Michael Aron: It's the afternoon of July 12th, 2010. I'm Michael Aron of NJN News, here for the Thomas H. Kean Archive of the Rutgers Program on the governor. We're at Governor Kean's Far Hills office for the third in our series of interviews with Governor Kean. We left off with him just getting elected in 181, in the closest gubernatorial election in modern state history. It resulted in a recount and three weeks of uncertainty as to who would be the winner. Governor Kean won by 1761 votes, I believe. We're going to pick up our discussion from that point. Does that sound right, 1761?

Michael Aron: Governor, when we left off, you had been declared the winner of the election. And after we turned the camera off, you made a comment that I wanted to go back to. You said that one of the issues all summer long, in running for the General Election, was whether or not to take a vacation. Do you recall talking about that?

Governor Thomas Kean: Yes; whether to take a vacation in the summer, during the campaign; because there are some really dead spots maybe down in August. And I decided not to, just to keep really going, seven days a week, at it, because I was behind. And I've been told that some previous candidates had taken that time off in the summer and never really caught up again. So I didn't; I kept right on going. I don't think I took a day off from the primary until Election Day.

Michael Aron: Looking back on that campaign-- because we want to pick up a little bit on the campaign-- what do you think were the three most important issues in your race for governor?

Governor Thomas Kean: The overriding issue was jobs. The state was in the worst recession since the Great Depression, and it was doing worse than some of the states around us. This has a familiar ring, but we were rated by the people who do those ratings as the least favorable state to bring a business to. And that I used in the campaign, saying I was going to change all that. And so but every other issue I related to the jobs. When I talked-- even like to things like the Arts I said, "People don't want to live in a state where they don't have some culture in the community, and the Arts are going to bring money to the state." And that's when I talked about exploding the Arts budget; which none of the Arts people believed me, at that point. When I talked about tourism, I talked about it in terms of the fact that tourism is one of the largest employers in the State of New Jersey. And tourism had been declining in the state, and I said, "We have re-energize that. We have to get a tourism budget. We have to really promote the state, because that's going to bring in jobs." And I talked about the obvious things: things we could do with taxes; things that we could do with promoting the state; things we could do

with transportation to bring people into the state. But everything I talked about, including even the environment, I talked about if you look at where the corporate headquarters move, they move into nice areas-- they move where there are parks, they move where there's open space-- and so you've got to keep the-- again, all of it related to jobs, because we were doing so badly and it was such a bad recession; the state was being hit so hard.

Michael Aron: When we left off, you were slowly coming to grips with the idea that you actually were Governor of the State of New Jersey, or soon to be. You described it as a gradual sinking in.

Governor Thomas Kean: Yes.

Michael Aron: Correct?

Governor Thomas Kean: It was gradual. There were things-- certain things stand out; the fact that election night, when I got home to the house at 3:00 in the morning or something-- because I'd been waiting for the returns and it was so close; we didn't know who won at 3:00 in the morning-- and there was a State policeman waiting for me at the house. And I sort of said, "What are you doing here?" And he said, "Well I'm with you now, until this thing is decided." Well, of course, they were with me for the next eight years. But it was a little surprising because we were-- to suddenly have State Police move into your home is a little bit different too. We had three small children and my wife had come down because--

Michael Aron: How old were your children at the time?

Governor Thomas Kean: I think my twins were early teens, and my daughter Alex I think was five or six.

Michael Aron: And you lived in Livingston?

Governor Thomas Kean: We lived in Livingston.

Michael Aron: In the family home?

Governor Thomas Kean: No, no; well in my home.

Michael Aron: Your home?

Governor Thomas Kean: We had built the house; yes, we had built a house. And there wasn't room for the State Police. So they came and finally moved in-- at first, for awhile, they just moved into the house, whether there was room or not, and then they brought in a trailer and lived in the trailer from then on.

Michael Aron: How many would live in the trailer?

Governor Thomas Kean: There was always one at night; so there was always somebody there at night. During the daytime, they're usually be somebody who'd stay in the house or in the trailer, and then two usually would be traveling with me; sometimes one ahead of me, so there was one traveling with me and one at the next stop.

Michael Aron: How did you handle the uncertainty during that three-week recount period, not knowing whether you were going to be governor?

Governor Thomas Kean: Oh well I'd been pessimistic about the whole thing anyway, because since no poll had shown I was going to win, I didn't think I was going to win; I was accepting that. So it wasn't as if I thought I was going to be governor and all of a sudden it was very close. It was the opposite. I thought I wasn't going to be governor and all of a sudden it was very close. So that gave me a sense of optimism. And I was always ahead; from election night on I was never behind. So even though it was very few votes, and it could change anytime, at least I had the idea that it had to change against me. And what I found out later about recounts, that I didn't know at the time, was that you can have 10 or 15,000 votes change, but they change, in an honest election, in about the same proportion, so that generally the person who's ahead stays ahead, because the votes that change drop evenly on both sides. And that's what happened in this one. There were a lot of votes that changed; a lot of mistakes they found-- they always do-- but the mistakes were even on both sides. So when the final result was in, I gained a few votes.

Michael Aron: Did you start planning your administration before declaring victory?

Governor Thomas Kean: I started to think about it a lot. But in that kind of period there were two of us out there who could be governor, and I didn't want to seem arrogant; I

didn't want to seem that I was taking for granted that I was the next governor. And so what I did, I did very quietly. I didn't make any public announcements until the recount was over; and even then it was a possibility, I guess, that Jim could have challenged the recount in court. He decided not to, but he could have. So even then it wasn't a total certainty. But when the recount was over, I decided to go down to Trenton and say I was governor. Because you couldn't get a cabinet, you couldn't do anything until people were assured that you were going to be the governor. So I drove down to Trenton, held a press conference and said, "I'm now the governor and I'm going to start working as the governor." And I don't know if Jim liked it too much. But I had to do that because I'd been declared the winner on the recount and we had to get going. There's very little time anyway between the time you're elected and the time you take office in New Jersey, and I'd lost three weeks; which is a lot.

Michael Aron: Do you recall any exchange with Jim Florio, either at the end or during?

Governor Thomas Kean: Oh I think Jim called me-- as I remember, a very gracious call-- and just said, "I'm not going to challenge, that's it." Yes, it was a tough campaign, it was a hard fought campaign; and Jim's a fighter, he's an ex-boxer. He's not an easy guy to run against, and we'd had a number of debates, and some of them hadn't been that pleasant frankly. I had one down in his area where people came out and booed me and jeered every time I said something.

Michael Aron: That was 29 years ago.

Governor Thomas Kean: Yes.

Michael Aron: How have your relations with Jim Florio been in the 29 years since then?

Governor Thomas Kean: Oh they're fine. I think for awhile I think Jim thought he was going to run against me four years later, and then he decided, because he took some polls, and I think backed out and decided it wasn't the time to run against me, because I was doing very well at that point. And then I think he thought I was going to run against him. Because a governor, after you take a term off, a governor can run for re-election. And I was running way ahead of everybody in the polls had I done that-- including him-- and I think he was convinced that I was going to do it. And so he was-- he wasn't- the administration wasn't that friendly for those--

Michael Aron: That'd have been 1993…

Governor Thomas Kean: Yes.

Michael Aron: …after his first term.

Governor Thomas Kean: That's right.

Michael Aron: You had sat out a term. Was there a thought in your head about doing that?

Governor Thomas Kean: None, absolutely none.

Michael Aron: Why not?

Governor Thomas Kean: I'd done it. I think eight years is enough to be governor; I really do. I think it's enough for a person; it's enough for a state. I think rotation is good; it's not bad. And I don't think you have the same freshness. By the time you're giving your eight or ninth budget message, it's just not the same. By the time you're marching in your eight or ninth St. Patrick's Day or Columbus Day parade, it's not the same. I think you've got to be-- governor is such a tough job that you've really got to be enthusiastic about what you're doing, day in and day out. You got to be excited about it, internally excited, and seeing the challenges and try to overcome them. I think you get a little comfortable with any job after eight or nine years, no matter how good it is. And the friends of mine who were in states where governors are allowed to run for re-election, who served more than eight years-- 12 years; in some cases 16 years-- were not happy. They'll tell me privately, "I sort of wish we'd quit after eight years."

Michael Aron: You say governor is such a tough job. I think we can all imagine how it's a tough job, but it might be useful to hear from a former governor how it's such a tough job. How is it such a tough job?

Governor Thomas Kean: Well it's a tough job in New Jersey because you can do so much. We are-- it's a cliché-- but we are the most powerful governorship in the country, and therefore you can make a difference. And you're involved with everything. You haven't got an independent attorney-general really. You haven't got-- you appoint all the judges. You've got veto power over the authorities. Other states don't have that. You can make changes in a budget. Other people just can dream of that, in the other states. Governors' Association, they nicknamed me the Ayatollah Kean, when they found out all the powers I had that they didn't have. And so you can do all these things. But the buck

stops at you. And to get your arms around it all, you've really got to-- I think this is true probably of President of the United States too-- but you've really got to decide you are going to do two or three or four things, and that's what your attention is going to be on. And then you've got to appoint the very best people in the world that you can find and get to work with you, to do the rest. And you've got to depend on them. You can call them up short if they're not doing what you want; they've got to follow administration policy. But my policy was-- other than the things I was really concentrating on myself-- was to really find the most able people I could, and give them the heads, and let them innovate; let them bring to me what they thought the right things were to do in their areas. And I, of course, had the final approvals. But I think if you appoint the best people, and give them their heads, they're going to give you everything they have. And you get the credit or blame for what they do anyway.

Michael Aron: How did you go about appointing your initial cabinet and staff?

Governor Thomas Kean: I think differently than any other governor ever has. I didn't know enough good people, frankly, to appoint to the cabinet. I did not want to take a lot of people from the campaign, because they're different skills. So I didn't know-- even the areas I knew best; I didn't know, even though I'd been probably the leading environmentalist in the state up to that point, I didn't know really who was the best person to be my commissioner. Education had been always my top priority. I didn't really know who I wanted as education commissioner. So I did something fairly unusual. I hired a search firm, a local New Jersey search firm, and told them I wanted them to screen and to find me the best candidates for each of these positions; and even if I thought I knew somebody who would be good at the position, they had to go through the screening committee process with the other candidates. And then I took an old friend-- two old friends really; one was Tony Cicatiella and the other was Nick Brady-- and told them they were going to be head of the process. So when they found a candidate they would-- they managed the process-- and they would bring me the last two or three candidates for each position. In some cases it took a lot of interviewing. I didn't have my whole cabinet in place-- part of this was the confirmation process, but I think my last cabinet member was John Sheridan in Transportation, and I think I finished that in March I think. So it was a difficult process. But in each case-- and it ended up you took a great risk. Over half the cabinet were people I'd never met before, until I interviewed them. But they were some of my very best people.

Michael Aron: Like who?

Governor Thomas Kean: Ken Biederman.

Michael Aron: Treasurer.

Governor Thomas Kean: Treasurer, who had an incredible résumé for the job. But I'd never met Ken Biederman.

Michael Aron: He was from out of state.

Governor Thomas Kean: Yes, he was a Democrat; among other things. His wife, I later found out, was a Democratic County Committee person, which didn't set well with a Republican. But the-- Bob Hughey, Environment.

Michael Aron: CEP.

Governor Thomas Kean: Yes, I'd never met Bob Hughey before. Saul Cooperman, Education; I'd never met Saul Cooperman before. They all came through the search process. People I knew well, like Mike Horn, would have to go through the search process; even though I thought they were probably qualified for the position. Hazel Gluck the same way; I'd heard a lot of her but she had to go through the same process as everybody else.

Michael Aron: Mike Warren, was it banking and insurance essentially?

Governor Thomas Kean: He was with banking, yes, yes, and he had a good background for that.

Michael Aron: Banking was separate from insurance in those days?

Governor Thomas Kean: Yes, banking was separate from insurance. Ken Merin ended up in insurance. And Ken I knew because of Livingston, but Ken had to go through-- they all had to go through the same search process. And I'd say over 50% of them I'd never, ever met before, including the most important members of the cabinet.

Michael Aron: You're thought of as having had a pretty good record with your cabinet over the years, and also with letting them have a fairly free rein compared to…

Governor Thomas Kean: Yes.

Michael Aron: …what came after you. I think you've already said that you believe in letting people have their heads, and it redounds to your benefit.

Governor Thomas Kean: Yes exactly; if you have confidence in them. You've got to-- if you pick somebody for only political grounds, and you put them over there in a cabinet position, you can't give them the heads, because it will embarrass you. But if you don't pick on solely political grounds, and you pick people who you have full confidence in, then why not let them have their heads? And they'd come in; they worked with my Counsel's Office on legislation. They'd work with members of the front office, in a sense; I had very good people there too. And the team took a while, because they didn't know each other, didn't know me, and so it didn't happen right away. The first year was very difficult; a combination of new people and a terrible recession. But it gradually started to meld. They started to work together as a team and the thing worked. But I've told gubernatorial candidates and new governors that we'll have to do some of that, but nobody's taken me up on it yet. It's a risk; it's a risk to have half your cabinet be people you haven't met before. It's a real risk. But then you've got to have total confidence in the search process. So when Nick Brady came and told me, "This is really somebody--" Some people I had one interview with, or less. And I knew an economic development commissioner, Borden Putnam. He had been-- I never would've met Borden. But he was number two I think in American Cyanamid, and decided the CEO was the same age and so he'd probably never be, and he said, "I want to give something back." So I had somebody in that position who knew all the CEOs in the state, and outside of the state, and traveled with them. So when we were trying to attract people into New Jersey, he could call these CEOs on a first-name basis. Nobody else in any state had something like Borden. He was incredible. I talked to him ten minutes and offered him the job. Other people, I had long interviews with. I talked to Bob Hughey two, three times, because I knew he was a good man; I didn't know whether he and I agreed on all the issues, and whether or not he'd really be supportive. Because things like the Pineland was going on. I was a great advocate of the Pinelands. There was a whole group there that wanted to destroy the Pinelands, led by the legislature. People like Steve Perskie and Bill Gormley had the votes to end the Pinelands, and thought that I was going to go along with them, for some reason. And so I had to fight that off, and I wanted to be sure I had-- the Federal Government wanted to do it too; James Watt, right? They all wanted to get rid of the Pinelands. And it had only gotten through by--

Michael Aron: They didn't want to get rid of the lands, they wanted to get rid of the protection…

Governor Thomas Kean: Yes.

Michael Aron: …that Brendan Byrne had--

Governor Thomas Kean: Yes that's right, they wanted to put the whole thing back the way it was, and it was--

Michael Aron: Allowing development there.

Governor Thomas Kean: Yes, it was totally supported by South Jersey and a number of people in North Jersey. They said they thought they might even have-- Steve Perskie said to me, "If you do this, we might have votes enough for an override." And I said, "Okay, try it."

Michael Aron: Did you have an adversarial relationship with these people, Perskie, Gormley?

Governor Thomas Kean: Oh no, no. No, no, they were good friends. But on this issue they really believed it was the wrong thing. They really believed it was hurting the farmers badly, the cranberry growers. The people from the north were telling people how they could live their lives in the south; it became a north/south thing. And there wasn't anybody in South Jersey who was for it; none. And it was a-- and the congressmen. Bill Hughes, Ed Forsythe, they called me up and said, "You've got to get rid of this thing, and we'll support you on the federal level." And they were cutting funds for it, and they had James Watt appointing somebody who wanted to get rid of it.

Michael Aron: Now I think a piece of the Pinelands is the Forsythe National Wildlife Refuge.

Governor Thomas Kean: Yes. Oh it's a wonderful thing. It always was a wonderful thing, and Brendan Byrne, God bless him for doing it. But they thought, when he went out of office, they thought they had it killed.

Michael Aron: Did he lobby you as governor-- him as an ex-governor-- to protect his legacy?

Governor Thomas Kean: He didn't have to. He didn't have to. I was always for the Pinelands, and I was for it when he did it, I was for it when I was elected, said I was-- like a lot of things I said in the campaign, they weren't paying attention; and they don't

sometimes. I think that's just politics. But I said things like I was going to explode the Arts budget or the Tourism budget or the--

Michael Aron: Did you do those things?

Governor Thomas Kean: Oh yes. I tried to do everything I said I'd do. But I remember talking to some sort of a tourism council or something they had, during the campaign, and I said, "You know, you got a miniscule budget." I said, "You should be doing television ads. You should be doing this." They looked at me and sort of yawned. And I thought, "Well they're not excited." They just didn't believe me. This is what people say in a campaign to people whose votes they're trying to get. And it happened again and again. And this is-- I guess people are so-- even then and still today, most of them are so disillusioned with people in politics. I remember going down to campaign in South Jersey, and there was a-- when I got elected there were a lot of highways to nowhere, where pieces of them had been built, others hadn't. Two-seventy-eight hadn't been finished, it had a big gap. Two-eighty-seven hadn't been finished; there was a big gap in 287. A big issue in South Jersey is Route 55. So I looked at it and thought well for economic development down here, we got to do Route 55; we'll find a way to do it. So the people from South Jersey said, "You go down and say that, it's a homerun." Because they all-- they're saying every governor's promised it and nobody's ever done it. And so I went down. The climax of my speech was, "And if I'm elected, I will finish Route 55." A nice little-- a couple of polite claps, nothing more. And I talked to-- I think Jim Hurley was the guy who in Millville actually; he'd been a friend of mine from the legislature. And I said, "Jim, you tell me this is a big deal down here." He said, "You know, you're the fourth or fifth candidate who's come down here over the years and said he was going to do it. Nobody even believes you." You know? So they just didn't believe me.

Michael Aron: And did you?

Governor Thomas Kean: Oh yes, we did that; yes, we did it.

Michael Aron: Your transportation commissioner was John Sheridan?

Governor Thomas Kean: John Sheridan.

Michael Aron: Had you known him before?

Governor Thomas Kean: Yes; not well. I knew him. And he had been the, I think, executive director in the Senate, I think, or worked in the Senate; might have been the Assembly. So I knew him but I didn't know him that well. But and he was the last, he was the last person I was able to get in place.

Michael Aron: Really?

Governor Thomas Kean: Well yes.

Michael Aron: Why did it take so long?

Governor Thomas Kean: I wasn't sure about John, I didn't know him that well, and it just took a lot of interviewing, and frankly I wanted to look at other people, and it just took a long time to get it. As it turned out, he was brilliant: I think many people would say he was the state's best transportation commissioner. But it worked out well. But I'm delighted I settled on him.

Michael Aron: Your attorney general was Irwin Kimmelman.

Governor Thomas Kean: Irwin Kimmelman. He I knew pretty well.

Michael Aron: From Essex County?

Governor Thomas Kean: Yes, we'd both been in Essex County, for a long, long time, and I knew I wanted Irwin. I thought he's a brilliant lawyer and had a good reputation in the country. And his father-in-law had a been a friend of my father's.

Michael Aron: Who was his father?

Governor Thomas Kean: A fellow called Scotty McDonald, who was head of one of the largest unions in the state but not-- had long retired by the time I ran for office. So that wasn't any help. But he was a good friend of my father's. An immigrant from Scotland who became head of-- it was all the waiters and waitresses, that union. So if you went into a restaurant and they found out you were a friend of Scotty's, it was better than giving them hundred-dollar tips. Everybody just feel all over you.

Michael Aron: And had Irwin Kimmelman served in the legislature?

Governor Thomas Kean: He had served in the legislature; not with me.

Michael Aron: From Essex County?

Governor Thomas Kean: Essex County. He had run for the legislature and been elected, and then I think been beaten in a primary I think.

Michael Aron: Before you got to the legislature?

Governor Thomas Kean: I think Irwin-- yes he was. Because his aide had been an old friend of mine, Phil Kaltenbacher, and Phil Kaltenbacher was Irwin's legislative aide when in was the legislature.

Michael Aron: Phil Kaltenbacher became your running mate…

Governor Thomas Kean: Yes.

Michael Aron: In the Assembly in the '70s.

Governor Thomas Kean: For a number of years, and a very close friend; still is a very close friend.

Michael Aron: And you made him State Republican Chairman…

Governor Thomas Kean: That's right.

Michael Aron: …at one point during one of your terms. I don't remember which one.

Governor Thomas Kean: Well during the campaign.

Michael Aron: The first?

Governor Thomas Kean: Yes.

Michael Aron: He was your first state chairman.

Governor Thomas Kean: Yes, before I even got elected. When you're nominated, you take over the party, and you-- I wanted a state chairman who I could totally depend on. I didn't want-- because sometimes in a campaign you're going in one direction and you look behind you and the party's doing something else. So I didn't want that. I wanted somebody-- the most important thing to me was that people I cared about had control of that party during that campaign.

Michael Aron: How long did Kaltenbacher serve, do you recall, as state party chair?

Governor Thomas Kean: I think he served a year or two, and then I appointed him to the Port Authority, and then he became chairman of the Port Authority.

Michael Aron: And who succeeded him, do you recall?

Governor Thomas Kean: As chairman?

Michael Aron: Yes.

Governor Thomas Kean: He served quite a while, as my chairman. I'm trying to remember who--

Michael Aron: Frank Holman?

Governor Thomas Kean: No, he was never in the Port Authority.

Michael Aron: No, who succeeded Kaltenbacher as state chairman?

Governor Thomas Kean: Oh as state chairman.

Michael Aron: Frank Holman.

Governor Thomas Kean: It may have been Frank Holman. I was just trying to remember if there was anybody in between. But I think maybe not. Maybe it was Frank Holman.

Michael Aron: What was his pedigree politically?

Governor Thomas Kean: Well when I was running for office, I was told I ought to meet this guy called Frank Holman. Because I didn't have any support in the organization. I was sort of the outsider running, as far as the organization was concerned. And I met him at a diner in Ocean County, just off the Parkway.

Michael Aron: He was an Ocean County guy.

Governor Thomas Kean: Yes, he was an Ocean County guy and had been I think head of the Young Republicans or something. And Frank asked me a lot of tough questions; he's interviewing me, and a lot of tough questions. And then after he said, "Oh." When I'd come down, I don't know what car I'd come with; evidently it was a foreign car. He said, "I don't want to see you down here again in that car." He said, "Get rid of that car. Next time you come, come in an American car. And by the way, I like you very much and I'll support you."

Michael Aron: That's a good story.

Governor Thomas Kean: Which is a big deal because the whole organization of Ocean County was against me, and to have--

Michael Aron: He was a former military man.

Governor Thomas Kean: Yes, and he was-- he ended up a General, but I think he was a Colonel or what have you. Yes, oh yes. And he was a tough guy. And when he was for you, when Frank was for you, he was for you 100%. He'd go through a wall for you. I found that out. He went and took on the whole organization of Ocean County, the whole thing. Took me to see mayors, one by one; we'd meet them at the conventions, meet the organization.

Michael Aron: This is in '81.

Governor Thomas Kean: Yes, yes.

Michael Aron: How about the governor's staff? How did you go about selecting your key inner office chiefs?

Governor Thomas Kean: Well there it was people I knew. There I didn't go interview people I didn't know who were going to be right around me. And I was very fortunate. I had Lew Thurston, and Lew had been again with John Sheridan, working for the State Senate. But I'd known Lew for a long time, and I brought Lew in.

Michael Aron: You brought him in as Chief of Staff.

Governor Thomas Kean: Yes. Lew had done my transition. Lew had been-- I don't know if they still do it; they should-- but when you run for governor, you take somebody who's not going to be involved in the campaign, who knows state government, and you tell them you want them to work on the transition, so that when--

Michael Aron: Even before Election Day.

Governor Thomas Kean: Yes, long before Election Day. And Lew had been working down there in the State Senate for years, and he knew where all the bodies were buried, and so he worked as to what was happening in departments, what was happening on the budget, what was happening on this, what was happening. And so he had a plan for us by the time we- by the time Election Day was over. And so he was doing that. So he was logical, to assume that role. Cary Edwards had first run for office, only to support me, because I needed a ticket to run against the organization in Bergen County.

Michael Aron: I think you told us that story through this set of interviews.

Governor Thomas Kean: Yes, and he and I had served together in the legislature, and I had tremendous respect for Cary, and wanted Cary there. Gary Stein.

Michael Aron: Gary was your chief counsel.

Governor Thomas Kean: Chief counsel.

Michael Aron: Gary Stein.

Governor Thomas Kean: Yes, Gary Stein and I had met in the Army, way, way back, and used to sit around the Army, when we were doing KP or whatever else we were doing, talking about stuff, and became good friends. And then we kept in touch. And Gary worked for awhile on Wall Street, I worked for awhile on Wall Street, and we kept in touch over the years. And then when I declared for governor, Gary suddenly popped up-- I hadn't heard from Gary in a couple of years-- popped up, called me on the phone and said, "Anything you want?" And so he had worked for me.

Michael Aron: In the campaign?

Governor Thomas Kean: Yes in the campaign; although he wasn't-- again, everybody who worked for me in the campaign had to take on their organizations. So it was not easy.

Michael Aron: What county was he from?

Governor Thomas Kean: Bergen County. He's a guy in the Bergen County organization.

Michael Aron: He became head of Policy and Planning.

Governor Thomas Kean: Policy and Planning. Because I wanted somebody who would be able to think a couple of years ahead, and always keep us ahead of the ball, rather than behind it. And that was tough because there were so many things that have to be done that first year or two that Gary, I think, ended up planning, but planning things that had to be done right away, and not things that I'd originally envisioned. Later on he could do that; and Brenda Davis, his successor, certainly did it. But in the beginning we really had to get our hands around things. We had judges who were threatening to close prisons and let the prisoners out on the street basically.

Michael Aron: What was wrong in the prisons?

Governor Thomas Kean: Overcrowded. And we hadn't built any new prisons for maybe close to 100 years; and it was really incredible. What was happening is people were backing up in the county prisons and they were becoming way overcrowded.

People were living in terrible conditions, because the state prisons were full. It was happening in other states too. It was the result of a lot of the mandatory sentences that were passed in those years, particularly drug laws, and it just-- the prisons weren't ready for it. And so by the time I got in, we had judges in New Jersey and in other-- in other states judges already let people out. And judges in New Jersey were saying, "If we don't do something about this-- you cannot keep people in these conditions."

Michael Aron: So what did you do?

Governor Thomas Kean: Well I told Gary Stein, I said, "You come up with a plan for me." And Gary did, and we ended up building two maximum security prisons, one in Camden and one in Newark. Because the best minds in the area of criminal justice told us that you should have the prison in the same community, as close as you can, where these people are coming from, because you got to rehabilitate them; they got to be close to their families and close to their communities, and you can't have people commuting into the suburbs to go to see families in prison, they won't do it. And so we built one in Newark and one in Camden. And then immediately we put up a lot of what I considered temporary prisons, but I think they're still going, in Cumberland County, and a lot of modular units where we were able to take the overflow immediately, because we were moving them up very fast. And Gary came up with the plan. We implemented it.

Michael Aron: The one in Camden, Northern State, was shut down…

Governor Thomas Kean: Yes.

Michael Aron: …within the past 12 to 18 months.

Governor Thomas Kean: Yes.

Michael Aron: People were upset that it was occupying waterfront property, right across from where people got off the skyline. In retrospect, was it placed poorly do you think, or did it serve its purpose for its time?

Governor Thomas Kean: It was placed there at the request of the City of Camden, because they had no jobs. They looked at it at the time as a job project, both in terms of construction and in terms of the people that would be hired. Because we had a thing with Camden they were going to hire people from Camden to man the prisons. And so it was the right thing to do, because it did-- at that point we had nothing else going for Camden,

nothing. And that was a primary job creator, and it was supported by the mayor and by everybody in Camden for that location. But I understand now-- hopefully Camden has progressed, and now they have other--

Michael Aron: They have other things.

Governor Thomas Kean: Yes.

Michael Aron: Including a Thomas H. Kean Aquarium. Is your name still on there?

Governor Thomas Kean: No they took it off.

Michael Aron: So they changed that?

Governor Thomas Kean: Well they sold it. I think they privatized it. Yes. But that was--

Michael Aron: Did you launch that project, the aquarium?

Governor Thomas Kean: Yes we had a-- this goes into second term almost. But I tried to make it a real project of the city's; and had a project for every major city. And I tried to have a project that was unique, that would fit into that city and would bring people into the city.

Michael Aron: For Newark?

Governor Thomas Kean: For Newark we did the Arts Center. For Jersey City we did the Science Center.

Michael Aron: For Jersey City, the Liberty Science Center.

Governor Thomas Kean: Yes, Liberty Science. Paterson, we did a whole area around the Great Falls. And New Brunswick wanted a cultural thing; so we built some theaters, a thing around culture. Trenton wanted to move the state back in. So there was a lot of office buildings then outside of the state. So we brought a number of state buildings and

moved people back into the city of Trenton. Camden was the aquarium. And I had a-- my vision was not just the aquarium, because you can't just have one thing. But we had an agreement from RCA if we sent them business that they were going to build a space museum, to show their contributions to sending people into space. I had Campbell's Soup going to build a museum for some tureens and some historic things they had. We were going to something about Walt Whitman's home. We had a whole series of projects. Unfortunately, Campbell's Soup, the guy who made the deal died-- Dorrance-- and the new guy said, "We don't want to do it." RCA got sold to GE, and GE said, "No, we're not going to keep that commitment." And so it sort of-- everything but the aquarium sort of fell apart on me. It's another story for later on, but I came this close to getting the '76ers and the Flyers into Camden. But that's the end of second term.

Michael Aron: From a press perspective, looking back on your cabinet, the one who was controversial was Kimmelman. Do you remember why?

Governor Thomas Kean: I do remember Kimmelman got controversial, and I think he-- my memory is that he took over a box over something at the stadium at one point, that he was-- because the attorney general is automatically on the Sports Authority, and I think Irwin got a little too enthusiastic about that at one point, as far as friends and everything else. My memory is that was one of the controversies. There may have been some others but I don't know.

Michael Aron: And you appointed him to the bench maybe two years after.

Governor Thomas Kean: Yes. It was nothing to do with his competence as a lawyer or attorney-general. It was the fact of whether he was taking advantage of this or that; whether he was using a car or a-- I think he used a helicopter a couple of times when perhaps he could've driven. Yes.

Michael Aron: I also remember from the first year that the tax issue was a big issue in your first year. You had wanted to hike one tax and the Democratically controlled legislature had said, "No, that's not the tax we're going to make you hike."

Governor Thomas Kean: Yes, that's right.

Michael Aron: Is that correct?

Governor Thomas Kean: Yes, yes, it's a--

Michael Aron: Can you tell that story?

Governor Thomas Kean: Yes. We had-- I'll tell you, this was a terrible recession we were in. And now it seems fashionable always to say that whenever you have a recession, it's the previous governor's fault. But I never-- I don't think I ever blamed it on Brendan. But we had a billion dollar deficit; which in those days was a lot of money. I don't know what it'd be equivalent to now but-- three billion or something, I don't-- but it was a huge deficit; and growing. And Ken Biederman would come into my office about once a week and he'd say, "We're down another 150 million" or "We're down another 200 million." And it just seemed like drip, drip, drip; no matter what we did, the state was going-- and it was not just-- it wasn't the budget that we were working on, it was the previous year's budget that wasn't in balance anymore. So we not only had to come up with money for next year's budget, we had to come up with that year's budget. And so I met with a number of people on the problem, and it was-- and I had one choice; two choices rather. We either had to find some new revenue or we had to cut aid to the schools; because, as it is now, that was such a major portion of the budget. So we cut-- I had a whole-- we did every economy we could. I started something called the Governor's Management Improvement Commission.

Michael Aron: The Governor's Management Improvement Plan, GMIP.

Governor Thomas Kean: GMIP. And for GMIP the idea was-- it was headed by the leading CEOs in the state: the head of Johnson & Johnson, the chairman of Johnson & Johnson; the chairman of-- I think then it was the company in Newark that was huge then-- Bob Van Fossan-- Mutual Benefit.

Michael Aron: Mutual Benefit Life.

Governor Thomas Kean: Mutual Benefit. And there was a third one. But anyway, it was the top CEOs. And then they got the other CEOs. So the whole business community bought into it.

Michael Aron: Was Al DiSolo [ph?] your manager?

Governor Thomas Kean: Yes, Al was the guy in the charge of that. And the idea was that they would send people in. The business community would donate people to every single government department and agency, and they would work for-- I don't know, what, six months?-- I don't know how long it was they would work in that agency. At the same

time, everything would be made transparent. So we'd turn over the whole budget to this group of CEOs and their staffs and everything else, for their suggestions. And at the same time, on the other side of it, we had a number of top state workers who went and worked for the private sector for those six months. The idea was for an exchange. And that worked enormously well. I mean, the state employees learned a tremendous amount. I remember the CEOs saying, "Yeah, well, people tell me those are really good people, and we didn't know you till then." They didn't understand how good state employees were, how able these people were. And so that worked well on both sides. And they did; they came up with a long report. Now, some of it was totally impractical because they didn't take into account things like contacts and <laughs> the kind of things that business doesn't always have to deal with but we do in state government. And there were some things that were impractical because, looking at the legislature, they want three votes for them. But others-- yeah, we saved a lot of money. I don't know what the exact amount was, but there was a lot of money that was saved by that report. But I wanted to do that first because I wanted to-- until you had done that and really gone over the state budget and said, "We've looked at it a fine-toothed comb; these are the savings you can make," you couldn't go ask anybody for the revenues. But once we had done that and the recession was still deepening, that was just two choices. I mean, we could have whacked the state aid to schools. I'd run on education. It was one of the things I'd run on. I wasn't going to do that. And/or you find new sources of revenue. So my first choice, because I thought the recession wasn't going to last that long-- I was hoping-- and that we could come out the other side if we did some basic taxes that weren't going-- of course, like every governor, I thought the gasoline tax was too low, because it was so much lower than all the states around us. So I recommended that, and then a couple minor taxes I think to raise liquor I think maybe and--

Michael Aron: Was it a nickel hike in the gas tax? Do you recall?

Governor Thomas Kean: Yeah, something like that. I don't know what it was. But it was enough, if we put all these small taxes together, it was enough to get the budget passed. Legislature wouldn't buy that. They wanted me to do the major taxes.

Michael Aron: Politics? They wanted to force the Republican government to hike the income and the sales tax?

Governor Thomas Kean: Yes. Yeah. Well, mainly the income tax, because they knew I really wanted to keep that low. Because I'd made the deal with Brendan Byrne originally, as leader of the Republicans of the legislature, that we were going to have an income tax, but the rate was going to be lower than the states around us, and there

wouldn't be exemptions, because I thought rich people would always take advantage of exemptions. So that was the deal that I worked out with Brendan and--

Michael Aron: '76?

Governor Thomas Kean: Yeah. And I said, "All right, if you agree to that, then I'm going to free up Republicans who want to vote for it, and protect them," which I did. Against revenge.

Michael Aron: So now we're in '82, and who were the leaders at the time?

Governor Thomas Kean: Alan Karcher, and I think maybe Carmen Orechio in the Senate.

Michael Aron: And so they rallied their majorities to force you to hike the <inaudible>.

Governor Thomas Kean: It was mainly Alan Karcher, I think. Carmen Orechio was an old friend of mine from Essex County. And they actually-- people forget this-- legislature actually passed a graduated income tax and sent it to me.

Michael Aron: To that point, it had been a flat rate tax?

Governor Thomas Kean: Not flat, but three and a half top rate or something to one and a half or something. It was graduated, but not much.

Michael Aron: And they made it more graduated. <inaudible> top rate.

Governor Thomas Kean: Yeah, they sent me a-- it was a-- I don't know, it was a big increase in the rates.

Michael Aron: So you conditionally vetoed that?

Governor Thomas Kean: No. I totally vetoed it. <laughs> In fact, I vetoed it-- I sent it back within the same hour they sent it to me. So that was stalemate. And then of course what happens then, you start the negotiations.

Michael Aron: Who negotiated for you? You, or your staff?

Governor Thomas Kean: I think I did a lot of it. I'm sure Cary [ph?] was involved. He was involved in everything. But I had to do that one really, basically. And my memory is Karcher-- Carmen was fine-- but you couldn't do anything without an income tax increase as far as Alan was involved, Alan Karcher.

Michael Aron: Was that ideology? Was that politics?

Governor Thomas Kean: I think a little bit of both. They really wanted me to sign an income tax increase. And so we finally negotiated, negotiated, and negotiated, and finally I agreed to what amounted to a very small increase in both income and the sales tax. And so I said I'd sign it, but I didn't like it, and it wasn't what I would have done. And I said I was going to say that publicly. So when they sent me the bill, I signed.

Michael Aron: Do you remember what month we might be in, or-- we're probably in your first year as governor, 1982.

Governor Thomas Kean: Yeah, I think so. Yeah, I think so. Yeah.

Michael Aron: Spring?

Governor Thomas Kean: Probably spring. I don't remember exactly. But I remember I signed it holding my hose.

Michael Aron: Literally holding--

Governor Thomas Kean: Yes, literally holding my noise.

Michael Aron: It's famous that you said, "I'm going to hold my nose and sign it," but I wasn't sure whether that was rhetoric or whether you literally--

Governor Thomas Kean: I literally held my nose. And I said to them, I said-- when I signed it, I said, "Look, I don't think this recession is going to last forever, and when this state comes back, as it will, I will promise you that we're going to decrease taxes." And the staff thought that I'd finished myself by signing that, by signing a tax increase. And

there was no movement in the polls whatsoever. I didn't go up; I didn't go down. I wasn't very high anyway that way. I was about where I was when I ran, but I didn't go down, didn't go up.

Michael Aron: What does that say to you?

Governor Thomas Kean: That taxes aren't as-- I mean, if you explain to people-- I mean, there'd been enough debate. People understood the terrible problem the state was in. I made it clear that the choice was the school kids or the tax. I made it clear I didn't like it, and I made it clear I was going to get rid of it, or if not get rid of it, at least decrease taxes the first opportunity I got. And people bought it.

Michael Aron: Well, the recession did end and times got good. Were you able to roll back those taxes or not?

Governor Thomas Kean: Yeah. Well, we negotiated with the Democrats again and we ended up with a different group of taxes. But yeah, we did. We rolled back a number of taxes. And the one that was most dramatic, which I didn't realize, and it's now gone, but we basically abolished inheritance tax. It was a bill sponsored by John Paul Doyle.

Michael Aron: Democrat from Ocean County.

Governor Thomas Kean: Yeah, it was Ocean County constituents didn't like that tax, all being senior citizens, and what amazed me-- I didn't mind it. I mean, I didn't mind getting rid of it. We didn't get rid of it totally but we got rid of it for direct descendents. And so if you wanted to leave it to your brother or something, you still paid something. But the interesting thing to me was that there was a flood of people who came in here when we did that, a lot of them from Connecticut. And I made some of them, and they said to me, "Our accountants told us to come here." <laughs> They didn't care whether they lived in New Jersey or Connecticut, but for their families-- and now you understand why Florida does so well. People's accountants tell them to go where they're going to save some money. And then I think we said you can deduct the property tax from the income tax, which gave a reduction basically in both taxes, and that was very popular. So I kept my promise basically to-- as soon as the money-- because the money-- that's what was amazing to me. We had close to-- I think it was a billion dollar deficit. Within about 14 months, we had close to a billion dollar surplus.

Michael Aron: The economy turned <inaudible>.

Governor Thomas Kean: Yeah, it turned that fast. And I think partly because of the tax decreases, I believe, and maybe some other things we were doing to promote business, we did much better than any other northeastern state. So the next number of years, we created three-quarters of a million new jobs in the state. And no other state came close to doing that. And I think part of it was that-- because of the tax decreases. Not only that but some on business. We had on the board in Putnam a tremendous scheme related to try get people-- businesses to come in here. We changed from being, on those surveys, the last friendliest state to being one of the most friendly states to business. I was speaking in New York once at the Waldorf, a dinner with Governor Cuomo. He got up and said, "Tom Kean is here, and I hope you've got chains on the building or he'll take it back to New Jersey with everything else." <laughs>

Michael Aron: There was kind of a heavy competition in those days, or a border war as we call it in the press, between New Jersey and New York.

Governor Thomas Kean: Well, I used to argue with him on that one, because I think I probably got along better with the mayor of New York and the governor of New York than probably any other governor. Cuomo and I became-- and still are-- very close friends. We had lunch last week. And we're still-- I have tremendous respect for him, like him very much, and I think he feels the same about me. Ed Koch and I used to have lunch and dinner together every couple of months. We became close friends too. But I used to argue-- Cuomo understood. Koch used to argue with me. But I used to tell him, "Look, New York City is a wonderful, wonderful place. But if you're running a business in New York City, time comes when one of two things happen: Either you want to expand, and you haven't got the space for them to expand; or your taxes are just so onerous that they just can't afford to pay them anymore. At that point, they got two choices. They either move to one of the right-to-work states, let's say, down south, or they move across the river to New Jersey. If they move across the river to New Jersey, they continue to use your theaters, they continue to enjoy New York, your museums, your cultural life. You make money from them still. If they move to someplace else, you lose them totally. So why aren't you helping them move to New Jersey? Ed never quite bought that argument, but he understood it, I think. That by the way is true. Because a lot of those companies moved to Bergen County and Hudson County.

Michael Aron: You changed chiefs of staff after your first year. What was that about?

Governor Thomas Kean: Well, I brought in Greg Stevens to work, starting off to work on the public relations side with Carl Golden. And Carl Golden was the best press secretary--

Michael Aron: Yeah, we forgot when we were talking about your staff, we forgot about the communications end of things. Let's go back to that. You had Cary Edwards, Gary Stein, Lew Thurston, and the fourth of the four chiefs was Carl Golden.

Governor Thomas Kean: Yeah. And Carl Golden-- I'd brought him from Washington originally. When I was in the legislature, there wasn't any communications person, in either party, and I wanted one. And I went interviewing, and Carl Golden was working for Peter Frelinghuysen, who was Rod's father, who was then in Congress. And so I hired Carl. And so--

Michael Aron: This was probably '71 or there--

Governor Thomas Kean: Yeah, around then. First communications director to serve either house of the legislature, and he was superb. Not only was he superb, he knew me inside and out, because we worked together for nine years I guess in the legislature and then somewhat afterwards. And so Carl-- to have somebody-- nothing is more important than the person who's going to be your spokesman for media, because they say anything wrong, it's coming from you. They are your spokesman. And if they don't understand you and say things that you wouldn't say, you can get in all sorts of trouble. And so to have somebody there who not only understands you but instinctively knows where you're coming from and knows what you believe, it's just very, very helpful to an administration. And so Carl-- not only his competence but his knowledge of me over so many years was just very essential. And we never had an important meeting-- that's the other thing that some other governors haven't necessarily done. I never had an important meeting on any subject that Carl wasn't invited to, because I wanted Carl to understand not only where I was coming from, but how this or that policy was developing. I wanted him to hear the arguments on both sides. I wanted him to see how we came to these things, because then he could have better understanding and he could explain it better to members of the press corps. And so he was in on all the meetings, all the policy development meetings. Always welcome.

Michael Aron: Would he pipe up?

Governor Thomas Kean: Oh yeah. Oh yeah. Yeah, he'd pipe up. Carl's not a shy-- <laughs>-- yeah, he would pipe up. And particularly sometimes he'd say, "I know where you're all going. That's not going to work." Or "I can't sell that," or "The legislature's not going to buy that." I mean, he was very much-- he'd pipe up not necessarily in the elements of policy, but he'd pipe up on his particular expertise and knowledge about where that policy might go from a public point of view and how easy it was going to be to

implement or not implement, or how easy it would be to sell or not sell, from that point of view. But he was-- I could never get Carl interested in anything outside of written press. He was a newspaperman from his toes to his head.

Michael Aron: By that you mean you couldn't get him interested in what?

Governor Thomas Kean: Well, the world was changing. Television was becoming very important, and radio was still important. And Carl was just not interested. And I'd talk to him about it, say, "Carl, I'm doing this, it's important now," and it's always everything as governor of New Jersey. You've got to go in New York and Philadelphia, particularly New York, if you want to reach people. And so I'd say, "Carl, I really want to do"-- he'd say, "All right, we'll work on it," and you'd never hear anything, and Carl would be off talking to somebody from the *Bergen Record* in the corner. And that's when I brought in Greg Stevens. I brought him in specifically to work with the media that Carl just was either not inclined to work for or couldn't work for for whatever. So Greg was brought in to do that. And then as he came in and worked, it became obvious to me he had the skills, political and otherwise, that I needed in the chief of staff's position. Lew was a policy person. He was a policy wonk, some people used to say, but he didn't return phone calls very often. <laughs> He didn't do this or that. He was probably not suited for the job. And so we made that change.

Michael Aron: Let's take a little break and pick it up in a minute or two.

<break in recording>

Michael Aron: When did the economy start to turn around?

Governor Thomas Kean: I think it started turning around midway in my second year. And the turnaround was pretty fast. I mean, all of the sudden you could see, almost feel things pick up, and you could certainly see it in the state revenue starting to pick up. People got a little confidence back. They started to go buy that new car, and the sales tax increased, and things were nice. I'll tell you something-- I don't know if it's still true-- but the strange thing was when everything was going the other way, there was only one state revenue that increased. The lottery. Amazing. Every month, everything else went down; lottery went up. And I guess people in difficult times are willing to put something in the drain, just say, "Maybe it'll hit." It's the only-- Hazel Gluck would come in and say, "I got 150 thousand more for you," or whatever. <laughs>

Michael Aron: While you were enjoying the turnaround, the president of the United States was also enjoying the turnaround, and the '80s would be remembered as a boom decade. Did you have much interaction with the Reagan White House?

Governor Thomas Kean: I had a lot. After the-- I didn't-- as I say-- I don't know if we talked about it-- I had a problem in the campaign with them when I said I wanted to fire Jim Watt [ph?].

Michael Aron: Yes, we talked about that.

Governor Thomas Kean: Yes. But New Jersey was then a swing state. It had voted for Gerald Ford. It had voted for Reagan. But the majority of people might still be Democrats. It was a swing state back and forth. And so swing states are where presidents come when they have trips. So Reagan came to New Jersey a lot, and when the sitting president comes and you're a governor of that party, you were his host. Not only are you his host, but you probably tell him where to go, or advise him where to go. And Reagan came in a lot, and I would be with him. I would meet him at the airport. I would drive with him to his stops. I would introduce him to whatever the thing was. I would decide what areas of the state he should go to. And in the process, I got to know him very well, and spent a lot of time with him, and he called me his favorite governor, publicly.

Michael Aron: When?

Governor Thomas Kean: Oh, this was towards the end of his term, I think.

Michael Aron: Why?

Governor Thomas Kean: He was talking about education, and he had-- both he and Bush, both in the State of the Nation addresses, had both singled out what I was doing in New Jersey for <inaudible>, and the press asked him about it. He said, "Matter of fact, he's my favorite governor." <laughs> And I thought, "Whoo, that's sort of nice to hear."

Michael Aron: What did you think of him?

Governor Thomas Kean: I liked him enormously. I always thought he was a genuinely good human being. You could be with him, and you would take him to a place that he

liked, particularly in the city, let's say, somebody was doing good works. He would call an aide, and they'd come with his checkbook, and he'd write a check for the charity or whatever that we were visiting. And then he'd call me on the phone and he'd say, "You know, they never cashed that check, so I'd call up, and they framed it." <laughs> But he was enormously thoughtful, enormously generous, loved children. If there was a child around, he just loved it. He was much brighter than anybody gave him credit for. I mean, he really was-- the issues he cared about he was really on top of. And he had a feel for the presidency. I remember once I was actually-- we were driving from Newark Airport-- this was in his campaign for reelection-- from Newark Airport to an appearance in Hoboken. And one side of me was the president. The other side of me was Frank Sinatra. He was an old friend of Reagan's who was coming to campaign for him. And we were driving down Bergenline Avenue, and the people were such the presidential limousine almost couldn't get through. Because I don't know if they were coming for Reagan or Sinatra or both-- certainly weren't coming to see me. <laughs> But anyway, Reagan I remember turned to me and he said, "You know the most terrible thing right now with the presidency?" And I said, "What?" He said, "All these people have come out to see me. I can't get out of this car and greet them." He said, "The President of the United States should be able to greet the people." And he said, "Now they won't let me." And it was after he was shot, and security just come like that. And he was really upset by that. But I spent-- yeah, I'll tell you-- lots of time driving around with him and lots of time flying around with him. And I was head of the Republican Governors, so I took them down to the White House to see him. He was a remarkable man, and he had-- if you'd ask him a question about policy, he'd say, "You know why I believe that?" and he'd come up with a story. Something that happened to him when he was young, something that happened to him in Hollywood, something he remembers from his father-- whatever. But he always had an illustration of why he believed this or that. And it was-- and you understood better, because anybody can do it with a parallel is probably a better illustrator anyway. But he was a wonderful communicator, just in conversation, let alone-- we didn't agree on everything, and we disagreed on some stuff, but he didn't mind that. I mean, he was not-- he was a very inclusive Republican. I mean, his famous statement was, "The eleventh commandment is don't speak ill of any other Republican." And I think of some of these Republicans now are all yelling at each other, and then they say the model is Ronald Reagan. Their model's not Ronald Reagan. They didn't even know Ronald Reagan, the people, because he didn't care when-- he understood there was some fundamental things you agree on and some things you disagree on. That was fine with him.

Michael Aron: He was okay to speak ill of a fellow Republican?

Governor Thomas Kean: No, no, no, no. Not with Reagan. No. Not in public. <laughs> He would in private, but not in public, no. No, he wouldn't-- he didn't-- I mean,

he would go up and campaign for John Chafee in Rhode Island, who was liberal, and just as soon as he would come and campaign for somebody who was very conservative down south. And all part of the same party, all wanted to do things together. He's emphasize the things you agreed on, not the things you disagreed on. He and I had a few disagreements, and we'd talk about them in the car, and he'd try to persuade me to his point of view.

Michael Aron: You said you were head of the Republican Governors Association. How early into your governorship did that occur, do you recall?

Governor Thomas Kean: Oh, yeah, a little later on. It was actually-- I'll tell you what, it was an interesting time. I was head of the Republican Governors the year that Reagan had problems with the business in Nicaragua, and the--

Michael Aron: The Contras.

Governor Thomas Kean: The Contras, Iran-Contras and all of that. Yeah.

Michael Aron: So that's well into your second term.

Governor Thomas Kean: Yes. Yeah. And he was-- he asked me to bring them, because he was in trouble.

Michael Aron: Did he ask you to be head of the Governors Association?

Governor Thomas Kean: No, I was head. No, the Republicans elected who they wanted, so the other governors elected me. But I was the head. And he called me, and he said, "Will you bring down the governors with you? Because I'd like to explain to them what's going on and get their advice." So I got them all together. We all flew down. I remember we flew down-- I had the Republican Governors Conference in New Jersey. So we had all the governors here.

Michael Aron: <inaudible> outside Princeton.

Governor Thomas Kean: Yeah, that's exactly right. And part of it in Parsippany I think. Anyway, we had them for a couple-- two or three days. And so flew down. We got on a

plane at Newark Airport to go down to Washington. And not a good day. There were thunderstorms. The plane was shaking around and so on, and the pilot got on and said-- when we got to Washington, he said, "Well, we're going to have to circle for a while. We haven't got a landing clearance, a number of planes ahead of us." Well you know, you don't like to circle in the middle of thunderstorms. I had all the governors on board. And I saw this guy from the White House who had been sent down sort of going up the aisle. About two minutes later, the pilot said, "We've been cleared to land." <laughs>

Michael Aron: Did you say something to the guy from the White House, or <inaudible>?

Governor Thomas Kean: No, I didn't say anything to him. No, no, he had heard the announcement, and he knew the President of the United States was waiting to see all number of governors we were, and he was not going to-- I guess that's I guess what the White House can do.

Michael Aron: That was around '87 then, or '86.

Governor Thomas Kean: Yeah, I think it was-- '86-'87. Yeah. We got down there, and I remember he was very upset, because he frankly hadn't been paying attention, and he didn't do this stuff. But like a lot of things in areas that were not his expertise especially, he delegated it. And he was now-- but he was taking responsibility and what he was asking us for was, "What do you think we should do?" And one of the governors piped up and said, "Fire your chief of staff." And Reagan said, "I can't put it off on him. It wasn't his fault." And he eventually did fire him.

Michael Aron: Don Regan?

Governor Thomas Kean: Yeah. But he should have fired him anyway, I said to him. <laughs> I said there were other reasons. Because he wasn't a good chief of staff. What he was doing is he was shielding the president from information the president ought to have. Not only on this subject, but other subjects, and I had heard that from a number of people in the White House. They couldn't get to Reagan when he became chief of staff. Whereas when he had Jim Baker in there, Jim Baker would bring everybody who really wanted to see the president-- who was important was going to see the president. Regan would say no. Regan would say, "No, talk to me. I don't want you bothering the president. Talk to me." And no president should have somebody around him like that, any more than the governor should. I mean, you've got to be open to the people you need to see. And so I wanted him out anyway, for those reasons. But he was--

Michael Aron: How about the National Governors Association? Did you go to all the meetings?

Governor Thomas Kean: Yes. Yeah. I thought it was a very useful organization. And the nice thing about it was that you were not-- you were not competitors with other governors. It's not like senators or congressmen. You have nothing to lose by another governor being a success, no matter what party they belong to. So my closest friends I think on the Governors Association were Democrats.

Michael Aron: Who?

Governor Thomas Kean: Bill Clinton, Mike Dukakis, Lamar Alexander, but he was a Republican. Jim Hunt from North Carolina is still a very close friend to this day. We see each other all the time. Dick Riley became the education commissioner under Clinton, a very close friend. And we'd work together. I remember when Dukakis called me, and we just devised the Transportation Trust Fund, which was brand new. I mean, nobody had ever come up with a concept like that before.

Michael Aron: First term or second term?

Governor Thomas Kean: First term. And the idea was to use the funds, roll over the money and use it, from the gas tax and keep it in a revolving fund, but it meant you could spend a lot more today than you could just pay as you go. But it was funded, because it was funded against the gasoline tax from receipts. So Mike Dukakis calls me. He says, "I understand you've got a brilliant idea down there, and tell me about it." So I said, "I'll send you the whole background, I give you the _____ so you can talk to John Sheraton [ph?], you can talk to anybody you want. Tell your people to talk to our people, and get the full details." So about two weeks later I get this call back from him. "You know, I just love that idea." I said, "Great." And he said, "Would it be all right if I called it the Dukakis Program in Massachusetts." I said, "Of course." What did I care what he called it in Massachusetts?

Michael Aron: Did you call it the Infrastructure Bank before he called it the Transportation Trust?

Governor Thomas Kean: Well, the first thing-- the idea was the Infrastructure Bank, and the Democrats blocked it, because in that stage, they were blocking everything. I mean, the philosophy was, "If we don't let this guy-- who won by so few votes-- if we don't

let him get anything done at all, then we're going to win, because we'll stop him totally." So they blocked everything, including the Infrastructure Bank. Now, maybe the most important part of the job's program was that Infrastructure Bank or the Transportation Trust Fund, because it enabled us to get us the money so that if somebody wanted to come into an area, we'd help them put transportation, and we could finish those highways and we could do that stuff that the state had to have for its economy. So I was furious about it, and so we worked on it, and that's when I started making lines with organized labor, because their people-- it was a recession-- their people were sitting idle. They couldn't get work. And here was this proposal this Republican governor had made that would get all their people back to work. So they started coming in to see me and started saying, "What can we do?" And so I said, "You know some of these Democrats? You support them and you campaign for them. Help me out." So we got it going, and it got stopped again in the Senate, and the message came from the Senate, "It's dead. Democratic caucus has killed it." And I just happened to have a guy called Rickie [ph?] _____ who was one of the labor union guys and a couple of others sitting around the outer office. So I went out and said, "Guys, we've done our best, but they've killed it in caucus." They said, "Who killed it in caucus?" I said, "Democrats killed it in caucus." Three or four of them said, "Come with us." Three or four of these big guys said, "We'll be back to you," and charged down the hall. Evidently they burst into the room, the Democratic caucus, told the Democrats basically if they ever wanted any campaign money or any other help from organized labor, they would turn around that vote. They came back to the office and said, "Don't worry. It's done." The Democrats passed it. But it was due to the alliances I made with organized labor, basically. Because business was for it, but as everybody knew, business was not as influential as anybody's labor unions are when they get going.

Michael Aron: Labor is more powerful than business?

Governor Thomas Kean: Oh yeah. Because of the legislators involved. I mean, business tries to work with both parties, and they-- I don't think they're very successful usually in things they really want. Sometimes they get them when everybody wants them. But labor becomes-- they don't try to work with both parties. I mean, they really work with the Democratic party, and they supply the key workers, and often the key support the Democrats need to get elected. And so when they really want to do something, they have-- maybe it's only 10 or 11 legislators, but those 10 or 11 depend on them totally. That's who elects them. And so when organized labor says, "No," they go "No."

Michael Aron: Let's try to walk through--

Governor Thomas Kean: And by the way, I've run without labor support, I've run with labor support. And it is so much pleasanter to run with labor's support. Those guys appear at every rally. You can be at a small rally in Ocean County, and damn, they'll send 10 people there with signs for Kean and that kind of thing, and it just--

Michael Aron: '81 was without and '85 was with.

Governor Thomas Kean: Yeah. '85 was with-- they held a-- they had promised me-- they said, "If you really do what you've promised"-- they had had a rally I think against Brendan Byrne, where they had brought a whole-- Charlie _____ brought a whole thing down to Trenton to demand jobs, and they filled the square down there. It was one of the largest they'd had up to that point-- against Brendan I think in his last year or so. And they said, "We're going to have a rally for you if you do what you promise." So when I ran for reelection, they said, "You've done what you promised." And they had a huge rally of Hardhats in the center of Trenton with cranes, all the equipment, and it's quite wonderful. So as I say, it's much better to run with them than against them. <laughs> But that alliance was built around the Transportation Trust Fund.

Michael Aron: What other issues were dominant in the first term? What challenges did you face in the first term that you can recall, all these years later?

Governor Thomas Kean: Well, prisons were-- as I mentioned that. We had to get those prisons built or we would have had people released on the street. So it was very difficult. One of the most difficult one for me probably was the death penalty.

Michael Aron: Tell us about that.

Governor Thomas Kean: To me, it's just one of those troubling, troubling issues, because I used to run a camp for troubled kids when I was younger, and a lot of them were people who had been in jail for short periods at one time or other in their lives, and certainly knew a lot of the neighborhoods who had been. And the knowledge and the cynicism of people at that age was really to me extraordinary at times. I mean, they would explain to me if you robbed a store that you were better off if you shot the owner, if he was the only one there, but you always had to get the young kid to do the shooting, because he'd never be in prison for more than a year and a half if they were below whatever the age was. And the only way you could get caught is if somebody identified you. You shot the guy, he couldn't identify you. And if you got caught, the only chance you were taking was that this kid, who was 15 years old or whatever, would spend-- so they were down to that kind of calculation. I remember asking them once, "Yeah, what

about the death penalty?" "God, the death penalty. We wouldn't take that chance." They wouldn't do it. And I sort of got convinced that there was some lives it would save. Not a lot, but some. There were a few of those store owners who wouldn't be shot who might have been otherwise. But I didn't like it. Never liked it. I'm perfectly happy now that it's repealed, because it never was practiced in New Jersey anyway, and my idea--

Michael Aron: Are you glad it was never practiced in New Jersey?

Governor Thomas Kean: Yes. Oh, yes. I wanted the deterrent, nothing else. And we wrote it in such a way it was very hard to implement. But I remember agonizing over that one. They sent me the bill--

Michael Aron: That was your first year too, I recall-- 1982. In the early to mid '70s, the US Supreme Court had invalidated all state death penalties. Every state had to reconstitute its death penalty. John Russo was the author of the bill in the state senate, a Democrat who had lost his father in a murder, and the legislature passed it. I assume you ran--

Governor Thomas Kean: Almost unanimously.

Michael Aron: And I assume in your campaign you declared yourself for it.

Governor Thomas Kean: I said I would support it. But it was just--

Michael Aron: So they brought it to your desk pretty early on in your governorship.

Governor Thomas Kean: Yeah. They wanted to-- and they wanted me to go out and do what you do with major bills, which is do a big public signing. I wouldn't do it. I signed it very quietly one night in the office. Had a statement that I'd signed it, and that was it. Never comfortable with it. Never, ever comfortable with it, but hoping that it was some sort of a deterrent, and maybe there were some lives somewhere-- maybe some people are alive today because I signed it. I don't know. I don't know if that's true or not.

Michael Aron: You're like Reagan. You're explaining a policy based on a story.

Governor Thomas Kean: Well, that's what you-- I think who you've been determined what kind of governor you were, and people don't understand that still. I mean, if anybody had wanted to know what I was going to care about as governor, they'd have looked at the fact that I was a teacher, that I'd been chairman of the Education Committee in the assembly, that I worked on a number of education policies and that was going to be what I was about. Or they could have looked at the fact that I wrote I think every single major environmental bill when I was in the legislature. Every one. And that I was committed totally to that subject. And so if anybody had wanted to figure what kind of a governor is he going to be, what's he going to really spend his time on, they could have looked what I'd done in the legislature, what I'd done with my life-- the fact that I was a committed environmentalist, the fact I was a teacher and an educator and that I'd taught in school and college, and could have figured out "Those are two subjects which he's going to be"-- they never did. They never-- I mean, I talked about them in the campaign, but I don't think anybody figured I was going to spend as much time as I did on those two subjects.

Michael Aron: You used to talk about the three Es when you were governor: the economy, education, and the environment.

Governor Thomas Kean: Yep. That's right.

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Michael Aron: So the death penalty was one of the things that stands out in your memory from the first term.

Thomas Kean: Oh yeah. I think the-- I can't remember what years these things were. I think South African divestment was first term too.

Michael Aron: I think it was too. Let's talk about that. I think it was 1984.

Thomas Kean: Yeah, I think so.

Michael Aron: And Willie Brown was an assemblyman from Newark who sponsored it in the legislature. Did it originate with him or with the governor's office?

Thomas Kean: With him.

Michael Aron: With him.

Thomas Kean: Yeah.

Michael Aron: But it was quite I wouldn't say radical but it was quite progressive for its time.

Thomas Kean: Nobody else in the country had done it. And the administration in Washington didn't want me to do it.

Michael Aron: Why not?

Thomas Kean: Because it was foreign policy to them. It was a governor getting his nose into some place where it should be left to the State Department.

Michael Aron: And why did this governor get his nose into it?

Thomas Kean: Well, to me it became a moral issue but it was a tough one because almost all of our major New Jersey industries had businesses in South Africa, all of the drug industry did. And they thought they were doing the right thing and they were. Because they would tell me, I'm sure that they're right, that without them there would be no employment for African-Americans because they refuse to discriminate. So in their business in South Africa they had open employment for African-Americans, not African-Americans but black and white. And there was what I'd hope I'd do if I insisted on doing anything was conditionally veto into a bill of a-- I don't know who did it but there was something called principles of some where there is what anybody who does in South Africa should do. You've got to have equal employment. You're going to do this and there's a series of principles and that's somebody would have to follow. And a number of the companies including our drug companies all ready agreed to do that, or most of them had it yes. And I was, I guess, leaning probably in that direction. And then I remember I was driving back from New York and I had the radio on and up to that point people had been talking about the gradual end of apartheid that it gradually was going to end. And the head of the country gave a speech and he said "We're tired of foreign interference. Apartheid is our system and we will have apartheid forever if we want." And I went back to Trenton and I told the staff get this on the bill. And I've never been more convinced it was the right thing to do. And I must say the comments I've had from people who were in South Africa at the time Bishop Tutu said you were the one who made the difference. He said this is the first time that the leadership of South Africa had ever thought what

they did might have real economic consequences because you had a huge pension fund. You were a major state on the East Coast. You were a republican governor and they figured if you did it there might be a wave following.

Michael Aron: Was there a wave?

Thomas Kean: No. Well funny enough, I guess, because of the business community in those days even New York State didn't do it but a few cities did it. Like New York City did it and some other places did it and some people followed us.

Michael Aron: What it said was that state pension monies could not be invested in a company that did business in South Africa.

Thomas Kean: That's right. So we would have to sell. Now, we had major funds particularly in New Jersey companies, the Johnsons and Johnsons and the Mercks and so on, all with businesses in South Africa. We had to divest ourselves of some of the major companies in New Jersey which meant huge blocks of stock had to be sold. And I thought about it from a number of points of view. I remember at the end when I decided I wanted to sign it I called in the state employee unions and I said, "Look, this isn't my money. I will tell you I want to sign this bill because I think it's morally the right thing to do but it's your money not mine. So I want you to go out of here and talk to whoever you want to talk to and come back tomorrow and tell me because I will not sign it if you tell me not to." Because Willie Brown and some people were telling them that it's not going to cost them anything. I said it's going to cost you something. If you don't have the same universe of stocks to invest it's going to cost you something. So I'm not saying this isn't going to hurt your pension funds. It might. So think about that and come back and tell me tomorrow what you want me to do. They came back the next day, every public employee union except one said sign it. Only one said don't sign it.

Michael Aron: That one you signed in public with some fanfare as I recall.

Thomas Kean: Yes. Because I wanted to set an example. And by the way, the one union that asked me not to sign it?

Michael Aron: Which one?

Thomas Kean: New Jersey Education Association.

Michael Aron: Interesting.

Thomas Kean: Yeah. But it was…

Michael Aron: What else springs to mind from the first term in the way of-- let me focus it a little bit here. You're associated with a whole raft of education reforms. They weren't all in the second term, I assume

Thomas Kean: No. That's what I'm trying to remember which-- because I remember them all but as to which ones were in the first term and which ones were in the second term I've got to try and remember. School takeover, I think, was in the second term.

Michael Aron: Merit pay for teachers. I'm sorry-- minimum pay…

Thomas Kean: That was first term, I think. And that was enormously important to me because what we found was that the bright people from our own colleges were not going into teaching. And we were getting the bottom of the class rather than the top and had been for a number of years. Now, that wasn't good getting the people who are at the bottom of the class instead of the top of the class into our schools. And so I started looking at the reasons for that. And one of the reasons was pay. At that point, there were people in South Jersey who if you wanted to teach in school you got $14,500. Now, that hardly kept people together body and soul. And so people would take it if they couldn't get anything else, maybe but if they get something they'd take that. And I became convinced that was one of the reasons why we're not getting good people into the classroom and we had to pay them a living wage. So we came out with the idea of 18,500 in those days being the minimum. The NJEA had never supported that in the past because they bargained for the top and not the bottom. But people newly into the profession are not people they represent. So they were representing-- once they got in they'd represent you to try to get raises but not the entry salary. So I went for the entry salary. And I remember I had two bills and that was one of them 18,500 and the NJEA came very strongly to support that. And then I had another bill which I also believed in involving teacher recognition because the other thing I found was that I thought the average teacher got very little recognition for what they did even when they were excellent at their job. So I had a program where the bill was that if you were picked by your school, by committee involving parents and teachers and administrators as the best teacher in your individual school that year we would recognize you. I would have a big convocation down in Trenton where all of these great teachers would be invited. And each one would get, I don't know what the amount was, maybe $5,000 or 10, I don't know what it was. But each one would get a sum of money. Half the money they would

get to put in their pocket. The other half they'd have to use in school for any purpose they wanted to to improve the school. And that because it differentiated between teachers was something the union didn't like at all. So I used to meet with them fairly often and they'd come in to see me and…

Michael Aron: Who was the head of the union in those days, do you recall?

Thomas Kean: For a long time it was Edie Fulton. I don't remember whether it was Edie in that in first term or not. But I remember they came in to see me and they said, "We love this minimum teacher salary," because they saw it was bumping everybody up. And which people said it would and I think it did and I was not against that at that time because teachers were not, I didn't think, paid enough. And they said, "We're all for it." And I said, "You know, I've also got this teacher recognition bill." They said, "Sorry, that's dead." And I said, "Do you understand why I want the teacher recognition bill? Because I think it's so important that teachers, really particularly great teachers get recognized for what they do so we can keep them in the profession and keep them in the school." And they said, "Yeah, but we just can't back it it's dead. So I said, "All right, let me give you another bit of news, the bills are now linked. I'm going to ask the sponsors that it's the same bill, one doesn't pass without the other." And they came back and said, "Then we're against both of them." I said, "Okay." Well, that lasted about two or three days and the message got back to their members and they came back going, "All right, we'll support those." So we got both of them through. And I have never gotten as many letters as I got from that teacher recognition bill. These teachers would write and say we've always-- it's always been the basketball coach recognized by the local club and what have you. It's never been the English teacher or the science teacher or the math teacher and they loved it. And they loved to come down to Trenton. I actually had it at Princeton at the Jadwin Gym. And I'd usually have the education commissioner for the United States come down and talk to them and they loved it. They loved being recognized. They loved the local articles in their paper. They loved the fact that parents would go up and congratulate them and they've be somebody in town for a change. And they used their portion of the money in extraordinary ways to improve the school. They'd make that little bit of money go so far. I can give you example if you want of ways in which-- so <inaudible> in which these teachers used that money. It was an extraordinary program.

Michael Aron: Go ahead.

Thomas Kean: Well, to give you an example there was a teacher up in Bergen County. Looked out the window of the school and there was basically a little tiny stream that was basically an open sewer. And there's all sorts of stuff in it and people locally used it for a

dump. So when the teacher was picked as the best teacher in the school and she got the money, she said all right we're going to use this portion of the money to see what we can do to start cleaning up this right outside of our window and I want to turn it into a nature classroom outside. And so she got the kids out there and then she said to the parents we want you to come out on the weekends and help your kids. She got the parents to come out on the weekends to help the kids do this and every weekend they were cleaning up. And then soon the local government got wind of this so the mayor got out on weekends and helped clean-up the stream. He was putting stuff away. And the council came. And everybody pitched in. They cleaned up the whole area, labeled every tree, every shrub. The kids would go out there and know exactly what was going on. And I went up to see what she had done because I had heard about it from somebody in Bergen County and congratulated her. And she said, "I got one problem left, though." She said, "I've still got $700 left and I don't know what to do with that." I mean that kind of extraordinary story. There were a number of those kinds of stories.

Michael Aron: Do you know if that program survives?

Thomas Kean: No. My predecessor cut it out. The union never liked it. So when somebody in the other party came in and the program ended but it was a great program and it cost very little money for tremendous results. And kept recognizing these extraordinary people in these schools you were not recognizing by salary because the system we have now is that every teacher moves up by seniority not because of any expertise.

Michael Aron: Was the alternate route to teaching the first term or second term, do you know? It was big.

Thomas Kean: Yeah, it was big. I'm trying to remember what year that was. I just don't remember if it was the first term or the second term. I remember all of the discussions about it.

Michael Aron: Does it survive?

Thomas Kean: Yes. Not only has it survived it's the most successful program in the country. And we can't-- we wouldn't come close to being able to staff our schools today without the alternate route.

Michael Aron: Where did that idea originate, do you recall?

Thomas Kean: Well, I think Sol and I have a little different recollection of this, I think. I think it came out of Rick Mills [ph?] and myself because we both taught in nonpublic schools.

Michael Aron: Who was Rick Mills?

Thomas Kean: Rick Mills was-- because of my interest in education I wanted somebody in the office who would work with me day-to-day in education. There isn't anybody else in the governor's office. Everybody's a generalist, basically. I wanted somebody on education to work with me day-to-day. Rick Mills had been in the Department of Education. I had worked with him on a couple of bills. I liked him and saw if I could bring him into the office. Rick Mills went on to be a chancellor in Vermont, chancellor in New York. Now, he's a national figure but within-- and we did a number of things together. But I remembered from my experience teaching in a nonpublic school that if you were a jazz musician you could be brought into teach music. You didn't have to have a teaching certificate in music. Or if you had written a couple of books in history maybe you could be brought into the classroom to teach history. You didn't need to go back and get a certificate to teach history. And so I having had that experience always felt that if people have the interest and the excitement and the expertise and as the program worked out they're also willing to take some courses at night or whatever to get up on the teaching skills that they contribute a tremendous amount to kids because of their experience, because of their background, because of their knowledge, because they've been doing it with their lives. And Sol I remember he came in and he bought on to the idea. He has a different-- I remember he had something out of the education department, I think, or something, but we all went the same direction but it was radical in those days. Now, there are very few states that don't have some form of the alternate route that are all started in New Jersey.

Michael Aron: The school takeover bill we both remember that was in the second term. But that was also a major fight, was it not?

Thomas Kean: Yeah, that was a major fight. And people ask you something what would you do differently if you had to do it over again, that I'd do differently.

Michael Aron: How?

Thomas Kean: Well, I listened to the lawyers. You should never listen to the lawyers in a piece-- that was on policy because my attorney general, my counsel all said the same thing. You've got to be very careful how you word this bill because it's going to be

challenged in court. And you've got to-- so we had to take a lot of time drafting it, getting it through the legislature, making a couple of compromises and made it weaker, getting it through the legislature. It took a long-time to get through the legislature because it was opposed by most <inaudible> who didn't want the schools taken over even though they were abusing children, I think, basically, in most of those schools. Education. But it was difficult. And then once we got it through Jersey City which was the first takeover candidate they took us to court and it took another year. So by the time we left office the thing was just starting to be implemented. I should have just done it.

Michael Aron: Just taken over the Jersey City schools?

Thomas Kean: Yes. I should have just done it. The lawyers said that I couldn't do that constitutionally. They were wrong because I think under the thorough and efficient clause all of the stuff that the courts have put under that thorough and efficient clause I don't think they could have denied me this. I showed them how bad the education in Jersey City was, how much corruption there was, how little progress there was in the kids. And I have since talked to a couple of members who were on the court at the time. And I've said to them, what would you have done if I had said this is so bad the state is going to take it over? They would have said we would have applauded.

Michael Aron: Speaking of the court the ongoing Avid versus Burke [ph?] litigation was happening during your two terms. Where were you on school funding in relation to the court?

Thomas Kean: Opposed. From way back. I voted against the income tax in the legislature. I voted for the income tax in Brendan Byrne's first proposal. The final proposal was tied to the so-called "Thorough and Efficient" bill which was school funding and I voted against it. And I never changed my opinion on that because what I felt the court had done was to pour money into non-functioning school districts without any reference to any kind of educational research or any kind of mandates for those schools. I just had the theory in the back of my mind. It was a wonderful liberal theory it just doesn't happen to work. That if you just give somebody more money they'll be able to educate kids. We poured more money because of those court decisions over a 10-year period into those schools than any other state in the country. So we became number one for funding urban schools. During that period test scores went down, not up, because we were putting money into something that was dysfunctional and the money was wasted. It didn't help a single kid that I'm aware of in that period. Now, over a long period of time and what four court decisions, five court decisions? Finally, long after I left office the court started to come up with decisions that said oh by the way there's educational research that shows maybe pre-school funding in these areas is helpful. Well, I should

have done that 10 years ago because then they started to look, here's educational research, this matters. I would have been happy to support that kind of a decision and I was when they finally came up with it. Anything that took the educational research that had all ready been done and said we're going to implement this educational research in these Avid districts and they don't get the money unless they do it that would have been fine. But to simply pour all of that money into schools that were practicing in my mind educational child abuse it didn't help one bit. There was no evidence that any of those schools districts, the kids at Camden or Newark or any place else were better educated because of that money until towards the end when they started to put it into some early childhood education. There's all ready some evidence that that helped. Anyway, so I've always-- it was frustrating to me because I knew education research. I had done some of it. I've been involved in it most of my life. And I knew what could be done with that money. I mean if we had the freedom to use that money with all the things that we knew about how to improve schools even at that point, we know a lot more now, but even at that point we knew a good deal we could have the best schools in the country in New Jersey in the urban areas and we weren't allowed to do it. We just had to give them the money and they could use it any way they wanted to.

Michael Aron: Let's finish fleshing out the education legacy and minimum teacher's salary, alternate route, school takeover bill. What else?

Thomas Kean: There was something like 15 or 16 different bills involving the education to remember them all.

Michael Aron: Teacher tenure was there any…

Thomas Kean: No, I don't think we got involved in the tenure argument. I didn't want to take that one on. We had a program to encourage the best, not the worst to go into teaching. Where if you were at a state university and you were willing to go into an urban school we paid for a good part of your education through college. We had a bill, the bills that we found and researched that kids who were dropping out of school were not necessarily dumb kids. They were sometimes the smartest kids in the class. They simply found if they were sitting looking at the wall in Jersey City or Newark or Camden or Paterson they were smart enough to know they weren't getting anything out of it so they left as soon as they could. And if you talk to those kids you found out that they were perfectly willing to go to school just not that school. And so we had a program that would allow a drop out to go to another school basically to have school choice or to a junior college, either one, if they could get in. That, unfortunately, was cancelled shortly after I left office.

Michael Aron: You were called the education governor. Did the NJEA oppose you the education governor, support you? How did that…

Thomas Kean: Opposed me when I ran the first time. The second time towards the end of the campaign everybody supported me that election. They read the polls. And I got along very well with the NJEA. We just didn't-- they wanted you to agree on anything and I just didn't agree on everything.

Michael Aron: Let's take a break for one second, please.

<break>

Thomas Kean: Yeah. And Ming Su [ph?]?

Michael Aron: Ming Su.

W1: <inaudible>.

Michael Aron: Governor where did you live during your eight years as governor?

Thomas Kean: At home.

Michael Aron: In Livingston?

Thomas Kean: Yeah.

Michael Aron: Was Drumthwacket the residence yet?

Thomas Kean: It was but it had a lot of work to be done. Brendan Byrne when he was governor had always recognized that Morven was not a bad place to bring up a family. It just was not set up to have receptions, to have meetings, whatever because it was kind like old historic houses kind of little small rooms. And so he made a deal with the historical society that he would give them Morven as their headquarters because it's such a historic building and in exchange the historical society would spend the money to renovate Morven and they make it into governor's mansion.

Michael Aron: Renovate Drumthwacket.

Thomas Kean: Drumthwacket, excuse me, and make it into a governor's mansion. Unfortunately, the historical society never realized the expense involved. And they ran out of money before they got out of the walls, let alone get any furniture or anything. So they ran out of money while things were still leaking, while pipes had to be replaced, the state really had to take it over, that part of it. And, again, we didn't have any money. So the historical society if you walked into the living room of Drumthwacket it was furnished with the furniture from Harrison Williams' office when he went to jail. So it was Naugahyde sofas and all of that. My wife who was from Wilmington and had been a guide at the historic Winnette [ph?] tour there walked in and looked at it and said we can't take anybody here. It was embarrassing. So we formed a private foundation to raise the money privately to buy the furniture and some families donated some beautiful wonderful old historic stuff. And we over the years decorated and I give my wife full credit for it. She got the committee together and refurnished Drumthwacket so it could really serve as a governor's mansion. So that when I left office and Jim Florio came in he could live there which he wanted to but I wouldn't have lived there anyway because I had young children. And it's enough of an imposition, I think, on a young family when your father is governor. So we stayed at home so they could have the same neighbors, the same school, the same friends, and I did the commuting back and forth.

Michael Aron: How was that commute every day to Trenton. I mean you weren't driving yourself?

Thomas Kean: No. You're not driving yourself, it's fine. I had a bad back. We actually haven't talked about but that was part of my first term. I had a herniated disc and in the hospital for three weeks in my first term. But I'd lie down my back in the <inaudible>.

Michael Aron: You'd lie down on the drive?

Thomas Kean: Yeah, because I couldn't sit up because of my back. And I'd take that long ride and I put my work on my knees. And in that drive I would get the newspapers all read. I would have all of the briefings from the counsel's office. So I'd go over all of the pardon request from prisoners, commutation, all of the bill memos. And in that ride I'd be in that car almost two-and-a-half hours every day, as I think, Governor Christie is right now. And during that time I would get tremendous amount of work done. And it was also in my-- in fact in my first year the state got its first cell phone and I made the first call. They asked me as governor because I said I'm going back and forth and they said, "Oh you can make a call from the car?" I said, "I can?" They said, "You can make a call from

the card." So I had the president of AT&T or whoever it was on the other end and picked up the phone and called and it didn't go through. Anyway, we did it again at a later date. But so the next couple of years the cell phones came in and they were in those days big and heavy and so on. And I had one of those in the car so I could also talk to the staff so I got a lot of work done in the car. It was not bad at all.

Michael Aron: Let's talk about your bad back, when did it flare up?

Thomas Kean: It flared up at my first governor's conference I went to which was in Oklahoma.

Michael Aron: The first year of governorship?

Thomas Kean: Yeah, I think it was the first year. Yeah, I know it was the first year. And I never had any problem at all but General Gerard who was head of the National Guard was an Air Force general. And a most highly decorated still serving veteran of the Korean War. And he had all of these connections so he said, "I've got something interesting. I'll fly you out to the governor's conference on a training plane." And it's one of those planes that refuels in mid-Air. So you're flying in this great big thing and the planes go below you and the stick the thing down and you've got to get it just right so you can refuel in the air. I said <inaudible> anywhere. I don't know if that did something to my back but whatever happened I got out to the conference and I had the most terrible pain in my leg. And I thought something was wrong with my leg. It was the time that President Nixon had had phlebitis or something and almost died of it and I thought it must be that because it was very severe pain. And so I flew back on the plane and went to the doctor. And he said, "I don't think it's your leg. It's your back." And I had never thought-- I had no pain in my back at all. It was only in my leg but very, very painful I could hardly walk. I couldn't sleep at night. So in those days they put you in a hospital. I guess they still do if it's bad enough and put you in traction. So I was in a hospital room at St. Barnabas Hospital. I guess they weren't full because they gave me I guess one room or two rooms next door where I could keep staff. I ran the state for three weeks from the hospital at St. Barnabas. And there was a lot of publicity at the time about my back and I guess everybody has a bad back because everybody wrote me and everybody had a remedy. And the "Good Back" books I have 10 or 11 copies people would send me. And by the time I'm through my doctor said, "You know more about this thing than I do," because I had read all of these books and I don't know what else you do sitting there.

Michael Aron: I have a book for you too.

Thomas Kean: Well, if it's old I've read it. And so it was difficult. And I remember we had the first governor's ball and I couldn't attend because it was in the hospital. And they propped me up with a remote television operation. I talked to the people at the ball from my hospital room but it was very hard because we were still in a recession. I was still negotiating with the legislature over the budget to be in the hospital for three weeks in traction.

Michael Aron: And once you came out how were you?

Thomas Kean: Well, it was interesting. I found out later because I was governor every doctor had to come and probe me. So we had doctors from Morristown. Doctors from St. Barnabas and Overlook and any hospital who had a back doctor could come look at me. And including one and I don't remember what his name was but some big guru came out from New York and looked at me. And they all huddled and they decided I have to have the operation. And I didn't want to have anything to do with an operation. And so the doctors all said he's such in pain that sooner or later he's going to decide he can't live his life without having the operation. And that's what we'll do. Well, one day the physical therapist who had a wonderful name of Humane [ph?] came into see me and said, "You know it's better." And I said, "It's not better. I can't get out of bed to go to the bathroom. It's not better at all." He said, "Believe me, it's better." A day later it felt better. And four days later I got out of the hospital on crutches. And the doctor said you'll be fine. They made me swim which I don't like to do but swim was the thing to get it better. Do certain exercises. They said as long as you never play tennis which they knew I liked to do well you don't do those kind of things. And I listened to them for a couple of months and I went back on the tennis court and I went with a pro and everything was fine. And it really hadn't been that much of a problem since. And my doctor says there's certain things you don't understand medically because he said if I was going to go to a medical school class and have a picture of a herniated disc that that needed an operation this was your X-ray.

Michael Aron: So you avoided the surgery?

Thomas Kean: Yeah, avoided [ph?] the surgery and went back to playing tennis and doing everything else. The only thing a brief story the state police have a pool at their training facility just outside of Trenton, in West Trenton. And that's where I used to go every day to swim which I didn't really like to do very much but I did it for probably three weeks because I had been in such pain I didn't want to get in such pain again. And then gradually I came less and less and less. A member of my cabinet Ted Hollander who was the commissioner of higher education or chancellor of higher education had had a serious heart attack so he used to go over there to swim every day to try to recover from

the heart attack. And because I don't like to swim I did it less and less and less and less and finally stopped going. And the state police I kept running into they kept saying, "We like you so much. You're so wonderful. Over there you're just like one of the guys." And I thought how wonderful these state policeman are, how much they like me and all of that kind of thing. Ted Hollander walked in one and day and he said, "Do you know why the state police really like you so much?" And I said, "Yeah, they think I'm a great guy and all of it." And he said no, no, that's not it at all. He said, "You went over there they used to heat the pool." So anyway, that was my back but it was a trying time because it was right at the beginning of the administration. We had all of our worse problems, reorganization and everything else and trying to do that out of the hospital is tough. But some of those letters were-- I get five to 6,000 letters.

Michael Aron: The book I was going to recommend says that back pain is all emotional and not physiological. Do you think that the strain of the job all went to your back?

Thomas Kean: It could have. I have no idea. All I know is that X-ray was a herniated disc. And how that happened I don't really know. I was sitting there when the New York Times came in to interview you me for a front page story about what it was like to be governor. And I'm sitting in the thing and asked me, "What am I doing?" And I said, "I'm listening to music." And they said, "Who are you listening to?" And I said, "I'm listening to Richard Tucker" who was an opera singer who had died a couple of years ago but I always enjoyed his voice so I was listening to Richard Tucker. So they put it in the papers, he's sitting in the hospital listening to opera. And I got the nicest letter from Mrs. Tucker who said it is so wonderful that somebody is still enjoying my husband's voice and we became friends. And Barry Tucker is the son and he would do these Tucker concerts in New York and he always invited me to them and all of that.

Michael Aron: Let's tackle one more subject before we break for the day. You mentioned that you couldn't go to the governor's ball the first one. I remember that this was a new creation the governor's ball. It was for you. It was for your political future. There was a club that went along with it, the governor's club. How did that whole thing come into being and who put all of that together?

Thomas Kean: Well, I was very, very lucky in the campaign. I am not a good fundraiser. I hate to ask people for money. I really don't like to do it. And candidates are supposed to do that all of the time. I think these days they spend most of their campaign doing that. I was very fortunate in that I had three or four people who did it for me. They would have me come to a fundraising at some point or something like that but they did all of the calling. They were the fundraising.

Michael Aron: Who were the people?

Thomas Kean: Phil Cottonbacher [ph?] who had been my running mate and good friend who almost-- he's one of the few people I know who sort of enjoyed getting money out of people. he would say-- they'd offer me money and he's say, "That's not enough. That would be an insult to him," and he'd get more. John Hanson [ph?]. Larry Bathgate [ph?]. And Fletch Kramer [ph?] in Bergen County. But these were people who by and large, except for Cottonbacher, I had not known before I ran for governor. In fact some of them had been supporting other candidates in the primary but they all came together around me and without them I wouldn't have won to start with. But when I got elected governors up to that point traditionally had gone to a tremendous number of fundraisers. They'd had fundraiser every month or two to raise money. I said I wasn't going to do that. And so we resolved and the idea-- they said, "How many are you going to go to?" And I said, "I'd like to go to one, that's enough." And so all right, we'll just have to have a big one. So Larry Bathgate who had been the chair of the inaugural committee took it on and he was chair, I guess, of the first two or three of them anyway. And sort of said we're not going to do what governor's used to do. We're not going to pick at you every month or so to give more money. We're going to have a club. We're going to have a governor's ball ever year. It will be an affair that you're going to enjoy. As Larry said, you've got to make it so they really have a nice evening then they'll come back the following year. And so the promise was we're not going to annoy you again. That we'll ask you for money once, once a year and that will be it.

Michael Aron: Did they keep their word?

Thomas Kean: They didn't ask me for anything else. I mean I used to go to county fundraisers every now and then for political candidates or legislators but they'd never know. That was the only fundraiser they ever did for me.

Michael Aron: I remember covering a very fancy luncheon I think Vice President George Bush came in. I think Larry Bathgate and Bob Brennan [ph?] were the key people at that.

Thomas Kean: Probably so. Yeah.

Michael Aron: And I don't know whether that was for your reelection campaign or for the republican Senate committee.

Thomas Kean: I remember that one.

Michael Aron: You do?

Thomas Kean: Yeah. I think that was probably-- it may have even been for Bush's election. I just don't remember what-- I remember it very clearly down in Ocean County. In fact, I got in the other room I think I've got a book of pictures of it that Larry Bathgate-- Larry Bathgate after he'd have these events and then he'd have these pictures taken he'd give me a leather volume of pictures. And he's send them home with about 10 or 11 of them in the other room here.

Michael Aron: How did you know Larry Bathgate?

Thomas Kean: I think he was supporting Beau Sullivan [ph?] maybe Pat Kramer [ph?]. I don't remember who it was, somebody in the primary. And then he came over to me when I won the election and said what can I do? And he became a very active fundraiser and very active in the campaign. Joined John Hanson who had been with me in the primary and Phil Cottonbacher with me in the primary. Fletch Kramer who was with me in the primary. And the four of them sort of became the focus of people who raise money. And I could not have because people like to give to winners. I wasn't a winner. I mean I was-- I started off 30 points behind in the polls. It's very hard to get money for people who are 30 points behind in the polls. And these people got enough to keep the campaign alive and keep it going until it got it so <inaudible> and then we started to get more. But we had trouble matching to get the public money.

Michael Aron: One more subject and then we'll break for the day. You said that Debi came and didn't like the furniture at Drumthwacket because it came from Harrison Williams' old office, that was another thing you had to deal with was the state's senior U.S. Senator, I guess, being drummed out of the senate by his colleagues and you having to name a temporary replacement.

Thomas Kean: It was very strange because if you figure how things come around Harrison Williams was the one who beat my father for the United States Senate.

Michael Aron: In what year?

Thomas Kean: Nineteen Fifty-eight. The first campaign I was ever involved in.

Michael Aron: Was that Williams' first run for the U.S. Senate?

Thomas Kean: First run. Yeah, he was a Congressman from Union County.

Michael Aron: And your father was a Congressman…

Thomas Kean: From Essex.

Michael Aron: From Essex.

Thomas Kean: And it was a bad year to run as a republican. It was one of Eisenhower's last bad year with the vicuna coats and scandals and everything else. No republicans won I don't think.

Michael Aron: Sherman Adams.

Thomas Kean: Yeah, that was the time. But anyway what was amazing was that when Pete Williams got in trouble and knew that he was going to be convicted Brendan Byrne was still governor. He had a month or two in office left to serve. And for whatever reason Pete liked me better than he liked Brendan and he decided he was not going to give Brendan the appointment. Now, you'd think that a democratic senator would give a democratic governor the appointment. He didn't. And Brendan thought up to the last minute, Brendan went to my inauguration with a name in his pocket because he thought at the last minute Williams was going to say I'd rather have you do it.

Michael Aron: Do you know who Brendan was going to…

Thomas Kean: He's never told me. I've asked him a number of times. He said, no, I never told anybody who that name was. So again very early in the administration I was thrust into the idea of having to name a United States Senator and there was a primary all ready going on between Millicent Fenwick who had been a very old and close friend of mine…

Michael Aron: Who you had run against.

Thomas Kean: Who'd I run against for Congress, yes, but the friendliest campaign on the record. And Millicent and I disagreed on very little and got along very well and she had backed me totally for governor. And Jeff Bell [ph?] who had been my conservative anchor in the campaign. Jeff was leading-- he had been New Jersey's leading conservative because he had beaten Cliff Case [ph?] in the primary.

Michael Aron: In '78.

Thomas Kean: Yeah.

Michael Aron: And then lost to Bill Bradley in the general.

Thomas Kean: Yeah, but that energized the whole conservative movement in New Jersey. He was able to knock out Cliff Case who they really didn't like. And Jeff decided to back me in the primary against people who were more conservative. And so I owe Jeff big time because he helped get Jack Kemp to come in to campaign for me in the primary and a whole bunch of stuff that Jeff did and any criticism on the conservative side and I was quite easy to criticize the conservative side. Jeff would jump in and say no, no, no.

Michael Aron: Should that blocked you from appointing Millicent Fenwick to fill the seat giving her leg up on the general election against Frank Lauton [ph?].

Thomas Kean: Yes. And I'm not sure this was always the right policy but because the party had never backed me when I'd run, I was very for things being decided by primaries and all during my governorship I never stepped out and backed anybody in a primary. One exception I backed Jim Quarter [ph?] who was running for a primary for Congress because Jim had been my campaign manager and it was an incumbent congressman. But I never backed anybody because I just had a philosophical theory that people that stepped in in those primaries might not have made it because the party didn't back me. And so I had a feeling that the voters really should be left to pick who they wanted. And so I had that going as well as the idea that both Jeff and Millicent had been friends and supporters.

Michael Aron: So who did you turn to?

Thomas Kean: Well, I turned to Nick Brady.

Michael Aron: Why? And who was Nick Brady?

Thomas Kean: Nick had been the head of Dillon, Read on Wall Street. He had been on a number of presidential commissions. He had been had of my transition team. I had known him most of my life.

Michael Aron: Was he your friend?

Thomas Kean: Yeah, he was. He's older than I am but he was a friend. And I had always had tremendous respect for Nick. He had been involved in a lot of things always very favorably and very honorably. And he was also a very close friend of Senior Bush. Another one of his very close friends to this day Judge Schultz and he had those kind of contacts. And so I-- and everybody-- when you've got a choice like that you make one friend and 50 enemies because everybody thought they were a United States Senator. People who worked in my campaign, people who hadn't, people who were in the business community all thought so I was getting all of this pressure and all of this mail and I just thought why not pick the person I think is best? And because we were having a primary I didn't want somebody what would run again for the position. I wanted somebody who was going to serve and do what they thought was right for the state for a period of time and then hopefully at that point, I thought, would probably be succeeded by Millicent. And so I got Nick and talked to him very quietly and asked him whether he would be a United States Senator. He said no. He turned me down flat.

Michael Aron: Was he active at Dillon, Read at the time?

Thomas Kean: Yeah. He was running Dillon, Read. And so I got a hold of, I think, it was Jim Baker [ph?]. And said somebody's got to call Brady. And so they got Baker and Schultz and two or three others with that gang all of them calling back and saying Nick, do not turn down a United States Senator's seat. First of all, we need you. Secondly, this is-- very few people have the opportunity to do this and you don't turn it down. And so gradually Nick started to come around. In the meantime everybody was speculating particularly the news media who it was going to be? There were a bunch of names out there.

Michael Aron: Do you remember any of the names out there?

Thomas Kean: Everybody's name was out there. Cottonbacher [ph?]. Everybody who was-- Webster Todd [ph?], Christie's father. Some legislatures, Ray Bateman's name, I

think, was out there. Just anybody even prominent as a republican. I think there were a couple of business leaders whose names are out there. I think some of the financial people their names were out there. Yeah, probably 20 to 25 names were sort of equally sort of circulating around. And I didn't tell anybody. I didn't even tell my chief of staff that I was talking to Nick, nobody. Joe Sullivan of the New York Times runs a story that I picked Brady. Brady hadn't said yes yet. He was still saying no. The front page story in the Times. And, of course, you know how happy that made Milton Wortonpie [ph?] in the Ledger and everybody else. And I couldn't figure out for a long out because I didn't tell anybody, how Joe Sullivan ever could write that story. And I found out later he said there were 20 to 25 names and people figured it had to be one of those 20 to 25 names. He said "I called every one of them and I said has Tom Kean talked to you? And they all said no except Nick Brady who didn't call me back" and they went with the story. He said, "It could have been my career if it had been wrong on the front page story in the Times." He said, "I figured there weren't any other names outside those 20 to 25. They all said they hadn't talked to you."

Michael Aron: Good story. How did Nick Brady do in his year or nine months in the U.S. Senate?

Thomas Kean: He was terrific. He got more respect for that position as a United States Senator from New Jersey because he had no agenda whatsoever. And he particularly took on some tough bills that nobody wanted to sponsor probably like raising pay and things like that in the Senate. Nick did all of those things. And he also-- it was a period, as so many periods are, of a financial crisis. They had nobody in the Senate with the kind of financial background that Brady had. So he used to talk to the republican caucus and sometimes to the democrats about what was going on and what were the problems here and what maybe the Senate ought to be doing or not to be doing. And, of course, out of that time service he ended up as Treasury Secretary picked by Ronald Reagan because he had so much respect. Reagan didn't know him that well but he was picked because of the senators. The senators said this is one of the best people we've ever had. Nick never wanted to serve more though. That was just fine with him that he was going to serve that period and that was it.

Michael Aron: A good place to leave it on a positive appointment. All right, let's leave it there for now.

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