened during the crisis. There is another part of that record, which nobody has explored. All day long the White House photographer was in that room. Now, no one pays attention to the White House photographer. They're quiet. And there are lots of photographs, and they show the people at the table, where they were sitting, what they were doing.

There are some things that happened. For example, in the situation room, it's a little tiny room, the room is even smaller than this room. We had a hard time getting information. There is a little television set up on the wall, most of our information came from watching the little television set. In fact that's how we knew Al was out there. We looked around the table and said, "Where's Al?" Then someone said, "My God, there he is!" And when he said he was in control, I'll tell you what happened. People giggled, laughed, said that's silly.

Young: Okay.

Anderson: The impression that the Oliver Stone movie gives is that Al Haig was crazy with lust for power, screaming at people, using vile language, pounding, insulting people, thrashing around all excited. It just wasn't so. Didn't happen that way.

Young: The preferred story line is there was an incipient coup d'état or something like that, the drama that they put on it.

Anderson: Absolutely none, there was just an extraordinary—it was very calm, very quiet and people did exactly the right thing.

Young: You include Vice President Bush in that.

Anderson: Vice President Bush was coming back on the plane. He was flying back at the time and Ed Meese and Michael Deaver and Baker and Nofziger were at the hospital, handling the press, working that. Things were fine. After the President came out of the operating room—and he came very close to dying. It was extremely close. But the thing is, if he had died, they had all the papers laid out there. They had the 25th Amendment there, they had the lawyers, they were studying it, they knew exactly what the next steps were. They just said, "Wait, slow down."

Young: Can you talk at all about—one must think that this must have had some kind of impact on the President and Nancy Reagan.

Anderson: Yes.

Young: Not just in general about mortality, but about this work he was doing and eventually about staying in the White House for re-election. I don't know—I'm just speculating—but that was a very close thing that must have had some kind of impact.

Anderson: Sure, there was a lot of speculation. The speculation that he had an epiphany and he saw God and his whole life had changed and he did things differently and so on. It's not what I saw. What I saw was that for a period of months, he was sick. I mean, he got a tremendous shock and he was in recovery. He didn't come back in a couple of days with the same vigor, but gradually came right back up.

One of the things he did, I remember talking to him, he had a gym built in the mansion. He was always very strong in terms of exercise, so he started exercising very systematically. I remember one day I asked him, he said something about how he was so pleased with himself because—you know he was over 70 then—that he'd exercised and he had put on so much muscle that he had to get new suits. Increased his suit size, I think it was two sizes. He thought that was really terrific.

In terms of his policies, there was no change at all. He had been working on these for a long time; they were set in place. We knew what he wanted to do. He basically had laid it all in place and we just proceeded to try to get it done, but he never changed any policies that I saw.

Young: Was he ever concerned about his own safety? Certainly Mrs. Reagan was.

Anderson: Mrs. Reagan was. Never saw him exhibit the slightest concern. He was very good. He would listen to the Secret Service and follow their instructions, do what they wanted, within limits. I'm sure she was more concerned, because if she hadn't been there, he probably would have taken many more risks. That was my feeling.

Young: Well, in her own book she acknowledges these concerns and concerns for her own health.

Anderson: Sure. But no, I remember him talking, even during the campaign, every six months he'd go for a check up with the doctors. He'd come back on the plane and always looked incredibly pleased. He told me one day, he said, "Well, the doctors they say that my—" how did it go now, "My physical age is 10 to 15 years younger than my chronological age." We even saw

that recently, when he was 90 he fell down—

Young: Broke his hip, I think.

Anderson: Broke his hip. There was a little story that appeared later on that the doctors were amazed when they went in and did the operation, how strong he was and how tight the flesh was and how well he was coming back for a 90-year-old man. So I think it's genetics.

Young: But he himself had another bout with colon cancer, and then I think another cancer on his nose—

Anderson: In fact, let me say one thing about the health thing, the one major issue that has not been carefully explored, although I've had a lot of talks with Edmund Morris about it, and he did put a lot of this in his book. Everyone assumes that Reagan has Alzheimer's. I'm not so sure about that. There was no indication that he had Alzheimer's while he was in the White House, or even after.

In fact, after he left the White House back in late '89, I went down to L.A. and I did a long interview with him. I was working on the paperback edition and there were a lot of questions I wanted to ask him. Either I hadn't dared to ask him or never had the chance, so I asked him all the questions. And he answered them all. They were clear and sharp and quick. Everything from what they used to say—he and Vice President Bush had a weekly lunch. What did you guys talk about? He explained it all. I asked him what he said to Gorbachev when he met with him privately and he explained it all. I asked him what he would have done if they had launched the missiles and he explained the whole thing. He just laid it all out. Then he wrote a letter, and I got a letter from him two or three weeks later, saying, "Fine, but don't use it until I die," so I'm waiting on that one. However, he was sharp and clear.

Now, then something happened. He went down to Mexico and went horseback riding with his friend Bill Wilson and on a trail, the horse bucked him. He came down and hit his head on a rock. He came back and I don't know, it was a week or two later, whatever it was, sometime later there was great pain and discomfort and the doctors discovered swelling in the brain, edema or something. What's the name for it? But swelling, and very dangerous, and they shaved his head, half of the hair on his head off and went in with big drills and opened up his skull to relieve the pressure. The little research I've done on that indicates that doctors say that when you do that, at an elderly age, and you open up the skull and fool around with the brain, that's not good. That's very risky.

I would argue that since that time he went downhill mentally, so I'm not sure if it's Alzheimer's or simply plain old-fashioned brain damage.

Young: But he did write a letter.

Anderson: He wrote a letter in '94. That was four or five years after.

Young: And he had been to Mayo, I think twice.

Anderson: I'm not sure, I haven't followed—

Young: I think he and Nancy went to Mayo. I don't know anything about it, but I had not known about the riding accident in Mexico.

Anderson: That's critical. Except for Edmund Morris, no one has paid any attention to it.

Young: I hadn't read that far into Edmund Morris.

Anderson: Just as well. I won't say anything about that.

Knott: Do you have any recollections—I'm sure you do—of the PATCO [Professional Air Traffic Controllers Organization] situation that occurred a few months after the assassination? In some ways, again, press accounts look at that as a seminal event in the early Reagan Presidency.

Anderson: Yes. It was. I think what is extraordinary about that is the impact that it had way beyond domestic politics. Especially when you listen to George Shultz or Henry Kissinger talk about the impact it had on foreign policy, it was stunning. Basically the impact was that they said, "Oh my God, this President took on the unions and did it? He might do other things." Which was true, of course.

What he did with PATCO—at the time it was presented, they were going to strike. When he was told about it, he just said, "No, they can't strike." It looked like off the top of his head he had done that. Well, when we were putting together this book *Reagan, In His Own Hand,* my wife and I found some of these essays that he had written dealing with strikes by public employees. Many years ago he had very carefully laid out, analyzed it, studied it, and said, "Look, they cannot strike. And if they strike, they're gone."

So what we did not realize while we were in the White House with him, was that he had already thought about this. He had worked out the theory, he had a whole thing all set up. Then they came and said they're striking and he said, "Fine, they're gone."

Young: Hadn't there been a public employee strike during his term as Governor?

Anderson: There may have been, I don't know. I don't recall.

Young: I think Ed Meese referred to that and said, "You know, you have to look at that to understand that he had already experienced this before and had taken a position on it."

Anderson: Yes.

Young: Before the air controllers. So it was—

Anderson: You're right, that was a critical issue.

Knott: Do we want to start asking the sort of universal—

Young: You're using your hands in such an expressive way.

Anderson: We've got to get the cameras in here.

Young: Was Ronald Reagan at home in politics?

Anderson: Yes. As a matter of fact, I would argue that he was the most at-ease person I've ever seen with himself. Whether it was politics, whether it was in the movies, whether it was—as compared to other people, like Nixon was very nervous, ill-at-ease in public and so on.

Young: In public.

Anderson: But Reagan, no—he just said, "Fine, good." I guess the word is supremely self confident, just relaxed and easy-going, although not totally. I mean, I remember—I've told this story before—but I remember once in the early days of the campaign, when we were traveling with him alone, we were driving up. It was late in the day and we had one more event, I think it was one of the major television programs, and just as we're pulling up and getting in, he looks at me and says, "I don't know if I'm qualified to do this," or, "I don't know if I can do this." And I remember saying, "Well, probably not. I don't think anyone is. It just so happens that of all the people we've got, you're the most qualified. So you're stuck with it."

Knott: So it was the wear and tear? Are you referring to the wear and tear?

Anderson: I just think he was beginning to realize the enormity of the job, how many things you've got to do. One of the things that I think happens to people when they begin to run for President, they usually think of the two or three or four big major issues. But unless they prepare ahead of time, as soon as they announce and get out there, they're suddenly hit with hundreds of questions on every issue. Like, what are you going to do about abortion? What are you going to do about welfare reform? What are you going to do about that labor strike over there? What are you going to do about what's going on in Afghanistan? And the questions multiply and the press has got hundreds and they're looking to get you on one, or two.

Young: My question was not really so much about his—he is obviously a person who has what analysts might call tremendous ego strength and confidence. It was more a question of, I'm thinking of people like Lyndon Johnson, who were not only at home, but almost born and bred in politics.

Anderson: Oh, I see what you mean.

Young: Was he at home in the political—?

Anderson: No, no, I think there is a tremendous difference.

Young: I'd like you to talk about that.

Anderson: Because I think those are two very opposite cases. Reagan was extremely comfortable in Washington. However, he was much happier when he was out of Washington.

Young: Yes.

Anderson: He was very comfortable in doing what he was doing. But, if you said to him, "Hey, tomorrow morning, you don't have to be President, you can go back to the ranch," he'd say, "Really? Okay, let's go." I remember a couple of stories. One, for example, once in the campaign, we were coming down through Southern California and we had a break in the afternoon for a couple of hours. We stopped in a motel and were sitting in it and he asked to look at the schedule. We had about two hours. Then he said, "Where are we?" We were in Solvang, I think it was Solvang. And he said, "How far away are we from the ranch?" Twenty, thirty minutes. So he suddenly said, "I want to go to the ranch." Well that put everyone in a tizzy and the Secret Service went crazy, "What do you mean?" He said, "I'm going to the ranch."

So they broke out two or three of the cars and I hopped in one of the cars. I had never been to the ranch, I wanted to see the ranch. So we went up this wide switch-back road up in the mountains and I'll never forget, when we came up at the top and then went down in this little valley—and he's got a square mile on the top of this mountain and one side overlooks the ocean and the other side is back on the mountains—and the house up there, he explained, it's a little tiny house. I think they had two bedrooms. I remember one day we asked him why they didn't make the house bigger and the answer was, "Well, nobody can stay here now." Simple.

I'll never forget the day, as we pulled in, he was in the lead car. He got out of the car and as he started to walk over toward the fence and the house. Off in the distance you can hear this [sound effects] and it's horses, hoof beats coming along. And as he's walking to the fence, there are two horses coming, thundering across the plain and as he gets to the fence they come running up to him and they're whinnying and he reaches out and grabs the horse. I mean it's right out of a movie, like he had it planned. He was very happy. He used to go up there and work in the house and cut brush and ride his horse and explain to me how he used to shoot rattlesnakes. He had special loads, .38 caliber, you can buy these little shotgun shells. Instead of a bullet, you get a tiny little shotgun shell. He used to load up with those and take care of rattlesnakes.

I think one of his greatest strengths was he didn't need to be President. He didn't have this tremendous desire to be President. He could walk away. Boy, that gives you a lot of power when you can walk away.

Let me say one other thing that ties in with this. Early on in the '80 campaign he gave an interview at the ranch to—what was the name of the guy who was the special assistant to Lyndon Johnson? He does a lot of public television?

Knott: Bill Moyers?

Anderson: Bill Moyers, yes. It was the interview with Bill Moyers. It was a long interview. I think it may have been a full hour, at least a half-hour. At the end of the interview, Moyers

suddenly turned to him and said, "Why do you want to be President?" And the answer was, "I don't want to be President. There are some things I'd like to do that only a President can do. I have no desire to be President, to go there and all the pomp, but certain things I want to get done." I think that was the key to the way he operated, whereas a lot of people get into politics and they want to *be* the majority leader, they want to *be* President. They want to have all the trappings. I don't think he cared much about that.

Knott: So this notion of a citizen-politician, we've heard that on some of the interviews that we've conducted. You would find that to be an accurate—?

Young: Is that more than a label? As I understand that—

Anderson: It depends what it means.

Young: —that moniker was developed early in his campaign for the Governorship. As I've been told, it had to do with how you deal with the problem of the [John] Birch Society and also some of the problems of the Republican establishment. How you wanted to put him apart from both of those and the establishment candidate that he was running against. I forget his name, from San Francisco—

Knott: George Christopher.

Young: Yes. And the idea was this was a citizen politician, it wasn't—now, that was used and as part of the media, but I don't—

Anderson: I don't think he ever thought of it like that.

Young: That's what I'm—

Anderson: He just wanted to get something done. He thought certain things should be done, he felt very strongly about it and he'd felt that way for a long time. I mean, I'm surprised when I go back into, literally, into the '50s, into the '40s, in which his friends in Hollywood are talking about him, all he wants to do is talk about politics and about policy and what happens world-wide. *This is interesting?* So there is a long-time interest there that we didn't realize.

Young: Yes, interest in politics and interest in—you referred yesterday to—

Anderson: Not interest in politics, but interest in policy. He was interested in what should be done, not a great interest in all the nuts and bolts of politics.

Young: Was he shy at all, with politicians or—?

Anderson: No. He was not shy, he was not forward. One of the things I've said, one of the reasons I think people found it hard to deal with him is that he—I think I once said he was almost like an old Turkish pasha, he used to just sit there. He was very happy by himself. If you came up to him, he was very polite and you'd tell him what the various options were and he'd pick one

and you'd talk to him. But if you left him alone, it was rare that he would search out people, call them, look for companionship, want to talk.

Young: Didn't wander around, looking at people's desks.

Anderson: No.

Young: Visiting, checking. None of that.

Anderson: No, no, never. That's interesting. I don't remember him ever checking on people, "Are you getting your work done?" It was almost as if he assumed that, *Look, I'm doing my job and you have your job and I'm certain you'll get yours done and I'll get mine done and we'll go on.* It was very relaxed.

Young: How did he obtain his relaxation in the job? I mean, he couldn't go to the ranch all that often. Camp David? He went riding out at Fort Myers, didn't he?

Anderson: Sure.

Young: You've referred to the fact that he would exercise.

Anderson: Sure. I'm going to speculate now because I'm not sure, because this was all done in private.

Young: Yes, of course.

Anderson: What I've found out since he left the campaigns and the White House, is that I think he took a lot of his relaxation by working.

Young: Really?

Anderson: He spent a lot of time—well, for example, I think I've said this before, when we were doing the book, we discovered all these hand-written documents. I knew that he had a habit when he wrote, of throwing away documents. For example, I remember once in the campaign, I had to see him for something and he was in his bedroom working. I walked in and he had a little desk in the bedroom and as I was talking to him he had some papers on the desk and we were going back and forth, I looked next to the desk, there was a wastebasket, a nice big wastebasket. It was filled with wadded-up sheets of handwritten drafts that he was done with, just [sound effect] in the basket. And I was thinking*, Oh boy, I'd like to take the whole basket, but I can't do that*. You would have loved the basket.

Young: Yes.

Anderson: That was his habit. He threw things away. And yet, we have now discovered caches of papers that he wrote that have been saved. Even the ones that survived are so voluminous, there are so many that we say, "When in God's name did he ever write all this?"

Young: You mentioned this yesterday.

Anderson: We talked to Nancy and said, "What did he do when he came home? Did he relax, have a beer, watch television?" And the answer is no, he was reading and writing and doing all kinds of things. That was my experience with him in the campaign. If we were through at 7 or 8 o'clock at night, he didn't go down to the bar and have a drink with the staff and talk and joke and laugh and explain things and so on, he went to his room. He made sure he did his exercises, but there was a lot of time that he was by himself. I don't know what he did, but I'm inferring that he was doing a lot of reading and writing. That's what he did in the White House.

Young: And he apparently did not seek his social life among Washington pols.

Anderson: No.

Young: The way FDR often did.

Anderson: No. In fact, his social life, as part of the job you do certain things, but my understanding, impression, is that that was enough—this is speculation, because a lot of this is very private.

Young: Yes.

Anderson: I think he just liked to put on a comfortable robe and sit down with the books and read and talk to Nancy and have a private dinner, and that was his social life. I think the hard thing to understand about him is that—more and more I look at him and the time I spent with him—it upset a lot of people, but I don't think other people were necessary. He was a loner. He was very happy by himself. Thinking and reading.

Young: No, that's what a lot of the observations you were making earlier, about his ability to maintain—it seems to me that it requires a certain ability to maintain a distance from that which surrounds you in order to keep your eye on the ball.

Anderson: My other speculation—I'm just beginning to get into this now, but if you look back at his early career, 1937, '38, '39, '40 and so on, he was rapidly becoming a famous star. We forget the kind of attention a famous star gets, and then when you go into the '40s and early '50s. I don't think we understand what it's like to walk into a room and be instantly recognized.

I remember one day traveling with the campaign and we stepped onto an elevator, it was just the two of us. We stepped onto the elevator and there were three women there. The door closed and they just went crazy. Their eyes got wide and they were starting to shake and they said, "You're Ronald Reagan." And he smiled, said, "Yeah." One of them said, "Can I touch you?" He said, "Sure." He handled it beautifully. All I'm saying is, if you walked into an elevator and the people stood back and said, "Can I touch you?"

Knott: That doesn't happen to you?

Anderson: No, no, never has, and I'm not sure I'd want it to. All I'm saying is that, in that kind of a world for a long time, I think you develop a way to relax and stay away, because you have to. I think that may be the key to understanding a lot of the things that he did that look like it was almost some sort of a mask. Because he was very smart and very quick, but he did not argue. He did not push his views.

I think if you look back, the further back you go, he was quite articulate then and doing a lot of arguing. Maybe—in fact, now I'm going to do a real speculation—I've tried an experiment on some of the fellows around Hoover. I've found evidence that when he went to school, he was very smart.

Let me ask you a question? Were you a smart little kid? When you were four, five years old, going into first grade?

Young: I've been told I was.

Anderson: Aha. That's what all my fellows around here say. Okay, so when you went into the first grade, you knew all the answers.

Young: No.

Anderson: But you knew a lot of the answers.

Young: No, I was just a hard worker.

Anderson: Hard worker, I see. Did you get good grades?

Young: Pretty much, except in some subjects.

Anderson: But you did very good.

Young: Yes. I did pretty well.

Anderson: Were you a smart little kid too?

Knott: I guess so. Yes, the feedback was mostly positive, so I should assume.

Anderson: Did that make you popular with the other little kids?

Knott: Not necessarily.

Young: No. No.

Anderson: Everybody says the same thing. I think it's a fascinating—I've only done about 20 people so far, but everybody says the same thing. First of all, (A) they were really smart. I

remember when I went to school, I knew all the alphabet, I knew everything and I used to raise my hand, I knew all the stuff and it was just terrific. The next thing you know, they were calling me "Smarty Marty" and I discovered this was not good.

Then, I don't know about you, but the next step they all go to is that they all learn ways to cope with that. And one of the things they learned was that it's not good to be smart and show other people how smart you are, at least if you want any friends. And that may be the key to Reagan, that he was incredibly smart and quick and he was also tall and he was handsome, he was good-looking. That's a very powerful combination to drive on people and he laid back. That's a pure guess.

Young: Well, I shouldn't presume here, but I had a special problem in this regard, because it turns out I was a natural musician and I took to playing the piano. The combination of that, let me tell you, sissy stuff and being smart at school made me not want to be very smart in school in some ways. I had to manage the relations very carefully.

Anderson: I agree. And what I am stunned at is how many people, virtually without exception—You know the people around here, they're really smart. They all had the same experience and they all figured different ways to cope with that experience and they handled it all. It worked out okay, but they had a problem. I think the same thing happened to Reagan, but I can't prove that.

Knott: The name Edmund Morris has come up a couple of times. We keep hearing this notion that he kept banging his head against a wall trying to find something else in Reagan. Then we've had others tell us that what you saw is what you got, that the digging that Morris was attempting to do didn't need to be done. Where do you fall in this, because you—

Anderson: They're both wrong.

Knott: Could you tell us?

Anderson: I worked with Morris quite a bit in the early stages of his book, talked to him a lot. I think Morris was highly intelligent, he's a terrific writer, and the problems he had were—I think basically one huge problem. If you look at Reagan and say, "What you see is what you get," it's not true, because what most people see is this amiable fellow who really is happy-go-lucky and not very smart, and that's not what you're getting. So now you've got this incredible problem. How do you go about solving this? I think the problem that Edmund Morris had was, he was absolutely convinced that Reagan was basically kind of dim-witted and slow.

Secondary problem he had was that he had no interest whatsoever in economic policy, no interest whatsoever in politics. He was very interested in a lot of other things, which are terrific. In fact, when you read through his book, I haven't finished the whole thing, but—and then the third problem was, he wrote the book in a way in which it is very easy to misunderstand it. For example, if you just started reading straight through it, you'll get confused by what is real and what isn't real. However, if you read it page by page and at every page—every page—go back into the index. And the index is one of these damn things where there is no indication on the page where the footnotes are, but if you go to the back of the book and look in the index or

where the footnotes are, you find the first three lines of the sentence. Then you find the first three lines of where the thing is, then you read it, then it all begins, as he fleshes it out it begins to make sense. Then as you go through, the parts that are fictional are really true except they're parts that he couldn't prove or he didn't want to prove, whatever. But there's very little that is really false, that is sort of false but not provable. It gets very complicated.

The big problem is, he had this big puzzle. He was trying to figure out how in the world did Ronald Reagan do what he did—and he tries all kinds of ways to do it—yet at the same time as he is going through the book, he will identify key things that Reagan did well. He was the one that discovered that when Reagan was a little kid he had perfect grades. He was the guy that when he wrote about the Alzheimer's speech said, "This has the touch of genius." Well, wait a minute, how could someone who is evidently right in the middle of Alzheimer's disease sit down and write a letter of genius? Where does that come from? Unless you go back and reexamine your premise. And the premise is, he's dumb. But if he's not dumb, everything opens up. However, if you stay with your premise, you'll go crazy and I think he went crazy. He could not figure this out and he tried to figure it out. That's the theory.

Young: Also, it's very obvious that you don't learn much about politics or about much of his political career. I mean it's an extraordinary story, a person starts a second career, associates himself with a losing movement, a Goldwater movement. Becomes a Governor, an actor, becomes President and does all of this, that story is not told in this book.

Anderson: No, I agree.

Young: It's just very disappointing in that. In fact, you don't learn too much about politics in his books on TR [Teddy Roosevelt], either. And he had never studied—he studied dead people. He did not study living, and there he was, right there in the White House, no wonder.

Anderson: And the other thing, there are papers that he looked at. Nancy Reagan has given us special access to these papers. They're private papers. The only other person who has seen them besides us has been Morris. He did not see what we see. He missed it. Or else he didn't think it was important, but he—just nothing.

Young: I talked with Edmund a lot at the early stages of the book when he was still in Washington and he was telling me about his problems with Ronald Reagan.

Anderson: It just drove him crazy.

Young: What can I say.

Anderson: It's too bad, because there is a lot of good stuff in the book that people are just saying, "It's not worthwhile, trying to get into it." It's too bad because he found out a lot of information that does make sense. But he found other things too, that he didn't use.

Young: It's a very large book. Many years, many, many years in gestation.

Anderson: I think that's basically true, that what you get is what you see if you see correctly, but most people don't. They're not paying attention to that.

Knott: And what you saw, and you mentioned yesterday, you said you saw an incredibly smart person.

Anderson: Yes, that's the key.

Knott: And a consistency of thinking, is that fair as well?

Anderson: Absolutely. For example, he is often said to have a photographic memory. He didn't have a photographic memory. What he had was an incredible memory. You could give him a complex idea, give him a piece of paper, an essay, and he'd read it. Weeks later, suddenly, he'd be using that, using parts of it, rearranging it, moving it back and forth, developing it into an argument, working it back and forth. So, we had to be careful what we gave him, because if you gave him something false, that would get into the mix too, because he didn't think you were lying to him.

Knott: You were quoted once as saying that he was probably the best speechwriter you've ever—

Anderson: Absolutely, no question about it. And second best speechwriter was Richard Nixon. Now, speechwriters hate to acknowledge this. Well, for example, let me give you one, and we've been doing further research in this book we put out. Since the book was published we've discovered that he wrote the inaugural address, first term. We have one thing in the book which we found. He'd been in the White House for two weeks and gave a national address to the nation. I was there. I didn't know he wrote the speech. Long speech, 16 pages, and I have a copy of the full manuscript. The reason I have it is because there are private collections, and someone—can't tell the name—took it, had it, and basically he was going to throw it away and he gave it to that person, so we have that in the book. And it is a wonderful speech. In fact at one point in a note in the margin, he says, "Check this with Martin." They never checked it. None of the speechwriters ever mentioned this.

Then here, a couple of months ago I got a package from Europe in which I have now the handwritten draft of the speech he wrote four weeks after he was in office, which was addressing a joint session of the Congress on economic recovery and everything. He wrote this speech, up at Camp David, on Camp David stationery, all handwritten. Then we've also discovered now, it's on display at the National Archives, the second inaugural address, which he wrote. And now, if you begin to talk to the speechwriters, it's amazing how many of them will say, "Oh yes, he used to really rip my speeches apart and he wrote this and he wrote that and so on." But at the time, no one mentioned it. So the assumption was that other people are writing his speeches. No.

Now, later on he really did run out of time and then other people would write a speech and he would then edit them. We have some examples of speeches he has edited. You've got to be a tough speechwriter because the editing was like slash slash, rewrite, page after page. He would do that. Then there are other speeches that he would go through and make minor changes in

them. There's a whole range. As he gets busier and busier, it gets more and more like that.

I remember once, in one of the speeches one time in the campaign where there was a speech draft that I had written some stuff in it and Peter Hannaford did most of the writing. Then he had taken over and written about a third of it. It was a speech that basically had been written a third by Hannaford, a third by Reagan and a third by me. At night I stood up and I decided to read it out loud. When I got to Reagan's part it sounded really good, better than reading what Hannaford and I had written.

There is a story that Shultz tells us, that while he was Secretary of State when he had a major speech to make he would let people know, didn't want to make any new policy, wanted to make sure it was okay with the President. So one day he brought in this major speech and said would he take a look at it. So Reagan looks at it and goes through it and hands it back and says, "It's a good speech, George. It's terrific, excellent, excellent speech." So George is getting ready to leave the Oval Office, starting to walk out, and Reagan says casually, "Of course, I wouldn't do it that way." So Shultz came back and said, "What do you mean you wouldn't do it that way?"

He said, "Well, you've written this speech for—" he said, "it would be a great speech to be published in the *New York Times*. But I write for the ear. Here, let me show you." And he takes the speech back. George is looking for it to see if he can find that draft and he goes back through and he spent about five or ten minutes and he just edited and changed and moved things around and handed it back. And George said it was stunning the transformation that he had wrought in that little speech. And I think that was a special skill. So I stand by that. And I have talked to his major speechwriters, Peter Robinson is here, used to be one of his speechwriters, and Tony Dolan is speechwriting for Don Rumsfeld now. They'll say the same thing.

Young: That's a very interesting phrase, "I write for the ear," all this about Reagan's—my students would say, "But he can't hear," so to speak. This is about figurative and literal, that's when that was going around in the press. I said, consider the possibility. I think he has a very keen ear for the country and what's going on outside. That's where his listening is very good.

Anderson: That's a good point.

Young: I have an actress in my extended family, Kitty Carlisle. I've talked with her about this, and it is amazing about the gifts these people have. The audience is a person almost to them, each night's audience. She's Broadway, she wasn't film. But I think it's extraordinary the way that Ronald Reagan can sense an audience that was not really seen by him with a camera.

Anderson: I agree.

Young: That's an extraordinary gift, and he could hear them. So when I hear him say, "I write for the ear," you know that's exactly it.

Anderson: One of the things we discovered in our research in recent months, a little thing he did in the White House. We discovered in the boxes of old letter drafts and so on, Xerox copies of the outside of letters, the address and so on. And what they are is the following. When he came

into the White House he liked to answer people. He started going down to the mail and picking out letters and then he would write answers to them. So the staff got all excited, "Hey, you're the President of the United States, you can't answer your mail. You've got thousands of letters coming in. This is crazy. You have a lot of things to do and we'll take care of it." He said, "Well, no, no." Finally he worked out, he allowed them to select at random ten to a dozen letters a week and give them to him and he would write the replies.

So we talked to his secretary and they gave him these letters. He took the letters, and as I'm told, opened them up and then got out a little pad of paper and wrote a handwritten reply answering what was in the letter. Signed his name to it, then folded it up, put it in the envelope, sealed it, turned it over and wrote the address on the letter and gave the sealed letter to the secretaries. So they didn't know what to do, all they could do was to Xerox the outside. So we have dozens of these damned letters that were sent out, we don't know what's in them.

Young: But I bet you can guess.

Anderson: No, because they're all different, I'm assuming. Because from the ones we have seen, they're incredibly different. He got one from a young boy, '83-'84, that said his mother had told him that his room was a disaster area. Have you heard this story?

Knott: I just saw the copy of this letter in that book that Lou Cannon put out.

Anderson: You saw that one, yeah.

Knott: But go ahead.

Anderson: No, you tell the story. I want you to tell the story.

Knott: I think it's a 12-year-old boy from North Carolina or South Carolina, said his mother had come into his bedroom that morning and declared his bedroom a disaster— "This room is a disaster area" —and so the kid was writing the President seeking federal aid to help in assisting the clean up of the bedroom. So Reagan wrote a fairly—

Anderson: Long letter.

Knott: Fairly lengthy response—

Anderson: To the kid explaining—

Knott: Questioned the kid's authority He said, "Normally the head of the particular area that has been declared a disaster has to apply for assistance, not the victim." I'm trying to remember what else. It was very funny.

Anderson: I think the main point he made in there was that the authority in here was his mother and his mother would have to file a request.

Knott: That's right, and something, "In line with my appeal for people pitching in instead of turning to the government, you might begin by picking a few things up yourself."

Anderson: The other thing we're just discovering now is, for example, we're finding a lot of handwritten checks. Basically he was sending money to people he had heard were having a tough time and he'd just sit down, write them a check and no one ever knew and no one ever told anyone. We're trying to correlate those. As I say, the more I get into this, the more I find out the things he was doing. He was very private in many senses.

Young: In terms of the mail, what you've just described was almost chapter and verse—it wasn't copied I'm sure from anybody because it was his natural way of doing things—but FDR did exactly the same things, we've discovered. He wanted a digest of all of his daily mail and a selection, a sample. He would even take portions of those letters and refer to them in his speeches. I bet you Reagan would sometimes do the same thing.

Anderson: That's interesting because—

Young: And he's the one who brought the correspondence unit and made it his, out of the Treasury. He was very particular in this and he established a system of referral to letters—this was during the Depression—and follow-up of those letters and even special telephones where people could call up to get answers to their questions.

Anderson: I wonder if Reagan knew that, because I know Reagan always spoke very highly of Franklin Roosevelt.

Young: I don't think that's generally known. I was delving very much into the way his staff system operated and he had quite a system of monitoring.

Anderson: My theory was that the reason Reagan did this, besides being kind of interested, it was a wonderful way of staying in touch.

Young: Oh, yes.

Anderson: With the voters.

Young: Exactly.

Anderson: In fact, I'll go back to Nixon and one of my— at one time in the plane, somebody asked him what was the hardest thing about American politics. He shook his head and said, "Well, you know, some people think it's raising the money, that's not it. Some people think it's trying to develop the policies of what you're going to do, and that's not it. Some people think it's the travel and the speeches, that's not it." He said, "The hardest thing about American politics is getting those blankety-blanks to vote for you."

So maybe these people knew what they were—they were staying in touch. It's interesting, I never knew that Franklin Roosevelt did that too.

Young: I think that Roosevelt also had that kind of ear, which was most extraordinary for somebody of his background.

Anderson: Because it's so easy to get isolated in the White House.

Young: And he did exactly the same thing also, Ronald Reagan did, reach outside. He was always—in fact, he brought in Bill Donovan and actually sent him on personal emissary missions to Ireland, to other places, this is even before OSS [Office of Strategic Services]. He'd call up a banker, he'd call up somebody else, completely outside of his own establishment. He did a lot of this.

Anderson: You don't know how mad that makes the staff.

Young: Well, he didn't have that much of a staff at the time, but he had a lot of hidden staff. People didn't realize how much he had.

Knott: Were there any weaknesses of either President Reagan or his administration, things that—?

Young: You refer to the Achilles' heel of his style.

Anderson: I think the main thing, it was an attitude that people told him the truth. I never heard him sit there and question anyone, or if somebody told him something, he never said, "Well, are you sure? Did you check that," like other people do. He just assumed. I've said this before, as long as you had a staff like Ed Meese and Jimmy Baker and Michael Deaver and the whole crew that was in there originally, it worked brilliantly.

But there's a potential problem, and I think this was—someday we'll unravel the total picture on Iran-Contra as to exactly what happened and why—but it's clear that he was given information that was not correct or that was not complete. You know, one of the favorite tricks of staff is that you can take an issue and lay out the options in such a way that you can predetermine the result, instead of giving the full range of the options. I think that was done.

By the time you realize what happened, they were into terrible problems. He just barely survived that by just putting everything out, as much as they could. But I still don't think we know the full answer to all that. I've described a little of that in the book.

Young: Yes.

Anderson: The only person that seemed to agree with me was Sy [Seymour] Hersh. He called me one day and said I was getting closer than anyone else on figuring it out. He had tried for six months and said he hit a stone wall, no one would talk. But there are a lot of things, a lot of mysteries still exist. Money is the key. You follow the money. A lot of money was flowing around then, huge amounts of money.

Young: Well, you did a lot of that in here.

Anderson: Some of it, but there's still more. No one ever tracked it down.

Young: Do you think Reagan felt betrayed? Was he charitable toward these people? I mean, really?

Anderson: I don't think he ever understood. See, one of the things we keep forgetting is that we can sit down and spend weeks and weeks on an issue like this. Same thing was true with the Watergate thing with Nixon. Some people spent years looking at stuff. They don't have time. They spend a couple of minutes here, a couple of minutes there, they are incredibly busy people, the things that come piling in on them, so they don't ever examine it. I think they just get this vague view of what's going on. But I think Reagan's view of Iran-Contra was that he was fully convinced that he had not done what he had obviously done, because he'd been working on certain kinds of information. But there's a lot of things we don't fully understand about [John] Poindexter, Ollie North, Casey.

Young: And Casey, yes.

Anderson: The story they tell about Casey—and no one else has followed up on it, they may never do it—but he had a very peculiar kind of a brain tumor. Did you read this story?

Knott: I knew he had a brain tumor, but I didn't—

Anderson: Well, I'm probably the only person in the world—

Young: You described it as something that attacks not a spot but it networks.

Anderson: I went into the Stanford Library in the medical school and found about 40 articles dealing with brain tumors. It turns out the particular kind of a brain tumor he had was extremely rare. Most brain tumors are a lump—

Young: Mass.

Anderson: —A mass develops and you can see it, detect it quite, quite early. But his was the kind that very quietly spread throughout the entire brain and you couldn't see it until—usually the indication you had it was you fell down on the floor frothing at the mouth, just bang. Extremely difficult. People who are operated on usually die within a few months. If you didn't operate you lived maybe another year or two, incredible. Anyway, they operated on him.

What was in these articles was also the idea that people that had that particular kind of a brain tumor, for the preceding 12-18 months, began exhibiting increasingly bizarre behavior as it affected their brain. There was no way to explain it because you take an X-ray, you don't see anything, there's nothing to explain it. They gave example after example where people do off-the-wall things. And I checked with a few people that reported off-the-wall behavior by Casey in the preceding months.

Young: Bill Safire.

Anderson: Bill Safire, Glenn Campbell, who just died. But no one has looked at that and I think it is an interesting question.

Young: Yes, you put that question as a possibility in the book. But you know, on the other hand—I'm thinking out loud—it was pretty well known, I think Reagan made it pretty clear, that something should be done in support of the Contras or against the Sandinista regime.

Anderson: I agree. No question. Absolutely.

Young: We've got to do something to bring the hostages back.

Anderson: Right.

Young: Somebody's making—

Anderson: Connecting the dots.

Young: Looks like, connecting the two. Then you get enmeshed in this developing logic of putting those two things together until suddenly you're just, it's just quite bizarre. I mean, the more you're trading to get the hostages home, the more hostages you're getting. The whole thing becomes quite bizarre, but it might start out from a very logical decree.

Anderson: Oh, there's no question about it. There are people on the White House staff that think if the President says, "We've really got to help these people," that means you can do anything you want. They interpret it that way and that's very dangerous.

Gordon Liddy tells the story in Watergate, and there's an extreme example. At some point they're working, the committee over there and someone says at one of the meetings, about some Senator, "We've really got to get rid of him." Meaning that the next election we've got to try and defeat him. Liddy goes out of that meeting and stews around for a while and comes back in the next day and is all worried and says, "Oh God damn, I've got to work this out." I said, "What are you worried about?" And he says, "I've got to kill this Senator." He was going to go kill him. Literally. I said, "No, no, no, no, we were talking about politics here. Slow down." Now they should have fired him then, but they didn't, obviously.

Knott: How well did you know Bill Casey? I assume in the '80 campaign you had a decent amount of interaction?

Anderson: I've known Bill Casey for a long time, very well. I served for almost five years on the Foreign Intelligence Advisory Board.

Knott: Okay.

Anderson: Casey was a main player in the ’80 campaign and he came in, straightened the thing out, was a terrific advisor, strongly supported our economic policy. He was terrific. He was essential. I think that what happened with Casey, my speculation is that he fully expected to become Secretary of State. The decision was made, the same kind of analysis that put Al Haig in there, that they did not want, didn’t think he could do it. I think that was wrong, so he got to be head of CIA and Haig got to be Secretary of State.

Knott: Who was it that put Al Haig’s name on the table?

Young: Yes, I’d like to hear, how did that selection occur?

Anderson: I’m not sure. Basically, on working on the Cabinet there was a lot of input from a group of Reagan’s closest friends.

Young: Yes.

Anderson: It came out of there. I remember hearing—there was a big debate as to who it should be and whether it should be Casey or whether it should be George Shultz. I think people were very impressed with the fact that Al Haig had had military experience. It just sounded like a good idea at the time. Don’t know, wasn’t there.

Young: Do you know of Reagan’s reaction to his performance in office? There are stories about Haig demanding total control or something, I don’t know, “be your vicar” or something.

Anderson: Right.

Young: How would Reagan respond to demands or—

Anderson: Haig would come in and say something about we’ve got to do such-and-such, we’re going to do this, and he would just calmly look at him and say, “Well, no, we’re going to do it some other way.” Haig might scream and yell and say, “We can’t do it that way,” and Reagan would say, “Well, you just go work it out.” Meaning, you do it my way. I don’t think Haig ever really understood Reagan and eventually Reagan fired him, just said, “Okay, bye.”

I don’t think Reagan ever got terribly upset with him, just let him be there for a while, and when necessary, fired him.

Young: Yesterday you referred to the foreign policy directorate, that is, an idea that Reagan had of not putting all the eggs so to speak in one basket but bringing in outside people—

Anderson: Foreign policy?

Young: Yes.

Anderson: No, I don’t think so. Economic policy.

Young: I think you mentioned that also in foreign policy, didn't you? He brought in—

Anderson: Who'd he bring in?

Knott: You did refer to it—I think you were making the distinction between economic and—

Young: I don't think it had a formal name. Haig was in it, Allen, whoever was in Allen's shoes, there were also people on the outside who were his advisors.

Anderson: In terms of foreign policy?

Young: Yes.

Anderson: I'm not so sure it was systematically done on—

Young: No, you didn't say it was systematically done.

Anderson: You'd have to talk to Dick Allen, but for example, one of the things that Dick Allen did do was to create the Foreign Intelligence Advisory Board.

Young: No, I think that was not it.

Anderson: But in terms of a group of outside people? I don't think so.

Young: Maybe I'm wrong.

Anderson: I don't recall that. One of the problems was that there was a relatively small number of people, and it was inside the White House.

Young: Maybe I misread here.

Anderson: I can contrast that to what they're doing this year. They're doing very different business this year.

Young: Maybe I misread it, but four of the original directorate of nine were traditional choices, Haig, Weinberger, Casey, Allen, and then there were another five. You go through the various—

Anderson: Who were the other five?

Young: Jeanne Kirkpatrick—

Anderson: In the administration.

Young: Okay. George Bush, Edwin Meese, James Baker and Michael Deaver. So I was wrong in thinking they were outside.

Anderson: None of them from the outside.

Young: It was on the inside.

Anderson: The same thing was true on the economic side, there were about nine or ten people that were the key policy makers, except on the—

Young: Yes, that was the analogy.

Anderson: —Except on the economic side, we also had the outside group.

Young: I was getting the two confused. But the basic concept that you're referring to is, you've got a Secretary of State who wants primacy—

Anderson: Which means nobody from the outside.

Young: Nobody from the outside, even within the administration.

Anderson: No.

Young: That's one reason I was asking Reagan's reaction to this, because it would seem that that wasn't his preferred way of getting advice.

Anderson: I'm not so sure, because at the time, it didn't seem like you needed a group of outside advisors in the national security area. And with the right people in there it would have worked perfectly. As today it's working perfectly, although they have created a group of outside advisors. I want to get into this because there are some interesting—you want me to get into that now?

Knott: Please.

Young: Yes.

Anderson: I was thinking of it last night. There's some interesting parallels. Not only is there a line between Goldwater coming up through Nixon and coming up through Reagan, but it also runs through George Bush the first and George Bush the second.

Young: Okay.

Anderson: Let me just take a couple of minutes and explain what happened with George Bush, W. Bush, and you can see if there are any questions. But he started to—I don't know—once he got elected Governor of Texas, there's a natural interest in any politician who is Governor of California, Texas or New York, and maybe even Florida, but those are the three big ones. So there was speculation. I don't think he paid much attention to it. But anyway, he came out here in April of '98, I think doing a fund raiser for [Dan] Lundgren. One of his old friends here at Hoover was Michael Boskin, who had worked with him in the first Bush administration and

knew him. I had met him once on the speedboat up at Kennebunkport, but that was my only experience with him. We went out on the speedboat together.

I don't think he ever knew anything about the Hoover Institution and never thought about it. He didn't want to come to the Hoover Institution but he finally agreed to go over to George Shultz's house. So we met in George Shultz's living room. In the meantime, one other thing, we also did the same thing in 1979 with Reagan when he was running. We had a meeting with Shultz in his living room, the same living room, same group of people. We invited eight or nine of the fellows over and Condi Rice was there and Michael Boskin and John Taylor and [Edward] Lazear and Abe Sofaer, the lawyer, and Annelise Anderson and a couple of other people. Anyway, we spent the whole afternoon with him.

Afterwards we walked up, we were surprised. He was terrific. He was smart, he was quick, he knew the policy, national policy issues. He was really good. We all commented about that and then a few weeks later he evidently liked some of us so he invited the four of us to come down to Austin. Shultz, and myself, and Michael Boskin and Condi Rice, and we went down there. We were met down there by Cheney and Paul Wolfowitz and the next morning we spent the whole day with him and went through all the policy stuff and it was interesting. I was impressed. He just started off early in the morning, eight o'clock with breakfast and sat down and talked policy, broke, went into the room, talked policy, came back, had lunch, right till three or four in the afternoon. Basically what he said was that there was some possibility, people were talking about running him for President but he had not decided. But that he had decided that if he were going to run, he needed to have things in advance. Anyway, we agreed on an as-is basis to help in the work. We did it for the next couple of years, off and on, and worked with him.

I'm going to be writing this up now, but basically, he developed a campaign, which I'm going to argue is so far, professionally, the best campaign ever run, in terms of what he did in fundraising. One of the things we suggested early on was do not take federal money, try to raise it all yourself. Simple reason being once you take a dollar of federal money they control the whole thing. They say in New Hampshire you can only spend eight or nine hundred thousand dollars, which is craziness. They run your campaign, and people go crazy trying to figure out how to get around all these rules.

So he did that, and the fundraising was brilliant. He had a tremendous advance team. Politically things were great. He had a wonderful staff in Austin, and then he built, quickly, more quickly than Reagan did in '80, a policy shop, of hundreds, literally hundreds of the top policy people in the country, who had all come down to Austin and spent a whole day with him, and talked to him, and got to know him and he got to know them. They were on task forces, and published a book on the campaign. Nobody seemed to notice, but I will argue that's why he won this election by a hair.

It shouldn't have been that way. We had some sophisticated political scientists here at Stanford that had built the models and had assured us, absolutely—

Young: He couldn't win.

Anderson: No, we were going to lose by 10-15 points. It was a dead thing and everybody else is crazy. But I think what is interesting, if you look at some of the people that were involved in what he did, a lot of the same people. For example, we set up a task force on missile defense during the campaign, takes you back to '80. I had gone to a conference over in the Livermore and they had all the top experts from the country in there. I listened to them and there were three or four that were really terrific. So we got a Ron Lehman and we got Greg Canavan from Los Alamos, and Lowell Wood from Livermore. Anyway, we put together eight or ten people and I talked to Condi and she agreed with it. Condi Rice went on it and we asked Rumsfeld to be the chair, which he agreed to. That worked all during the campaign.

I was just checking recently and look what happened. Many of them went into the government. Then, here, this just came out a few days ago. Rumsfeld set up a policy advisory board for the Defense Department There's 28, 29 outside people to advise him. It includes Henry Kissinger and Harold Brown and Jim Schlesinger and so on. But it also includes—we put out a press release on this—eight people from the Hoover Institution. It includes Dick Allen, former National Security Advisor. I'm on it. Gary Becker, winner of the Nobel Prize, he's on it. Newt Gingrich, he's one of our Fellows, he's on it. Henry Rowen, who is the former Assistant Secretary of Defense, was in the CIA, he's on it. George Shultz is on it. Kiron Skinner, who is one of the co-authors of the book, is on it. She is also a good, close friend of Condi's. And Pete Wilson, former Governor, he's on that board and he's also on the Foreign Intelligence Advisory Board. Nobody seems to notice.

Young: Is that a good thing?

Anderson: It depends from whose viewpoint.

Young: From your viewpoint.

Anderson: Yes, it's a very good thing.

Young: No, I don't mean the idea, I mean the publicity.

Anderson: Oh, I don't care.

Young: I can imagine all kinds of spins being put on the continuity. I can imagine all kinds of spins, op-ed pieces.

Anderson: Oh, I'm sure. But there is a continuity.

Young: Oh yes, of course.

Anderson: It works and these are people—the only reason it works is that these are people who have given good advice in the past. The Democrats have done similar things. It's already begun again. Because these things happen way before. So, for example, here in California it is important who the next Governor is, because the chances are the next Governor will be a candidate, if it's a Republican or Democrat, for President of the United States. So we have three

people running for Governor. The two leading candidates are Richard Reardon, former mayor of L.A. and Bill Simon, Jr., and they've both been to Hoover. Shultz and Michael Boskin are working with Reardon and I'm one of Bill Simon's top advisors.

Knott: This is William Simon's son?

Anderson: His son. And Bill Simon is following in the footsteps of George W. Bush and Reagan in that he set up an enormous policy shop. He's got some of the best people in the country working for him, he's raising funds. He may not win this time out, but he's setting up an incredible base. His instincts are really good. He's terrific.

Knott: What does he do now? What is his current position?

Anderson: Basically he and his brother, who is in New York, run the whole family's business, which is a massive business. So he is sort of a citizen-politician.

Young: Yes, but you know back in the '50s and '60s there were people who would sit you down and show you the power establishment and how it extends its tentacles across time, into all administrations, Democrat and Republican. You know, that was just standard stuff in the '50s and '60s and I think it's amazing that people don't seem to be very interested in this anymore.

Anderson: They also make the assumption that money plays an enormous role.

Young: Yes, they would draw all kinds of conclusions from this.

Anderson: But it doesn't. It plays some role, but all the time I've spent in policy, the closest I've ever come to it is that someone back in the Nixon years gave $300,000, which is a huge sum, and for that he got to come in and spend an hour with me, telling me his views, which we never adopted.

Young: Could you just say a bit about, I don't know what the Congressional Policy Advisory Board is, that you—

Anderson: Were the chair of.

Young: Could you say something about that?

Anderson: Yes. Basically, in '96, after Dole lost, the Republican party had a problem. They had control of the Congress. One of my good friends was Chris Cox, who was the chair of the policy committee for the Congress, but they didn't have the White House. The White House, whether it is a Democrat or Republican, if you have the White House, that's where the policy comes from, and people react to it. But if you have control of the Congress and you don't have the White House, you've got this incredible group of people but there's no focus. It's very difficult. So I talked to Chris and we thought it would be a good idea to see if we could set up an outside group of people that would function like the Economic Policy Advisory Board, or the Foreign Intelligence Advisory Board, and work with the congressional leadership on the Republican side.

So we got together. He thought it was a great idea. He set it up and he asked me to be the chair and we called it the Congressional Policy Advisory Board. The people who were members of that board—have you seen the list?

Young: No, I don't know who—

Anderson: It's the same list.

Young: Same list as?

Anderson: I was on it, Paul Wolfowitz was on it. Rumsfeld—

Young: Oh, the people you just mentioned.

Anderson: Rumsfeld was on it, Shultz was on it, Dick Allen was on it, Annelise Anderson was on it, they're all—Larry Lindsey was on it. And we worked with the Congress. We had a number of meetings and we went back and advised them on various policy issues. We sat down with Newt Gingrich and with Chris Cox. They'd have a meeting of the Congressional Policy Advisory Board. I remember, the first meeting they brought all the various chairmen of the various key committees and they met with us for the whole day.

Young: How did they take to outside advice?

Anderson: They liked it. They thought it was—see, because the way we set it up—

Young: Their staffs may not have.

Anderson: We didn't talk to the staffs. Basically we just said, "Look, they're a group of outside individuals, and you know most of them, and they'll be happy to share with you anything you want." We agreed that the basic ground rules were we would advise them and tell them whatever they wanted to hear about and we would not talk about it. We would talk about our own personal views. We would never tell them what we told them. If they wanted to make an announcement to the press, they could have a press conference and talk about it, which they did sometimes. Then the other rule was that there are 25 or some odd members of this group, we don't have to meet as a group. If you want to identify with any of them individually you can call them up—which they did.

Young: Yes.

Anderson: But it was simply a device for systematically putting this group of outside advisors in connection with the Congress. As part of the group we put together the heads of the major think tanks, like AEI and Heritage Foundation and Hoover, so that they also had access then to all the scholars in the think tanks.

It was a way of trying to marry the people making decisions with them. It worked pretty well,

because the second or third meeting the Senators wanted to come over and get involved too. So they all came over. So it was really, the Senators came over then.

After Bush won the Presidency, I sat down one day and discovered that most of the board was in the administration. I called Chris and I said, "Look, we're going to do something that's very unusual," and we shut it down. Wiped it out.

Young: Became redundant almost, didn't it?

Anderson: Sure, absolutely. But you know, it was fun. People were actually stunned it was going to be shut down. It's over. But everybody got a nice paperweight.

Young: Paperweight.

Anderson: Yes, little glass paperweight.

Young: Not cuff links, not a tie pin.

Anderson: Just a paperweight.

Young: I think we can wind up the recorded interview at this time. I want to thank you very much for the time you gave generously.