

James J. Reynolds Oral History Interview – JFK#2, 6/02/1970
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Biographical Note

James J. Reynolds (1907-1986) was the Assistant Secretary of Labor for Labor-Management Relations from 1961 to 1967. This interview focuses on the mediation of disputes between labor unions and companies, the internal operations of the Labor Department, and legislation pertaining to labor issues, among other topics.

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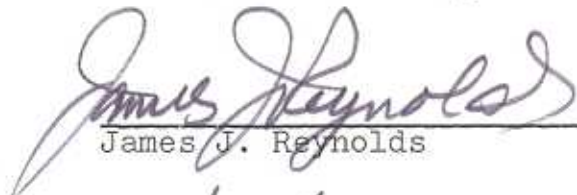
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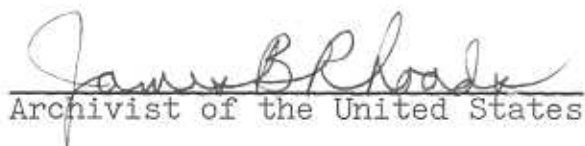
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James J. Reynolds


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Second Oral History Interview

with

JAMES J. REYNOLDS

June 2, 1970
Washington, D.C.

By William W. Moss

For the John F. Kennedy Library

MOSS: You were saying that Secretary [Arthur J.] Goldberg was very much of an activist.

REYNOLDS: Very much of an activist in the field of labor relations disputes. He felt that a responsible government could not ignore the sum total of a major bargaining exercise in terms of its inflationary impact, its impact on employment; plus, the disruption to the economy which President [John F.] Kennedy and his administration were desperately trying to revitalize. So that he, personally, involved himself in many labor disputes. Indeed, the very afternoon he was sworn in, within minutes he was interrupted. He was called into his private office by Governor [Nelson A.] Rockefeller, I recall, who pleaded with him to come up to New York immediately in an endeavor to settle a rather awkward tugboat strike that was going on. You may recall.

MOSS: This was the harbor railroad tugs and barges?

REYNOLDS: Yes. Secretary Goldberg and I went to New York within a day after his becoming secretary of labor to confer with Governor Rockefeller and the various parties to the dispute. I mention this only because of the fact that in earlier days of the Kennedy administration I did not have a very active role to play in these things because Secretary Goldberg, himself

was so thoroughly well-equipped to do it, and so philosophically attuned to do it. And, of course, Secretary [W. Willard] Wirtz was also uniquely qualified in this area, too. So the three of us were all, in a sense, professionals of the business: I, from the management side; and Goldberg, from the labor side: and Bill Wirtz in the middle as one of the country's foremost arbitrators, you see.

So the first major dispute that I became very much involved in, very deeply involved in, was the dispute involving the International Association of Longshoremen when they were having their biannual tribal dance up in New York. And that one I did become deeply involved in. I went up there and stayed right through it until we were able to resolve it.

MOSS: All right. Now, I have a record of you being called up there by the mediators in September of '62, I believe it was. Was this a specific request on the part of the mediators for you as a person or for someone from the Labor Department to join the talks?

REYNOLDS: I don't recall whether it was a specific request for me or for the secretary's office. I really don't know.

All I do know is that President Kennedy was deeply concerned about it because, again, we were trying desperately to get the economy moving to attack the problem of unemployment, primarily. And unless one could keep that rolling and all of his fiscal and monetary efforts and other efforts to revitalize the economy could go forward, the basic fabric of his program domestically was in danger. And so when you had your entire foreign trade shut down on the Atlantic and the gulf, it was a matter of grave concern to him. So we were deeply involved from the very first moment. And somehow or other I was able to develop a rapport and gain a measure of confidence from the parties to the dispute. So that I was the one who was just directed to devote my full time to it.

MOSS: Okay, now, what discussions did you have with Secretary Goldberg or Under Secretary Wirtz -- this was about the time that Wirtz took over from Goldberg, too -- or the president on this before you went up to New York?

REYNOLDS: Secretary Goldberg went out in around September of '62, didn't he?

MOSS: Right.

REYNOLDS: Well, then this was right after that. Indeed, it was.

And I went up there originally with Secretary Wirtz in December, I believe it was.

MOSS: My record says September, but that. . .

REYNOLDS: Well, it may be September: by then the Taft-Hartley injunction had issued. We tried without much success to keep the parties negotiating and then the injunction expired about, I think, the twentieth of December or something or that sort.

MOSS: That's right.

REYNOLDS: And, of course, that was the moment of truth, whether or not we could find a resolution to this dispute or not.

MOSS: Did you ever consider not invoking the Taft-Hartley just to get the parties to come to terms?

REYNOLDS: That had been tried a great deal prior to the invoking of the Taft-Hartley. Keep in mind that the Federal Mediation [and Conciliation] Service had people who were specialists in this field who lived with it day after day. They had tried to assist the parties in finding a resolution to the dispute, but without success. And so that when we took a very careful reading with the Council of Economic Advisers and the Agriculture Department and [Department of] Commerce and [Department of] Defense, we obtained strong reaction from each one of them as to the impact of a strike if it took place and continued any length of time. There seemed to be no other course for the president to follow than to have his attorney general go in and seek an injunction. It was as simple as that. So that the going in after an injunction was not something that was done lightly or casually, I can assure you. It was done only after the most careful appraisal of the impact a strike would have at that time, and how important it would be at that time.

MOSS: All right. Now, with specific reference to this dispute, how useful is that eighty day period as far as a time for mediation or cooling off and so on is concerned?

REYNOLDS: With particular reference to the longshoremen, I think the track record is very bad. It does not indicate that Taft-Hartley is an effective vehicle for finding the permanent solution to a dispute in the longshore industry. But it has been very useful in getting over the busiest season, let's say, of shipping. It is that period leading up to Christmas that you have a great deal of foreign trade. And then you have a period of hiatus for a while in late December and early January, and the weather is very bad, and when there is the post holiday season where the impact is not quite so severe economically. So these things were very carefully taken into account. The cessation of all our trade through the month of October and November was a very serious matter

to our balance of payments, the strength of the dollar, and the internal economy. And yet, if we could stop the strike for that period and keep the commerce flowing while we made strenuous efforts to resolve the dispute, if we resolved it, fine. But if we didn't then the strike would take place at a time when the injury would be less serious. It's as simple as that.

MOSS: Okay. Do you know from your own talks with the parties whether they simply regarded the eighty-day period as a delay or whether they regarded it as an opportunity for negotiations?

REYNOLDS: As far as the longshoremen are concerned and their leaders are concerned, I believe there's no question that they regarded this merely as a delay, and that they found the Taft-Hartley injunction so offensive that they were almost constitutionally incapable of making a settlement under the duress of an injunction. So the answer is from the point of view of a permanent resolution of the dispute, it was not helpful. And that has, of course, been evident subsequently.

MOSS: Okay, how was the decision arrived at to use the [Wayne] Morse board to settle the dispute?

REYNOLDS: It became apparent -- after being deeply involved in this dispute as I was -- that the possibility of its prompt resolutions through the normal mediatory efforts just was very unlikely. And so what was needed was for a fresh point of view from the outside to come in, take a look at it, and make recommendations to the parties as to what the terms of settlement should be. When you're in a very difficult dispute and you are on dead center and there is no way out of it through persuasion or suggesting ideas to the parties, and you conclude on the basis of experience that you're just going to go on and on and on, and it's just going to be a rough tough economic battle until one side or the other drops from exhaustion, you have to find other ways. And one of the ways that we have found to be useful is the question of fact finding. You see, the Morse board, while its recommendations had no power in law, would provide a disciplined forum where the parties could give their views and could come up with their ideas of what should be done to settle it.

MOSS: And yet, the Morse board, in effect, dictated the terms, did it not, with the threat of compulsory arbitration hanging over everything?

REYNOLDS: There was that implied threat, yes, that if this didn't

work we have no alternative but to go to the Congress and seek something tougher because we just can't tolerate this strike going on indefinitely.

MOSS: Well, now, what was Wayne Morse's view of this at the time as opposed to the Labor Department? Was there any real difference? I get the impression that he was a little tougher on the whole thing just from reading the open press material. Vocal, perhaps.

REYNOLDS: Well, Senator Morse worked just so cooperatively and closely with me that I was never conscious of his attitude being, frankly, anything much different than my own. We lived together in New York. We talked and we walked for hours discussing it, trying to find out from the basis of his long experience and wisdom if there were any ideas of his that we could try, and I tested my own ideas on him. So that really what it did was to bring in a fresh and experienced point of view to add to my own. He was accompanied, of course, on the board by two other experienced men.

MOSS: I haven't got their names right here.

REYNOLDS: Well, I think it was Professor [James J.] Healy of Harvard and Mr. [Theodore W.] Kheel.

MOSS: I think that's right. Kheel, certainly. Now the break seems to have come following a meeting between [Thomas W.] Gleason and [William V.] Bradley and [George] Meany here in Washington. Is that right? And if so, how did that come about? The story that I have is that Meany finally said, "Look. Go ahead and get down to brass tacks up there, and get it done."

REYNOLDS: Right. This came about through the president. He appealed to George to bring these fellows in and to just urge them the necessity of finding a solution on the basis of what fair and objective and honorable men felt was the proper solution. And Mr. Meany responded responsibly and did it. It's as simple as that.

MOSS: Okay. Now, you said you were living with Wayne Morse and you were talking with him. I'm sure then you were aware of the commitment on the part of the Labor Department to do this two-year manpower utilization study that was implicit in the settlement. Was this all arranged beforehand? I presume that it was.

REYNOLDS: It was arranged by me. Because it was very apparent that there was really no body of accepted knowledge on this

question of the proper utilization of manpower in the docks. There was a visceral feeling on the part of a great many people that there was a good deal of redundancy there. But nobody could support it with facts or figures. So the suggestion was made that we do it. Or rather, I suggested it. And it was out of that suggestion that the project went forward to the best of my knowledge and recollection.

MOSS: Now, there were some charges later that both sides were trying to bias the study. For instance, the people who were down on the docks, asking questions of the foremen and this kind of thing, were being put off. The foreman would say, "I can't answer this question until I've checked with so-and-so," this kind of thing, and the implication of some kind of bias.

REYNOLDS: I'm sure there was some of that. But I think by and large that the people on the docks played the game quite fairly on it. I'm sure there were instances of that. But I think that the people on the docks recognized that the type of individuals we sent around to observe and question them were not there to get them or get their jobs or were out to do anything other than to do what was objective and fair. I think that the fact that these people came from the Labor Department gave them a certain posture in the minds of the longshoremen that they could be trusted, trusted by the people on the docks. At least that's the impression I have although I'm sure there were some supervisors and some longshoremen and some checkers who tried to do a snow job on our people. But I don't think they succeeded because there were too many checks and crosschecks so that we could gather the facts pretty effectively. The project was chiefly in the hands of a Mrs. [Beatrice] Bragoon, a member of my staff in the department. Have you met her by any chance?

MOSS: No. I haven't.

REYNOLDS: She was a shocker to the longshoremen when I sent her up there, to think that a woman was going to head up this study on the docks. But she soon came to get their complete respect. She was known affectionately around the docks after awhile as the "hairpin." But she was climbing all over ships with the longshoremen. She, I'm sure, gained their respect which she hold to this day.

MOSS: The other side of it, you went out to the different shipping associations and union locals and asked them to make an input, and got reports back from them. How useful were these?

REYNOLDS: That's correct. I think the sum total of the information is what's important. I think we had to cull through it and take out what was obviously self-serving on both sides and get at what the truth of the situation was, and then come out with a report that people would understand and would recognize as being objective and scholarly -- I guess that's the word-- which it was. It was a very fine job that was done. And there was no attempt to assert blame or to criticize or anything of this sort. It just spoke out as to what were the facts of loading various types of cargo and unloading types of cargo; what each man did; how necessary he was. And it left a clear inference that there were too many men in the longshore gangs.

MOSS: How do you look on this as a regular function of the Labor Department? Is it the kind of thing it should do often or is it a one-time shot?

REYNOLDS: I think it's a type of activity that the Labor Department should not engage in as a general proposition. This was a desperately awkward situation. The manning issue had been a most sensitive issue for years. You must keep in mind that this particular dispute in '62 was just a repetition of the wrangling that had gone on time and time again. And time and time again it had resulted in very serious injury to a lot of innocent third parties and to a greater or lesser degree to the economy as a whole, depending on the length of the strike and the timing of the strike and so forth. So that something was desperately needed to be done. There was no possibility of agreement to accept an outside industrial engineering firm coming in and doing it. In the first place, you couldn't get the labor unions to agree to share the cost of it. And if management paid the entire cost of it, then it was going to be suspect. So what to do? And I felt that the thing to do was to get the Labor Department to do it, and to do it as quickly and carefully and accurately as we possibly could; but that this was not to be a precedent, that we would do this in other cases.

MOSS: How much difficulty did you have in committing resources within the department to do it and getting the money for it?

REYNOLDS: Secretary Wirtz readily agreed that this was something that should be done. It was a question of whether we could find the resources. Now, the way we found the resources to do it, basically, was to just temporarily detail people from other activities in the Wage and Hour [and Public Contracts] Division and in other divisions, but primarily the Wage and Hour Division. And it meant a temporary impairment of their particular routine functions. No question about it. But it meant by taking

these people we were able to do the job without unduly burdening the public treasury and so forth. You just expected the people involved were going to remain on their normal taks and take on a little bit more. Theoretically, this was the idea. And I think practically in most cases it worked out that way.

MOSS: Okay. Now, while you were very busy with this longshoremen's thing, of course, the railroad work rules dispute was brewing. And the first record I have of you getting involved was mid-June 1963, very late in the game, when you and National Mediation Board chairman, [Francis A., Jr.] O'Neill were called into the mediation effort in Washington. Did you have any involvement in it prior to that?

REYNOLDS: No, I don't think so. That's about the time . . .

MOSS: How was it that you two were brought into it?

REYNOLDS: Well, I think there was a growing awareness in the administration that I had considerable background in this kind of business and that I'd had considerable success in working out some rather difficult disputes.

There was one before the longshoremen incidentally, that I do recall, that was a rather unspectacular but terribly important dispute. That involved the General Dynamics Corporation's electric boat division where the nuclear submarines were being built. And I recall I brought the parties down to Washington and worked that out in a couple of days, much to Secretary Goldberg's delight and amazement.

MOSS: What was at issue in that one?

REYNOLDS: There were a number of issues. There were the traditional wages and hours and all this sort of thing. But there was also a question of a renegade leadership in the union, which was looked upon with a great deal of skepticism by the parent -- [International Brotherhood of] Boilermakers which was the union involved. This made the situation particularly difficult because, internally, there was this fight within the union, one group saying, "let's strike," and the other group saying, "Let's go back," and so forth. So it took a bit of doing to get that ironed out.

But I don't mention that in any self-serving way. I mention it only as a part of the reason, probably why I was thrown into these more and more. And when the railroad thing came along, and it became apparent that we were rushing down the road to another one

of those very difficult railroad crises, I was the one who was thrown into it. And it was at a point where the National Mediation Board chairman was Mr. O'Neill at the time -- the chairmanship of that board rotating each year as you know. He was chairman, so I was directed to get in and work with him on it. I did and I became involved from that moment until the time it was ultimately settled in early next June, which was, of course, after President Kennedy's death.

MOSS: Now, in the latter part of June, before it was finally agreed that there would have to be some presidential action and congressional action on the thing, what was transpiring in these meetings? How was it coming to a head?

REYNOLDS: Well, it was coming to a head by reason of the depth of determination on the part of each side on certain issues. Now, that dispute, you'll recall, was not only a dispute which had some rather understandable prosaic issues, but had the very fundamental issue of the question of the need for a fireman on diesel locomotives, and the question of the consist of crews on various types of trains. And it had to do with a matter called interdivisional runs. It had to do with payment when away from home. And it had to do with a great many things that had been long simmering matters of discord. The railroads were basically determined to eliminate what they regarded as very burdensome work practices that had continued for many, many years. And they maintained that with the increasing competition from trucks they had to get their expenses down if they were going to meet the wage movements that were coming upon them year after year. And the only way they could do this was to wring out every excess bit of manpower and every redundant individual and every burdensome work practice.

Unions are not very well gaited to making concessions on such issues. Unions are basically designed to get concessions out of management. And here was a situation where the brotherhoods were confronted with what they regarded as the outrageous spectacle of management making demands on them. And, of course, tactically this dispute had developed in a somewhat unfortunate way in that they had all agreed on national handling. By consolidating all the issues in a national case meant that if there was going to be a strike, it would have to be a strike against all the railroads in the country.

MOSS: You had the regional conferences acting jointly too. Didn't they form a new association?

REYNOLDS: The regional conferences of the railroad industry pulled

together and were all acting jointly under a chief spokesman, Mr. [James E.] J. E. Wolfe, so therefore, we had the ingredients of a very serious nationwide labor dispute.

MOSS: All right. Now, you come to a head in late June with this thing, and there are several proposals as to what kind of national action should be taken -- someone proposing that Justice Goldberg arbitrate. Do you know where this notion came from? Who proposed it?

REYNOLDS: From Goldberg.

MOSS: From him, himself? [Laughter]

REYNOLDS: Sure.

MOSS: All right. How was this received, say, by you, by the parties, and by the president and his staff?

REYNOLDS: The president thought it was a good idea if the parties would accept it. And Arthur had indicated his willingness to the president to do this. So we tried it for size with the parties and it didn't get off the ground. And so you had to find some other means, some other device. And meanwhile we were rushing down the tracks, of course to a strike. Secretary Wirtz and I were constantly talking and exploring ideas that either he would have or I would have as to how to handle it without getting to this dirty word of final and binding arbitration. As far as the unions were concerned arbitration was outrageous.

MOSS: Let me back up just a moment and ask you how Justice Goldberg communicated his desire to become involved?

REYNOLDS: I don't know, but I do recall that President Kennedy mentioned the fact that then Justice Goldberg had indicated his willingness to arbitrate the dispute.

MOSS: The parties did not agree to it?

REYNOLDS: That's correct, they did not.

MOSS: Okay. Now, you're looking for other possibilities. One of the things suggested was the machinery of the Interstate Commerce Commission.

REYNOLDS: The Interstate Commerce Commission was one of the suggestions. That is quite correct. It was that suggestion which Secretary Wirtz and I discussed with the president

and his assistant, Mr. [Theodore C.] Sorensen, in late 1963, which overnight Ted Sorensen really converted into what ultimately became Public Law 88108. The approach to that was really Sorensen's. He's the one who came up with the ultimate idea. But the idea was predicated on constantly reiterated statements of the parties, that if you could get the firemen issue and crew-consist issue out of the way, everything else will fall in line. Both sides said, "We're not going to resolve these other things until these two issues are settled. And we're not about to settle these two by agreement!" Do you see how difficult the problem was?

MOSS: Yes.

REYNOLDS: Well, this view of the parties that if the manpower issues were settled everything else would fall in line turned out ultimately, of course, to be a lot of nonsense. But, it was the position of both sides and is what was conveyed to the president. It was conveyed also to Mr. Sorensen. And it was generally believed as valid by Secretary Wirtz because the parties had repeatedly stated this: "If you can just get this fireman issue out of the way and the crew-consist issue out of the way, we'll resolve everything else." Frankly, I was quite skeptical and so expressed myself.

Well, thus it was that the idea of [P.L.] 88108 came about to resolve those two issues. But, even there, the resolution of those issues by law did not have the finality of traditional final and binding and arbitration because the decision of the board contemplated by Public Law 88108 was only to be effective for as long as the board determined, but in no case longer than a period of two years. This condition was critical to get the law passed by Congress over the opposition of labor.

The brotherhoods constantly stated to me, "Just give us time. We can work this out. We can work this out." And the brotherhoods also constantly stated this in the congressional hearings. And they just did a beautiful sales job on everyone concerned.

Actually, during the discussions, prior to the movement up to the Hill to seek legislation, the railroads were prepared to make a deal with the firemen's union [International Brotherhood of Locomotive Firemen] -- which would have been a much more advantageous deal and humane deal than they ultimately got out of the Special 88108 board, but Mr. [Henry E.] Gilbert, the president of the union, just found it impossible to accept it. I think that he felt that there was a great sensitivity on the part of his people that would be reflected in the most violent sort of reaction if he, as their leader, agreed to dispense with the jobs

of even a few thousand firemen. So as a result, of course, the board ultimately came down with a decision which made it possible for the railroads to dispense with many, many more than that and the unions are now years later in the process of trying to put them all back on again.

MOSS: Was there any role that Vice President [Lyndon B.] Johnson played in this before he became president?

REYNOLDS: The only role that Vice President Johnson played in it to my personal knowledge was that after President Kennedy had agreed to send this bill up, which reflected his deep determination to find something that was fair to management as well as to resolve the dispute, he asked President Johnson's opinion as to what he felt the fate of the bill would be in the Congress. His questions to the vice president were entirely and completely limited to political issues: Will the Congress buy this? What will their reaction be? Will the railroad brotherhood's lobby be successful in defeating it? What's your opinion of it? That sort of thing.

MOSS: Back to the Interstate Commerce Commission thing. It eventually went by the wayside using the ICC machinery. Why? Was it all that good an idea?

REYNOLDS: I thought it was a pretty good idea.

MOSS: Okay, well, why was it not used?

REYNOLDS: I think it was not used basically because there was a fear that it would so drastically change the role of the ICC that the labor unions would oppose it violently because they felt that it would lead to making the ICC, among other things, a permanent forum for the resolution of labor disputes. I thought it a logical place for railroad labor disputes to go because the ICC being the forum which determines how much the roads can charge for their rates were the ones that probably in some ways were uniquely equipped to handle such matters which inevitably resulted in higher operating costs. But, as you say, the idea didn't get off the ground.

MOSS: Did you get into the business of the NLRB [National Labor Relations Board] trying to extend its jurisdiction over the foreign flagship crews business?

REYNOLDS: The so-called flags of convenience issue?

MOSS: Right.

REYNOLDS: I was involved in that to some extent. Yes.

MOSS: It's my understanding that there were some meetings between Labor and the Maritime Administration, Justice Department and the NLRB, all trying to figure out just where they were going to go on the issue since it was going through the courts.

REYNOLDS: That's correct. But I, personally, was pretty much on the periphery of that. Secretary Wirtz was more deeply involved in it, as I recall it.

MOSS: What did you feel about this effort by the NLRB to extend its jurisdiction?

REYNOLDS: To assert jurisdiction because they were American-owned vessels?

MOSS: No. Because they were -- they had rejected that argument. The argument was that they were heavily engaged in American trade. Finally, the Supreme Court -- I think it was in the bends of the Sociodad cases -- threw that out and re-invoked the flag law.

REYNOLDS: Right. Right. I don't know what to say, about it except that I think that the courts position entirely logical.

MOSS: I was just wondering about how you as a person who is now involved in the merchant shipping business and so on . . .

REYNOLDS: I appreciate that. Therefore, I'm a little bit disposed not to comment on it further.

MOSS: Okay. Fine, sure. I'd like to go back into the workings of the department a little bit and ask you, in the administration of the Labor-Management Reporting and Disclosure Act, several things. For instance, how did you come to develop the position in that Minnesota hospital workers case that they were engaged in interstate commerce and, therefore, extend the authority of the department under the act to require reports of the hospital workers?

REYNOLDS: You know, to be honest, I don't remember the details at the moment. It would be unwise for me to comment. I would comment, if it's pertinent to do so, but on a broader scale. The administration of the Landrum-Griffin Act was

an extremely sensitive issue, as you can well imagine. Keep this in mind, that the law had been passed in President [Dwight D.] Eisenhower's administration. And, indeed, the arrangements as to where the administration of the law was going to be reposed, et cetera, all pre-dated our coming here. So we were faced with a situation where we had a law that we had to administer. And yet, we being an administration that had been largely supported by labor, after eight years of a Republican administration were looked upon by the labor movement as a department where they were in the hands of friends. And the term "in the hands of friends" would mean different things to different men. And it would certainly mean to some labor leaders whose conduct was less than exemplary that "being in the hands of friends" meant that there was going to be a soft administration of that act.

As I think I mentioned to you before, I think one of the reasons that Secretary Goldberg assigned that to me was probably because I had no political background; I had had no internal involvement with the labor unions at all. And, yet, he had some degree of confidence, I guess, that I'd be fair in the administration of it. But from the very outset, it became apparent to me that this was going to be an extremely sensitive area. And that turned out to be so, because everytime there was a charge on the part of an individual who was seeking union office that he was unfairly dealt with by the incumbents and that the election was not run in a democratic fashion, it was an affront to labor unions that we would be moving in with the idea of upsetting this.

This was entirely new to them, you must keep in mind, because our predecessors in office had really not gotten the statute off the ground very much. Whether by design or otherwise, I don't know. But the fact of the matter is that the hard decisions were ours to make. And so that we had a real difficult and sensitive law to administer. And it took a lot of firmness, yet firmness tempered with a broad knowledge of the structure of labor unions, and also a knowledge that they had been able to conduct their affairs untouched by the law for many, many years; and that questionable practices had grown up in them that the leaders did not regard as unlawful or immoral; and that they had to be handled with a good deal of understanding but also firmness at the same time.

So I regard that my contribution to gain a measure of acceptance and understanding of the law during the years that I was in charge of its administration was my greatest contribution to the Kennedy administration. I think this because the administration of that law in large measure shaped the attitude of many labor leaders towards the Kennedy Administration and had to be handled in a way that they

would respect. They had to know that they were in the hands of a man who was going to be fair, but was going to be firm. And if a union official had anything under the rug, he'd better get it out and clean it up. So that, I think, by the time I left it, although I'd had some very sharp exchanges with some of our labor friends, we had reached a point where they had some degree of respect for it, even though the law was still distasteful to them. As I mentioned earlier I kept trying to preach to them that ultimately it would be somewhat like the Securities Exchange Act was to Wall Street when it was first passed and that ultimately it would prove to be an asset rather than a liability, a concept which I still believe.

MOSS: I get the impression from reading the departmental reports that a great deal of time and effort was spent in educating labor union officials in the use of forms and in the procedures of reporting and so on. How much did this tie up resources that you might have used for analysis of the reports, evaluations, investigations and so on?

REYNOLDS: I don't think any. I think if anything, it assisted and facilitated the enforcement of the law because we did establish cadres that went around the country holding seminars to which we invited labor union officials to come and to learn more about the law; to understand their obligations under the law; what they were expected to do; what they could not do in our view with respect to the use of union funds to support the candidacy of one man vis-a-vis another; the things they could not do with respect to utilizing union funds for matters that were of very questionable justification as union business and so forth. So I think that that educational campaign actually facilitated the ultimate, direct, day to day administration of the law. I don't think there's any question about it.

MOSS: Do you know of any attempts by either labor or management or individual officials to circumvent the act by approaches to departmental personnel or through the Congress, putting on congressional pressure? Or would you speak about that kind of thing in general terms?

REYNOLDS: Well, I would only say that on a personal basis, I don't recall any congressional pressure that was manifested upon me as an individual to take a course of action other than the one I thought was the proper one to take. There was, obviously, a good deal of complaining, a good deal of appealing to Mr. Meany and to the entire hierarchy of the AFL-CIO [American Federation of Labor-Congress of Industrial Organization] and its general counsel Mr. [Albert]

Well and the associate general counsel, Mr. [Thomas E.] Tom Harris. I had my discussions with them on cases where particular international unions would plead with them to intercede on their behalf. But I did not regard this as a problem in the slightest degree. Both Mr. Well and Mr. Harris are fine competent men and important people in the labor structure. And I would feel that if an international officer felt that he was being unjustly dealt with, for him to go to the general counsel of the AFL-CIO or, indeed, to Mr. Meany, and to have one of them call me was quite proper. And I can assure you that when an adequate and full explanation was given as to the course of action to be taken there was very rarely anything other than an understanding acquiescence with what we had to do. It was a great help that Mr. Meany made it very clear that as far as he was concerned he would not tolerate dishonesty in the labor movement.

There were cases where I felt it was quite proper within the statute -- when I would have brought to my attention by an investigator misconduct at a local level by a union official, of such minor proportion in my judgment as not to constitute a gross violation of law: to bring this to the attention quietly of an international president and tell him to go in and straighten the man out. I would ask that he show me evidence that every thing had been corrected and straightened out, and the individual had either been dismissed or he had complete assurance that his conduct was going to be different and in accord with the rules of the law.

This kind of approach was an approach which engendered on their part a cooperative attitude. Sometimes they would be utterly shocked to hear that a local official was misconducting himself, and would be very grateful that rather than have this break out all over into a scandalous story, that they'd be given the opportunity to to in and see that the thing was corrected. While doing this in appropriate cases, I want to assure you even when corrective measures of this nature were taken, if the conduct of the individual was such that it was a serious violation, we still turned it over to the Department of Justice for prosecution. But we did it in a way so that those responsible at the top level of the union could straighten things out before we would get the individual for violation of the law.

MOSS: How was cooperation between Labor and Justice on this whole business?

REYNOLDS: It left something to be desired. I felt, frequently, that the arrangement with the Department of Justice was somewhat awkward in that the delegation of authority which had been concluded by our predecessors in office required that if in the course of a normal investigation of a charge of some minor

nature our investigators found any evidence of malfeasance in terms of actually stealing funds, or some thing of this sort, that we had an obligation to stop our investigation at that point, inform the Department of Justice at which point they would send FBI [Federal Bureau of Investigation] people in to investigate that phase of it. And then, after they were finished, our people could come back to look at the other matters. Well, this made for a very awkward situation. I also felt frequently that cases I would refer to the Department of Justice for prosecution which I believed were serious violations of terms of the statute the department would decline to prosecute. Not because of any undue influence or anything of this sort, but frequently because they felt the case was a close one. And I constantly felt that there was a preoccupation with the Department of Justice attorneys of being sure that they had a very good record of convictions rather than taking on a difficult case that would make some important point of law as far as I was concerned.

MOSS: Did you think this was true of any one particular person over there or generally?

REYNOLDS: No. I thought it was the general attitude. And I felt frequently that by reason of the Department of Justice having to be in a sense, our legal arm in court, that while they'd be fine with respect to the type of misconduct or mischief that they're familiar with, such as someone stealing money or indulging in violence when it came to the more technical violations which I regarded as just as important in terms of implementation of the statute and the preservation of democratic practices of labor unions, these things didn't interest them very much.

MOSS: When you say technical, you mean following procedures in the filing of reports and this kind of thing?

REYNOLDS: To some extent. But more often matters which in the long run are extremely important such as procedures pertaining to democratic processes in the conduct of an election or nomination of candidates and serving the membership. This was reflected in some degree early in the game when the attorney general, Robert Kennedy, came to see Secretary Goldberg and myself. He was still, in my view at that time, thinking in terms of the Landrum-Griffin act as an extension of the old McClellan Committee hearings. Indeed the statue resulted in large part from the McClellan hearings, so he had a sense of personal involvement which was understandable. But his attitude to me was, "Let's forget this two-bit stuff of people stealing a few hundred dollars here and there on expense accounts." He said, "I want to go and get after these fellows who really make a big thing of this and steal

a lot of money, or who indulge in sweetheart contracts and injure little people. There were reflections of two things: One, get the [James R.] Jimmy Hoffas, get the big guys; but also (b) a reflection of his compassion for little people. He said, "I mean the kind of stuff that goes on up in the Bronx and in New York where a lot of these poor Puerto Ricans join a union because they have to join it. And then their leaders will let them down. . . ."

MOSS: Excuse me. You're attributing this to Robert Kennedy at this point?

REYNOLDS: Yes, yes.

MOSS: Last time you attributed it to Goldberg.

REYNOLDS: I think not. It was Bob Kennedy who urged this course which was readily accepted by Goldberg.

MOSS: By Secretary Goldberg?

REYNOLDS: Yes, but it was inspired by Kennedy's attitude and request.

MOSS: Sentiments . . .

REYNOLDS: Well, they both had great compassion and concern for the rights of little people.

MOSS: Okay. I just wanted to be sure.

REYNOLDS: It's very interesting that from very different backgrounds they shared very similar sentiments. It was reflected in Arthur's conduct more in terms of things like extension of the Wage and Hour Act and the Fair Labor Standards Act to marginal workers and thinking in terms of little people and their rights. But it was reflected in Robert Kennedy's attitude too.

MOSS: Was there anything in Robert Kennedy's approach to this that was of the "Get Hoffa" vendetta nature that is fairly popularly accepted whether it's true or not?

REYNOLDS: There isn't any doubt that the Department of Justice was determined to relentlessly track Hoffa down. There were attorneys in the Department of Justice who were assigned to do nothing but this: And they worked very closely with our investigators who were as instrumental as any in the ultimate conviction of Mr. Hoffa, as you may or may not know. In the Landrum-Griffin division, we had some thoroughly competent investigators

who had come to us in most cases from the FBI. As a matter of fact were junior men who were shown greater opportunity for advancement, I suppose. But they worked very closely with the FBI in the basic investigation of Mr. Hoffa.

MOSS: Let me move to another area that's the Wage and Hour and Public Contracts Division -- and ask what input this part of your area had into the minimum wage question, the legislation to raise the minimum wage? Was it a substantial one and how much change was there from the previous Eisenhower administration proposals within the department, the departmental position on these proposals?

REYNOLDS: Well, as I recall it, the amendments to the Fair Labor Standards Act that were accomplished in President Kennedy's administration quite early in the game were the first amendments to the statute in a considerable period of time. I believe the record reflects that. I know Secretary Goldberg felt that the failure to extend the act to many areas, for instance, major farm operations, to many employees of laundries and so forth, was a shocking situation. He felt that the small employees, little employees who had very little protection vis-a-vis their employer in some of the peripheral service industries were the ones that needed the protection of the act the most. But the pragmatics of the thing were that you had to go rather slowly. Many of these industries, collectively, had great influence in the Congress, although individually they'd be fairly small. So that before we would go forward in seeking amendments to the statute, we would have consultations with various employer groups and labor groups. And we'd have the most careful studies made by the Wage and Hour Division as to the number of people who would be effected, et cetera, et cetera: What it would mean to bring the below the minimum level of existence up. We felt that a great many people, you know, who were marginal workers were the ones who needed the most help. I don't know what more to say than that, except that it was done with the greatest of support from President Kennedy. But it was done as carefully as possible by all of us.

MOSS: Did you find much challenge to your statistical assumptions and findings by the Congress? Did they. . . .

REYNOLDS: Oh, yes.

MOSS: How do you handle this kind of situation?

REYNOLDS: I guess the only way you handle it is by just having manifestly accurate and scholarly statistics that have been gathered by wage and hour and by the Bureau of

Labor Statistics and just persevere to get the view over that they have been accumulated not with an idea of trying to embellish the situation, but by being as truthful as you can about a very ugly little area of American life.

MOSS: One impression I get from reading the departmental reports is that once the legislation had passed and so, then you were faced with the question of investigation and work on back wages due and this kind of thing that involved quite a bit of time and effort that you really were not given the resources to accomplish; that although the legislation had gone through you really didn't have what was necessary to put it into full effect.

REYNOLDS: Frequently that was a feeling that we shared, although the accomplishments of the Wage and Hour Division in bringing to light violations of the statute were quite significant, as you know. And year after year the amount of money which was recovered for people who were not being paid over time or who were not being paid the minimum to which they were entitled was a very significant sum. But I'm quite certain that it did not much more than scratch the surface because of a lack of adequate funds to do the job.

MOSS: Okay, the second new big area you had was with the welfare pension plans disclosure. Again, you had a great deal of investigation and so on. But the original act did not give you the full powers to really do the job, did they? And you had to go for new legislation. When did this become apparent?

REYNOLDS: It really was just a requirement that companies merely file their pension and welfare plans. They also had to file all the amendments to plans so that they would be available, theoretically, for public scrutiny in Washington and copies of the material filed at a place where it would be available to the individuals whose welfare was concerned. But we had no means under the statute to go after mischief in the administration of plans. It wasn't intended by Congress you see. The statutory scheme contemplated that if you must reveal everything and in a sense you put this information in a fishbowl, people will handle misconduct themselves by civil actions in the courts. So we had no authority to correct what we would regard as misconduct on the part of unions or companies nor were we in any position to do anything about situations where pensioners would constantly write to us about abuses. Week after week there'd be hundreds of letters from people who felt that having attained their retirement age, they didn't get what they'd been told they were going to get. And these were all deeply disturbing but one couldn't do anything about them.

We tried later in President Johnson's administration to amend the statute, as you may recall. We, unfortunately, had the bill right to the very threshold of introduction which would have, I think, provided a very sensible mechanism to eliminate a lot of the misconduct in this area. But we were never permitted by the President to go forward with it.

MOSS: Okay. In the question of veteran's reemployment rights. Did you have any real problem in getting changes in the law so that it would cover people called up during the Cuban and Berlin crises?

REYNOLDS: I don't recall any problem. Possibly you could provoke my recollection. But I don't recall.

MOSS: I just recall that you had to go and get some changes so that it would cover these people. I didn't know whether there was any objection to it or not.

REYNOLDS: Oh, no. It was just laborious seeking after this over the objections of some employer groups and getting it. I felt actually that the Veterans Reemployment Rights Act was a very quietly, effectively administered statute. I had some sense of accomplishment in that too in many, many cases. For instance, we were able to do a great deal with a lot of veterans who were affected by the railroad dispute, for instance. The firemen's decision is a case in point. Veterans came back and found their jobs eliminated but we were able to negotiate out orderly settlements for those people. I feel that the administration of that statute by a process of employer and veteran education and by a process of intelligent and cordial relationships developed by the staff with employers, served the veterans very, very well in a very quiet way to see to it that they were not shunted aside when they came back and sought the re-employment rights which were theirs.

And, of course, there were some very interesting subtleties to that. It wasn't just a question of getting your job back. It was a question of getting your job back plus any additional benefits that you might have enjoyed had you not gone off to serve the country, you see. And this was somewhat offensive to some employers who felt that, "This man has been gone for two or three years. Why should I give him the promotions he would have gotten while he was here? He hasn't demonstrated his ability to take these advancements." So it required a good deal of tact and common sense to see that justice was done.

MOSS: I suppose it's particularly critical in the business of

of promotions. In things like pension rights and longevity and this kind of thing, it's not so bad.

REYNOLDS: That is quite correct. And it's also an extremely sensitive matter if a man would have gotten a promotion, but for the fact that he was off, and someone else got it. What do you do about that? And how do you do this in a way that's not going to be unjust to employee "B" who through no fault of his own got the promotion when employee "A" would have gotten it had he been there. You had to handle that with a good deal of tact with the employer and frequently enlist the understanding of labor too, which had the problem of employee "B" coming and saying, "How about me? I haven't done anything wrong. I've been a good employee. I wasn't able to go and fight for my country because I was too old." And often this was true. So the statute required a good deal of delicacy in its handling. And we had a very small but effective staff that administered this statute under my direction and most of it was done by correspondence and telephone calls in an extremely unobtrusive and effective way. I really feel proud about this.

MOSS: Sounds like a great way to operate.

REYNOLDS: Yes. It's sort of one of the activities of the Labor Department that lies submerged in the bottom of the iceberg, you know. But it's extremely useful.

MOSS: Whose idea was it to set up the Office of Labor-Management Services?

REYNOLDS: I guess it was mine and that of my assistant at the time, a man named Nelson Bortz, although I want to be awfully careful about that since I think it goes back also to discussions with Secretary Goldberg. I know that he felt it would be useful to have such an activity there. He envisioned it as an activity which would be extremely useful to the parties in preparing them for the negotiation exercise; that it would be a group that would develop the facts so that when negotiations started. . .

[INTERRUPTION]

MOSS: You were saying that you wanted this because you wanted a situation in which the parties coming to the negotiation had all the facts agreed on, at least the facts of the matter.

REYNOLDS: That is right; what various items would cost and so on; what were the holiday costs; what would a particular premium pay item actually cost; and that sort of thing. The thought

was that it would be available to either management or labor for this purpose. Actually, as time has developed, it hasn't worked out in that fashion. I don't believe that labor management groups have taken advantage of the possibility that there is a little staff there available to help them this way. Yet, it has been an extremely useful device to me. Because everytime we'd get into one of these rather awkward major labor disputes that would require either the establishment of an emergency board or a special board, I always had an experienced member of the staff out of the labor-management services available to go in and service that group. And they developed a considerable degree of expertise in the field of labor disputes in working with Senator Morse or with David Ginsburg or with President [Frederick R.] Kappel, former president of AT&T [American Telephone & Telegraph Company] or others of this type of outstanding individual we used on boards. So it was and is a useful little group.

MOSS: Excuse me for a minute while I flip this tape.

REYNOLDS: Yes.

BEGIN SIDE II TAPE I

REYNOLDS: I mentioned to you that by reason of Secretary Goldberg's leadership and President Kennedy's understanding and acceptance of the new role of the Labor Department, by the time the fiftieth anniversary of the department came about in March of 1963 -- projected an image of an entire new instrument of public service and this became increasingly aware to the public. I somehow think that fiftieth anniversary was far more significant than just a casual recognition of a department that had been existing since 1913. It really started a new character for the department that had begun to manifest itself under the leadership of Secretary [James P.] Mitchell and was carried forward by Secretary Goldberg and President Kennedy which made it a much more important department in the affairs of our nation. By that I mean, a department that was concerned with the whole question of the ghettos; it was concerned with minorities; it was concerned with training the untrained and so forth, all of these things. And somehow or other, that period of March '63 reflected this. [INTERRUPTION] Go ahead. What was the question?

MOSS: Okay. I was going to ask you about the departmental reorganization that occurred, the shift, the creation of Esther Peterson's new job -- for instance, the assistant secretary for labor standards -- and the various shifting of bureaus and divisions and so on that went on under that. Your area changed a bit. She got a whole new area. Was there much jockeying for this or was it all a pretty well agreed upon kind of thing that it was a sensible, rational, logical kind of thing to do?

REYNOLDS: From the point of view of the secretarial level, the outer level there was no jealousy or bitterness or jockeying at all that I'm aware of. Among the careerists there was a deep concern about this; the deepest sort of concern because some of them could see responsibilities and the exercise of authority that they had in their areas being eroded. For instance I recall the Wage and Hour Division being extremely concerned about the possibility that some of their functions were going to be eroded by reason of this re-organization.

MOSS: I've had it expressed to me, for instance, that this was simply putting in another layer between the operational bureaucracy and the secretary. And it was a sort of half-breed, neither operational nor policy making.

REYNOLDS: Right. And I think there could be some validity to that criticism.

MOSS: Let me ask you some general questions on the whole economic picture, for instance. The Kennedy approach, or the Kennedy- [Walter W.] Heller approach I supposed you'd say, on job owning and guidelines and so on, how was this received in the Labor Department? How did the Labor Department participate in it? And how did this change over the years?

REYNOLDS: We participated in it very actively. Again, I think some of this may be repetitious from our discussion on our previous meeting. But the Labor Department participated in these so-called jawboning sessions.

MOSS: I think it's Sorensen who says, "You've got to remember it was the jawbone of an ass," I think.

REYNOLDS: Yeah. [Laughter] But I think that we felt strongly about it. And I might say, on reflection, I feel even stronger today than I did then that the whole monetary and fiscal program, no matter how enlightened it may be, cannot do the job alone. In a free society such as ours you have to appeal to the most responsible impulses in man whether he be in management or labor and urge him not to try to get it while the getting is good but rather to think of the welfare of the entire country. Now, for anyone to say that this vocal persuasion does the job completely and effectively to the extent that it's the greatest thing that ever happened, that would be utterly naive. But to say that you can indulge in fiscal activities or monetary activities and maintain an expanding, non-inflationary economy without also tapping the better nature of men, I think, is equally naive. We were all

opposed to the imposition in peace time of wage and price controls. We felt, all of us, that in a time of total war, you do this. But in a time of total peace, you don't. But in the sort of twilight type of life that we have been leading here from Korea to Vietnam, et cetera, you had to have something in the nature of persuasion of individuals to conduct their affairs in a manner which was going to be reasonably responsible in terms of the rest of the country.

Specifically what did we do? We would sit in with Mr. Heller or subsequently with Gardner Ackley or subsequently with Arthur Okun with groups of major industries where price increases would be considered to be very basic to the inflationary impact. These would include copper; they'd include aluminum; they'd include clothing, I recall; automobiles, I recall. We would meet with these people along with the economic council and the Labor Department had a very real function because constantly you would get from the management people, when one would appeal to them not to raise prices, "Why the hell don't you do something about labor?" And so labor had a very serious role to play here. And if we were going to have any impact on labor leaders, we had to go to them and say, "Look, we've already seen management. And we've urged them not to raise prices beyond what is necessary to meet the increases that you people have been getting from them."

All right. Now, I feel that this vocal persuasion on the part of the highest level of people in the government, including the president, was reasonably effective. I don't think there's any question about it. Because we saw GNP [gross national product] going up; we saw employment increasing; we saw a healthy sound economy growing with a price increase held in very acceptable limits. At the same time the western European economies were going crazy inflation wise. And this prevailed until the fall of 1965. In the fall of 1965 it started to fall apart because of the excesses of some of the building trades unions and some of the management people, who in spite of persuasion or because there wasn't sufficient persuasion, went ahead and got what we would regard as excessive demands through or put excessive price increases through.

So the Labor Department was involved. And it was based on the basic philosophy that Goldberg had constantly preached to all of us that no responsible government can ignore the totality of a bargaining venture. Or no responsible government can ignore the excesses on the part of management in raising prices particularly administered increases that don't have too much to do with supply and demand but which the public accepted because there was plenty of money around. So we felt that jawboning was proper. It was a responsible activity on the part of the government. And we think that the record that was accomplished reflects this.

MOSS: Okay. But there were several instances in which the whole thing stumbled a bit. For instance, President Kennedy went to the AFL-CIO convention and called for holding the line on wages. And they turned right around and pushed through a resolution for going after higher wages. These kind of things. How did the administration feel about that sort of slap in the face?

REYNOLDS: Well, we felt it was very offensive and unwise. But it didn't dissuade us from continuing doing what we were there to do. And I might say that this attitude of persuasion sometimes impaired our effectiveness as a mediator if we were in a major dispute because we came somewhat suspect from our labor friends, you see. But one could override that. And unconsciously-- Well, unconsciously, but indeed unspoken, let's say, in the mediatory efforts -- you conducted yourself in a manner which you hoped was going to result in a responsible settlement. Responsible in the sense that the employees were going to get a sufficient increase to reflect their increased productivity and any increase there had been in the cost of living, and that it was going to be a settlement that was not going to require management to raise prices dramatically. In other words, as long as you kept this in mind all the time and you did what you could in the way of persuasion, you were doing your duty. It wasn't any threat or anything of this sort. The only time that was done, of course-- and it was very offensive to all of us-- was in the famous steel case of 1962 that we were talking about. But this certainly wasn't the case after that. It was just a setting forth of figures; what this would mean; what we feel, as outsider, a price increase should be, recognizing fully that executives have stockholders and want to report to them the highest earning they can. But after all they're part of this whole free enterprise system. And if you of management do this, someone else is going to do it. And in the long run, we're going to erode the economy and the value of the dollar.

MOSS: How did you see the different advisers, economic advisers to the president? You have the Department of Labor with its responsibilities, the Council of Economic Advisers, the secretary of the treasury, the secretary of commerce and so on, all feeding in different perspectives. You had the Bureau of Labor Statistics feeding data into practically all of these, particularly the Council of Economic Advisers, each interpreting things a little bit differently. How do you see this affecting the president and his approach to both the fiscal and monetary situation? Is there some way that it can be done more effectively or was everything being done that could be?

REYNOLDS: I don't know just how to answer that. There was always a feeling on the part of the secretary of commerce that

he should have a greater voice in decisions involving the economy. I think there was always a feeling that the fact the secretary of the treasury and the Council of Economic Advisers were more closely tied in on these matters was somewhat offensive to him. But certainly his opinions were asked as ours were. I really don't know how it can be done better. Because I think a president in making fiscal and monetary decisions -- where he's dependent so much on his secretary of treasury and director of the Bureau of the Budget and his Council of Economic Advisers -- has also to get the opinion of all these people. And if they vary, this is quite understandable. And if they're all the same, it would be somewhat suspect, I think. And ultimately he has to make the decision, he and his closest associates in the White House. But as far as we were concerned, it was very gratifying to know that when these decisions were made, indeed before they were made, the secretary of labor always had an input, an opportunity to be heard: "What would this do to employment? What would this do to the bargaining venture? What would it do to your ability to reach out still more and get the unemployed out of the ghettos?" All of these things, these human equations, came in as much as did the slide rule thinking of some of the other fellows.

MOSS: Let me ask you to give a general assessment of the White House staff operation in the different areas. You've got the Sorensen operation in the special counsel's office; the [Lawrence F.] O'Brien congressional office; and [Kenneth P.] O'Donnell on appointments, particularly I think, and the relationship with the cabinet. Access to the president has become such a headline recently, this kind of thing. Let's start with the special counsel's office. Who were you working with mainly? How effective were they?

REYNOLDS: It may be only because President Kennedy wasn't there long enough so that you developed a White House guard which was fraught with jealousies and so forth. But I never saw any of that in the Kennedy White House. They worked as a team beautifully. And there was no sensitivity of encroaching on one another's jurisdictions that I was ever aware of. In addition to the people you mentioned, the president had two very bright, competent, young fellows who were sort of triple threat fellows. And they were Ralph Dungan and a chap by the name of [Richard K.] Donahue on a little slightly lower level. But Ralph Dungan was superb. And Ralph had a particular flare for labor matters. He was well acquainted and favorably acquainted with labor leaders. He worked with us very, very effectively and fluently and pleasantly.

But on more important matters you would work directly with Sorensen, the president's counsel. He was extremely close and valuable to the president. Their relationship was a very exciting thing to see. I never heard, obviously never heard Mr. Sorensen address him as anything

other than Mr. President, which is quite understandable. The greatest respect for the office was always reflected there despite the closest of friendships which they had. And Secretary Wirtz, I know -- and I felt that Sorensen was just an unusually superb fellow in that position: self-effacing: he did indeed have a passion for anonymity; he never seemed to be looking to get out front in any way, yet it was apparent that he was first among equals, and the whole White House group worked just as a little team together. They all were so devoted to the president and they all had access to the president. He had a practice in the evenings, as you probably know, frequently, of bringing them all together in his office and just chewing over the day. So they all had the feeling of being an important member of a team. And they were indeed a team. They were a beautiful team, the way they worked together.

This included, of course, Pierre [E. Salinger] out in the press office. He and his office are another good example of how the White House and the top appointees in the departments operated. There was never any restraint on what we, Secretary Wirtz or Secretary Goldberg might want to say, might want to issue to the press. But they would very rarely issue a public statement--not because they were told to do it, not because they felt they had to do it--without sort of cueing Pierre in on it. So it was just the most felicitous and cooperative type of a relationship between all of us at a fairly high level and the president's staff.

So that some of the situations that grew up later in the subsequent administration where cabinet officers felt shut off from the president--the sort of thing that we're hearing so much about today in this year 1970 of the present administration-- just didn't happen with President Kennedy's Administration. He didn't call cabinet meetings as a regular thing, as you know. But he would call small groups of cabinet people. And it wouldn't be a question of a small group of cabinet people going to see Ted Sorensen or going to see Ralph Dungan or going to see anyone else. It would be to go and see the president with that staff person. And after the matter was thoroughly explored, then it would go off to that fellow for action. So these people always had a sense of contact with the president, and yet, a contact which they respected and which they never overburdened him with. To my knowledge, at least, this is certainly true of the people that I saw a great deal of. And I was, in some respects, particularly in the period when Secretary Wirtz came in, even though I was not immediately the under secretary--since the under secretary for that period was Mr. [John F.] Henning--more involved in White House level matters than most sub-cabinet people.

MOSS: Why?

REYNOLDS: Well, that was a very awkward and unfortunate situation. The fact that Secretary Goldberg had gone on to the Supreme Court and that Secretary Wirtz had been named the secretary of labor was something that the labor unions did not jump up and down in glee about. I think they respected Bill Wirtz. But they wanted one of their own. And not having gotten one of their own, they were determined to have as under secretary, quote, "a labor man," close quote. I recall at the time--then being assistant secretary-- speaking to Walter P. Reuther about it and speaking to Mr. Meany about it; and saying, "Look. I expect that by now you people have a certain knowledge of the way I operate. I would like to work as under secretary with Secretary Wirtz." But it was very apparent to me that they both wanted a labor man. And so that the labor man chosen was Jack Henning. He had been assistant to [Cornelius J.] Neil Haggerty as the California state director of the AFL-CIO. So he was the under secretary. Unfortunately his relationship with Secretary Wirtz was a very awkward one. He had made it very clear that he didn't want to get involved with labor disputes. He didn't think he was capable of doing a number of other things, with a result that he didn't do very much of anything. He was a very sweet and nice fellow--I'm sure, subsequently, a very competent ambassador to New Zealand. But in that spot, it was just very unfortunate. And it became very apparent early in the game that at our staff meeting every Monday morning, all the matters that were discussed at the highest level of confidentiality were constantly going back to the labor movement. This was so offensive to Secretary Wirtz that we had to stop staff meetings. They just weren't held any longer.

MOSS: Okay, I've used up my hour and a half. I did want to ask if you would put on tape that story about the morning after the steel price rise with the chauffeur's cap and so on. Could you give me that?

REYNOLDS: Sure. It was just sort of a silly thing. This had to do with the steel crises quite early in the administration after President Kennedy and Secretary Goldberg had spent many, many hours in persuading Mr. [David J.] McDonald of the virtues of a noninflationary settlement. And as a result the steel settlement that year did indeed amount to about 3.1 or .2 percent. And immediately, thereafter, you'll recall, Mr. [Roger M.] Blough requested an opportunity to see the president. Roger Blough, the then chief executive of the [U.S.] Steel Corporation, wanted to see President Kennedy. He came in to see him and informed him that the steel corporation was raising prices. President Kennedy asked him to please hold up the action since he feared its inflationary impact. And Mr. Blough stated, unfortunately, he didn't think this was possible since the press release had already gone out. This was offensive, of course. The events that took place then are pretty well known, I think,

generally, to the public.

The whole point of this rather humorous little story was that Secretary Goldberg had asked me, quite late on the evening after Mr. Blough had had this meeting with the president informing him of the steel increase, whether I as a former management man felt that the government should do something about this. And I told him very frankly that I felt if the government did nothing and if we let that increase stand without registering the most vigorous opposition to it, our credentials for continuing our campaign of restraint with labor leaders were just going to be seriously impaired. He was gratified to hear this. He said, "Well, that's the way I feel about it. And that's the way I think we're going to go."

He told me that he'd like to see me a little after seven o'clock in the office the next morning to discuss any ideas I might have or he might have developed overnight. And I did so, and came in and met him about seven o'clock. We sat and chatted approximately for half an hour, at which time he asked me would I see that his car was brought around to the private secretary entrance and exit on 14th Street. When I went down to get his chauffeur, he was not there. He had no idea that the secretary wanted him that early and had gone for coffee. The secretary wanted him desperately because the president had called a breakfast meeting. I couldn't find him. So there was nothing to do but to get into the big black cadillac myself and drive it out on 14th Street. I made a U-turn there just short of Constitution Avenue and pulled up in front of the secretary's entrance. Almost the moment I got there, the door opened. Out came Secretary Goldberg, very preoccupied; opened the rear door; got in and said, "The White House. The Pennsylvania Avenue entrance." Obviously, this being a breakfast meeting the president wanting some visibility to the fact that he was calling his chief advisors together: such as secretary of treasury and the Council of Economic Advisers, Mr. Heller and a few others they were to use the main public entrance. So I drove up 14th Street towards Pennsylvania Avenue, the secretary sitting in the back. Suddenly, he somehow or other became aware of the fact that it was not his chauffeur, Beverly, driving the car. And he said, "Pull over. Pull over. What the hell are you doing? And I told him that I couldn't find the driver and I was driving him. So he sat up in the front seat with me. And we drove around E Street up to Pennsylvania to the White House while we talked about the action the government should take on the steel crisis. And as we pulled in from Pennsylvania Avenue, Beverly's hat, the chauffeur's hat was sitting there next to me, between Mr. Goldberg and myself. He said, "You might as well put that thing on. You might as well look right as you drive in here with me." So I put the chauffeur's hat on and drove in while we talked about Roger

Blough and Dave McDonald and what we should do about the steel dispute. So that was a little amusing.

Of course, the other amusing thing that occurred to me in labor disputes was a little later. Did I mention that to you about the chap who told me he was coming to Washington and he was going to do something to me because I helped settle the railroad dispute?

MOSS: No.

REYNOLDS: Well, since it started in President Kennedy's administration, it might be amusing. The railroad crisis that we spoke about earlier, you recall, was beginning to emerge in serious dimensions in the summer of '63, resulting in the appointment under Public Law 88108 of an arbitration board headed by Professor Ralph Seward with Professor [Benjamin] Ben Aaron of Stanford [University]. They deliberated and held hearings and came down with a decision on the firemen's issue and the crew-consist issue. But all the other issues which the unions had pleaded would shortly be resolved if these were resolve, weren't resolved. And unfortunately President Kennedy died and the dispute went on and on.

And finally, the spring of '64, I had the leaders of the industry and leaders of the brotherhood in the executive office building with a strike deadline, oh, about ten hours away. And this time, all statutory restraint, all voluntary extensions were over. We were at the moment of truth. I had kept them in session all the previous day and all that night. About four-thirty in the morning, the windows of the Executive Office Building being opened to get some air in the place, there came from the darkness outside the song of a bird out on a tree. And it was truly pitch dark. His little song insinuated itself into the room. For some reason or other the line of the Indian poet, [Sir Rabindranath] Tagore came to my mind and to my lips, "Faith is the bird that sings while dawn is still dark." It's a magnificent line. The little bird knew it was going to be soon dawn, even though no one else in the world did. Well, the weary brothers, unshaven and red-eyed, sort of looked up at me and said, "What the hell do you mean? You lost your rocker?" I said, "No. It means that I have faith we're going to get a settlement." The railroad spokesmen were equally puzzled. I said, "Everybody's going to get back to work here. We're going to resolve this." Well, we did.

To make a long story short, the thing was resolved. President Johnson couldn't wait to get on television to inform the world. And in informing the world, he pulled a letter from his pocket which he had received from a little girl, which read very simply, "Dear Mr. President, Please don't let there be a railroad strike. My

grandma is coming out to see me make my first communion. She's coming from Freeport, Long Island. Signed: Kathy Mae Baker, Rockford, Illinois." So the president said, "And so my fellow Americans and Kathy Mae, your grandma will be with you. And there'll be no strike."

The next day, my secretary called me to the phone, buzzed me and said there was a Mr. Baker from Rockford, Illinois wanting to speak to me. And I didn't know any Mr. Baker from Rockford. I'd forgotten Kathy Mae Baker's little letter. So I said, "I'll talk to him. Put him on." And this was the conversation. He said, "Is your name Reynolds?" I said, "Yes." He said, "Are you the assistant secretary of labor," which I was at that time. I said, "Yes." He said, "Are you the guy that had something to do with settling that railroad dispute?" I said, modestly, "Yes, a little." He said, "You got my mother-in-law out here and I can't get rid of her." [Laughter] So it isn't always grim in labor disputes. Sometimes it's a little amusing.

MOSS: Okay. Thank you very much, indeed, Mr. Reynolds.

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Some tales told to me by Mr. James J. Reynolds (off tape) today:

I. The Morning After the Steel Price Rise

President Kennedy had called a meeting of advisers, including Secretary Goldberg, for breakfast at the White House following the previous evening's announcement by U.S. Steel of the steel price increase. Secretary Goldberg asked Assistant Secretary for Labor-Management Relations James J. Reynolds to meet with him at the Labor Department prior to going over to the White House. As the time approached to go, Reynolds went down to the garage and got into the Secretary's car. Beverly, the chauffer, was out for a cup of coffee, and Reynolds, knowing that Goldberg would be impatient if the car was late, put on the chauffer's cap and drove around to the front of the Labor Department, making a u-turn on Constitution to arrive in front of the building, just as the Secretary was coming out of the door. Secretary Goldberg got in, preoccupied, without noticing Reynolds in the front seat, and said, "White House, Beverly." Well, Reynolds started off, and a moment later Goldberg noticed him and said, "What the hell are you doing here? Stop the car." Goldberg got out and got in the front seat with Reynolds. Since the meeting was to have some publicity, they drove up to the White House from the Pennsylvania Avenue side, under the portico, with Reynolds in his cap (the chauffer's cap). Goldberg then said, "Well, the least you could do for me, you son-of-a-bitch is open the door for me." Reynolds says that that is the kind of slap-happy thing that could happen in that Administration.

II. Goldberg's Recognition Problem in New York

Another tale concerned a trip Reynolds made to New York with Secretary Goldberg. He remembers that the political bug was beginning to bite Goldberg a bit, and the Secretary would nudge Reynolds when people recognized him on the street and gleefully delight in the recognition. Later, at LaGuardia Airport he was again recognized by the ticket clerk and was ushered aboard the plane early. People passed his seat in getting on, and no one noticed him. Then, just as everyone was aboard, some man came up from the back of the plane, leaned over and said: "I just want to shake your hand! I want you to know I think you're really doing great things for the country. I've been watching your career, and I think you're doing a great job, Senator Javitts."

III. Football

Reynolds says he allowed himself to be conned into playing in a touch football game for the Administration team against the press corps, in which he broke a couple of ribs thanks to the presence of a couple of pro-footballers on the other team. Later, in a meeting at the White House, President Kennedy turned to him and said, "Come on, Jim, move in here closer. We want to hear what you have to say." In moving closer, Reynolds must have winced, from the pain in his ribs, and the President asked what the matter was. Reynolds told him and the President asked, "Is my Administration team a good one?"

Reynolds, disclaiming any expert judgement in the matter, but wanting to be pleasant, pointed out that they had won the game. The President pressed him further, "But are they really good?" Reynolds hemmed and hawed a bit and allowed as how they were pretty good. "Because," said the President, "if they're really good I'll let 'em play Ethel's team."

IV. Being Nice to People

A business man complained to Reynolds that the President had not answered his telegram of support in the Cuban Missile crisis and said that he was really upset about it. Reynolds passed the information on to the President, and later, at an affair at the White House, in the Rose Garden, the President asked which was the man who had complained. Reynolds pointed him out, and they went and talked to him, the President telling him how much he appreciated the support, how it really sustained him, and how sorry he was that an appropriate reply had been neglected, but that he wanted the man to know how much he really appreciated the support. The man simply beamed. The President then called Reynolds aside, and they went into the Oval Office, Reynolds thinking that there was an important matter to be discussed. When they got inside, the President said, "There, do think that'll hold the son-of-a-bitch for a week?"

V. Frank Roosevelt Fouls Up

On an occasion when FDR Junior, as Undersecretary of Commerce, had run afoul of Joe Curran of the Maritime Union and had really gotten things into a mess, Reynolds happened to enter the President's office and was greeted by a grinning JFK who said, "I understand Frank Roosevelt's got things all fucked up for you guys at Labor."

W.W. Moss
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