

JACK KEMP
ORAL HISTORY PROJECT

Interview with
MARY BRUNETTE CANNON
June 18, 2012

Interviewer
Morton Kondracke

JACK KEMP FOUNDATION
WASHINGTON, DC

Morton Kondracke: This is a Jack Kemp Oral Project interview with Mary Brunette Cannon, who was an aide to Jack Kemp both in his Congressional office and at the Housing and Urban Development Department. Today is June 18, 2012, we're at the Jack Kemp Foundation offices and I'm Morton Kondracke. Mary, thank you so much for doing this.

Mary Brunette Cannon: It's my pleasure.

Kondracke: When did you first meet Jack Kemp?

Cannon: In January 1981, I came to Washington on an internship. I was a college student at the time, and I had an internship with his Congressional office, and he was just elected to be the House Republican Conference chairman. So I went over and worked in the leadership office from January through August of 1981. Then I went back to school, and came back in 1982, after graduation, and ended up getting a job as a legislative aide in his Congressional office. His district had just been expanded from just the suburbs of Buffalo to going about 100 miles to the east, and I had grown up in that area, and so it just kind of worked out perfectly. I started working for him in June of '82.

Kondracke: What were your duties at first?

Cannon: First I was a legislative aide working mostly on issues having to do with his district, and that grew to being domestic policy generally. There were people who you know, John [D.] Mueller and others, who were working on economic policy, people working on

foreign policy, and the appropriations issue, and so the rest of your average, everyday domestic policy Congressional votes, those were the types of things that I worked on.

Kondracke: Did you handle the district too?

Cannon: Yes. Well, we had a district staff, of course, and they handled most of the things, but things that related to legislative priorities that affected the district, getting grants, particular legislation that Buffalo was particularly interested in, I worked on those issues too.

Kondracke: What were economic conditions like in Buffalo?

Cannon: There was a lot of unemployment, there were a lot of dislocations because Bethlehem Steel, which had been a huge employer in Buffalo, was closing and downsizing enormously, not closing specifically, but overall there was a lot of economic distress and joblessness and people were worried. Even those who had jobs were worried about what this was going to mean overall to the economy of the area. There was a lot of focus on getting aid to the area, of course, as much as fighting for federal aid, like every congressman does. But also on issues overall that would relate to job creation. I think that was something that came very naturally to Jack and fit very well with the district.

Kondracke: Is his interest in tax policy and all that, does that stem from the distress in Buffalo, or what do you know about that?

Cannon: I think he overall had an interest in economic policy dating back to even before he was in Congress, but I think him seeing the conditions in Buffalo and what was happening in terms of the dislocation and why companies were closing and why they were moving away from New York, because New York is a very high relative tax state, was a factor, certainly. I think that helped sharpen his focus on it, gave him real world examples of economic theories that he had been interested in. So I think it definitely played a role.

Kondracke: So you start in '82 as a full-time employee, and then trace where you go from there.

Cannon: I continued in the Congressional office for several years as a legislative aide, and continued to focus mostly on domestic policy, although I worked also on some of the social issues that he was focusing on at the time, the pro-life issues, the China one-child policy in China was something that I worked on very intensely. And then in 1987, in June of 1987, I went over to the campaign, the Jack Kemp for President campaign. My title was deputy communications director, but I basically was deputy to John [W.] Buckley, who was the press secretary, and we traveled with Jack on different campaign trips, we would split them up because there was always somebody who was handling the press on each trip. I did that until the end of the campaign. Then I went and briefly worked for another congressman and then came back to work for Jack at the end of his Congressional term, as was going to go with him to the Heritage Foundation to handle his policy responsibilities there, and then he became secretary of HUD. So I went to HUD [U.S. Department of Housing and Urban Development] with him and remained there until April of 1992.

Kondracke: In the Congressional office were you the person who handled enterprise zones and those other-

Cannon: Yes. When I first came to work for Jack there was another person, Mary [N.] McConnell, but she left shortly after I arrived to be a speechwriter for [Caspar W.] Cap Weinberger, and so from that point on yes, I handled enterprise zones and overall the resident management of housing, although there was another person, Tom Humbert, who came on and was doing Jack's Budget Committee work, who also worked a great deal on those issues too.

Kondracke: Looking at your Congressional experience with him, what are some of your outstanding memories of Jack Kemp as a congressman and your association with him?

Cannon: I think I wrote something about this after he died. He was a teacher, he was a great teacher, and for me, starting when I was still in college and going on, he was just an amazing teacher of everything, not just politics, not just policy, but as a man he was a great example and leader. It was just a very high energy office, you're constantly on the go, constantly being called upon—I used to be responsible for watching the floor debate and going to tell him when it was time to vote and what they were voting on, because most of the time he was doing other things, he wasn't paying attention to what was going on on the floor. We would go in there, "Ten minutes." "Yeah, yeah, yeah, yeah." "Six minutes." "Four minutes." And you'd have to dash from his office in Rayburn [House Office Building] to the House floor, and he would run, and he'd be running down the hall, "What are we

voting on? What are we doing?" It wasn't hard to help him with those things because he had pretty clear views. It wasn't "Oh, gosh, what are we going to do on this one?" It was very clear most of the time. But he was just a whirlwind in that regard. He was a leader of his colleagues. I remember when he decided to vote for the Martin Luther King [Jr.] Holiday, that was one issue that he didn't really struggle with, but it was one in which he had to be a leader of other members of Congress and show them why it was important to do that. He ended up being on the King Holiday Commission as a result of that. Certainly his taking on of the issue of the one child per family policy in China was something that stands out for me.

Kondracke: How did he get involved in that?

Cannon: He was on the Foreign Operations subcommittee of the Appropriations Committee, and so one of their areas of responsibility was funding international family planning efforts. And President [Ronald W.] Reagan had announced his Mexico City policy at that time to say that no international family planning funds would go to support or encourage abortion. So Jack and [Robert W.] Bob Kasten [Jr.], who was his counterpart in the Senate on the Foreign Ops subcommittee, together tried to find a way to enact that through the appropriations and also to expand it to cover particular organizations, the UN Fund for Population Activities, I think, that were supporting and encouraging China's one child per family policy. And it got a lot of attention. The Chinese ambassador for the U.S. came to Jack's office, which is very unusual for someone of that stature to come to a junior congressman, really, I mean he was a member of the leadership, but. And to meet with him about it, Jack just asked the guy, "Well, how many kids do

you have?" They got into this personal conversation and the ambassador just had to sort of walk away. There was no sense that Jack would ever be moved on an issue like that.

Kondracke: Jack was trying to impress him with how would he like to lose one of his children or something like that?

Cannon: Right, exactly.

Kondracke: Did he actually say that?

Cannon: Yes, he did. He was kind of like, "Well, could you imagine living without one of them?" I think he had three. That's one thing that stands out. There are so many. The trips to Buffalo were always really interesting. [laughs]

Kondracke: In what way?

Cannon: Just that he, again, high energy, and he just dove into every group of people. Whether you would go from a senior citizen group to a religious group to a union, he met with a lot of union representatives, that was a big part of, and he was very straightforward with them at all times. They loved him, they really did, and he got the endorsements of the sheet metal workers, the carpenters, the ILA [International Longshoremen's Association], the longshoremen and the—I can't remember the name of the union but it was the hotel workers. I don't think we ever actually got their endorsement, but they were very, they were people that he always met with. He had a real affinity for labor.

Kondracke: His national COPE [AFL-CIO Committee on Political Education] rating was always fairly low, so how did he—

Cannon: How did he express that in legislation?

Kondracke: Yes.

Cannon: One thing that he got in trouble with a lot of conservatives about was the right to work. He did not support a national right to work law, and that was a priority for most conservatives, but that was one thing that he did.

Kondracke: How did he justify that?

[pause]

Cannon: How did he justify it to conservatives? He said it was a state issue, it was a federalism issue, that each state could determine it on its own, and what was right for Alabama wasn't right for Buffalo.

Kondracke: So did he try to get the Republican Party to be more pro-union?

Cannon: Yes, I think he did, although he never, yes, but really more in the way that they talked about issues, that he thought that the union constituency was naturally conservative economically, that they wanted jobs, they want growth, they wanted all the things that Republicans believed in, and he thought that there was a disconnect in

the way that Republicans were talking about the things that they actually did believe in, but they weren't communicating in a way. It was always communicating in budget cuts, getting rid of Davis-Bacon [Act of 1931], which he wanted to get rid of too, but they had more in common than they didn't, but no one was talking to each other in the right way.

Kondracke: Any other outstanding memories from the Congressional service?

Cannon: I wasn't really thinking about the Congressional stuff too much in leading up to this, but I'm sure there are many, but I can't think of anything right now.

Kondracke: Then you go to the campaign, and what was your job on the campaign?

Cannon: My title was the deputy communications director. We didn't have a communications director, but I was the deputy. [laughs] That was thinking that in some point in the future there would be one. I was basically the deputy press secretary and worked with John Buckley, traveling with Jack, dealing with the press. One of my big jobs there was answering questionnaires, which was a big thing at the time for presidential candidates, and we had to do it on typewriters, so Jack would fill these things in, and we would talk about it, and we'd send in these questionnaires. And I would help with speechwriting too.

Kondracke: Did you do much traveling with him?

Cannon: Yes, I traveled with him pretty much every other trip that he went on. He usually divided up the week where there was one trip of two or three days and another trip of two or three days and then a break somewhere. And mostly to Iowa.

Kondracke: What are your memories of trips to Iowa?

Cannon: I remember the trip where Douglas [H.] Ginsberg was nominated to the Supreme Court, and it came out that he had smoked pot, and there was just this huge media frenzy around all the presidential candidates, and I remember that was quite an interesting moment for Jack, not because he had anything to confess to, but you didn't know what they were going to ask. That was one thing that stands out. We traveled around to every little town in Iowa. We stayed in some hotels that, just, "Oh my gosh, I can't believe we're here." People were incredibly friendly and hospitable. He had a lot of support from the pro-life constituency in Iowa, and so I remember those people in particular being incredibly welcoming to him and supportive in providing a lot of feet on the ground. There were, of course, the Ames Straw Poll was one of the lowlights, I guess you would say, of the Iowa experience.

Kondracke: What happened?

Cannon: [Marion G.] Pat Robertson came in and swamped it. We had prepared very well for it, given the resources that we had, and I think we would have been competitive. I don't even remember exactly where we ended up, then they're just the busloads of the Robertson

people started appearing. It was the first time, now everybody does that, but it was the first time that that had happened in an Ames Straw Poll, and just knew that we were swamped.

Kondracke: Did you go in to the Ames Straw Poll thinking that you had a chance?

Cannon: I don't know that we thought, I think we went in thinking we'd be competitive, that it would not be one candidate blowing out the rest of the field, and that Jack would give a good presentation. You know, the candidates all speak. And that we were doing everything we could to get all of our support, identifying, get our people there.

Kondracke: Did you have any sense among the right-to-life community that they were torn in the Pat Robertson—

Cannon: With Pat Robertson? Well, in Iowa the pro-life community was much more of a Catholic constituency than an evangelical constituency at that time, but yes, there did become more of a division about that as Robertson gained in strength, and it did become a little bit, it became something that some of the Robertson people tried to discredit Jack on that issue and we had to deal with it.

Kondracke: How did they do that?

Cannon: They would put flyers at churches and try to insinuate that Jack was not really pro-life for various reasons, and so we would have

to sort of beat that back. We got under future President [George H.W.] Bush's skin on that issue quite a bit in Iowa.

Kondracke: How so?

Cannon: Bringing up his record, which was not a consistently pro-life record, and making him respond to that issue, which he didn't like. There were a couple times when, I wish I could remember exactly, but I'm sure it's in the clips somewhere, where he really got, Bush really got angry about it. I think he tore something up once, or, there was stuff like that. It got under his skin. Iowa, we spent a lot of time in South Carolina too. I remember, I think I might have said this in the Congressional thing, but I remember going into, and he was speaking at Bob Jones University, and we got in the car and the guy who picked us up said, "Whatever you do, don't talk about Lincoln, don't talk about labor, and whatever you do, don't talk about the Pope." And of course those were the first three things out of his mouth, because the Pope had just been to the U.S, Pope John Paul II, and those were the first things out of his mouth. There was no question that he was going, he wanted to convert everybody. There's a lot of the retrospective of Jack that talks about his civility, and he certainly was, but he wasn't civil in a compromising sense. He was a persuader, he wanted to persuade everyone to his way of seeing things. He wasn't looking to split the difference, and so he was evangelical in that regard, he wanted to really get everybody to see it his way.

Kondracke: Who was it that said that at Bob Jones?

Cannon: I think it was Henry [D.] McMaster, who was our chairman at the time, but it could have been somebody else.

Kondracke: So when did you know that the '88 campaign was going to not be successful?

Cannon: Well, certainly the night of the Iowa caucus. I think the Michigan results were, I mean in many ways the night of the, at Ames it was clear that there was going to be a fight on the right flank, that Robertson was going to be a force to be reckoned with, and he was in Michigan, of course, as well, and so it made the path much more difficult, obviously. But I think the Iowa caucus, for me, certainly, you know, you always want to hope when you're in a campaign, right? Something could happen, something could change, there could be a disaster for somebody else, they could make a big mistake. So you always want to be hopeful, but I think the Iowa caucus was the final, the end of hope.

Kondracke: There's been a lot of back and forth about how well-organized the campaign was. [Charles R.] Charlie Black [Jr.], [Edward J.] Ed Rollins, all of those people. What's your opinion?

Cannon: Of course, my husband worked on the campaign, and we were on what he always says were different factions in the campaign, because there was a kind of Congressional, there weren't very many people who worked in the Congressional office who worked on the campaign. I think Sharon [Zelaska] and I were the only ones, and John, of course, who had worked in the Congressional office and then went on to work in the campaign. But other people like [J. David]

Dave Hoppe were involved in a lot of things. I think as a campaign, in retrospect, it was a pretty well-done campaign. I think overall it was a well-organized campaign. In the key states we had good people. It just wasn't a Congressional office, it wasn't run like a Congressional office, where there was a lot of time to work on things, to think about things, to get everybody together and hash things out, or get everybody's input and ideas. Everything was on the fly, like any campaign. So I think there was a little bit of that kind of undercurrent going on, the change from the Congressional way of doing things to a presidential campaign way of doing things. Nobody really had a lot of experience with campaigns, because Jack's campaigns in Buffalo were pretty pro-forma, we didn't really mount big campaigns there. He had a very safe district.

Kondracke: Was there a friction between Charlie Black and Ed Rollins that you know of?

Cannon: Yes.

Kondracke: What was that about?

Cannon: It's funny because I don't even exactly remember. I'm not sure it was really about anything. At the end of the day I'm not sure really what it was about. Advertising, there was the guy who came in to do the ads was this guy who was a New York guy, Dussendorf [phonetic], or, I don't know. There was a guy who came in to do ads, so we filmed in Iowa. They were very artistic, they were not very effective. But who was involved, exactly who made the decisions I don't really know if I ever knew. I don't remember. But that was one

thing, and then I think there might have been a real split about the ads and how effective they were.

Kondracke: Now supposedly Jack's brother, [Thomas P.] Tom [Kemp], and [Richard J.] Dick Fox thought that too much money was being spent by the headquarters. Do you remember any of that?

Cannon: Vaguely, but, yes, I remember, but I didn't have any way of knowing what the right amount to be spent on various things was or wasn't.

Kondracke: Were you at the '88 convention?

Cannon: Yes.

Kondracke: And were you in the suite when Jack got the word that he wasn't going to be vice president?

Cannon: No, I wasn't. I was working at that time for another congressman, and had been working on the platform committee. I was in touch, of course, with all the Kemp people, because we thought if he got the call that we would all need to be there. So no, I wasn't there.

Kondracke: How much anticipation of a possible vice presidency was there, and did Jack actually try to be Bush's vice president?

Cannon: I think he would have liked to have been asked, I think he would have been happy to serve, but I don't know how much, I don't know, I just don't know.

Kondracke: Let's go to HUD. What were your jobs at HUD?

Cannon: When I went in I worked in the secretary's office and my title was assistant to the secretary for Policy and Communication, and then I became assistant secretary for Public Affairs.

Kondracke: In what years?

Cannon: Eighty-nine to '90 I was in the secretary's office, and then '90-92 I was assistant secretary.

Kondracke: Going back to the Congressional era on enterprise zones and the idea of having public housing residents buy their own apartments, where did those ideas come from?

Cannon: The enterprise zone idea was originally a British idea. It came from public policy in Britain, and Stuart [M.] Butler, who was a scholar at the Heritage Foundation, had introduced the idea into the U.S. and Jack, it resonated with him, and he of course developed his own legislative package around it, and introduced it in the early eighties. He spoke about it actually, he testified, I think, to the platform in 1980 even about urban issues and about the need to revitalize the inner city. So it wasn't something that, it had been a longstanding interest of his, and the resident ownership came a little

bit later, but enterprise zones were definitely, maybe even in the late seventies.

Kondracke: So did he call Stuart Butler in?

Cannon: I don't know. When I started in 1981, enterprise zones was already a legislative bill, we had the Kemp-Garcia bill, so I don't know exactly.

Kondracke: And what about public housing ownership? Did you work on that?

Cannon: I did work on it. It was an idea that had been highlighted by [Robert L.] Bob Woodson [Sr.] and others who had been supportive of the Kenilworth Parkside Resident Management, which was in D.C. , and Jack became interested in it too, with Walter [E.] Fauntroy, who was the representative from the District of Columbia, they cosponsored legislation to allow resident ownership of public housing, and started to pursue that legislatively as well. We never really made a lot of legislative progress on either one of those initiatives.

Kondracke: Why?

Cannon: In the case of enterprise zones, there always was a tension about how much it would cost, how much it would cost to provide these tax incentives, and Jack's point of view was that it cost nothing, essentially, because you're providing tax incentives in a place where there is no enterprise, there aren't any jobs, there aren't any businesses, there's nothing going on, so you're not losing tax revenues

by providing incentives where nothing is happening. But it was always something that had to be scored, it could never be scored dynamically, it had to be scored in a static way, in budget terms. So that was always an underlying issue all the way through, in Congress and in the administration, with enterprise zones.

Kondracke: This is CBO [Congressional Budget Office] scoring?

Cannon: CBO, OMB [Office of Management and Budget], there was never a way to show it as a net plus. It was always a fairly large net drain.

Kondracke: How much did they think it would cost?

Cannon: I don't remember exactly. It would depend on the number of enterprise zones. There were different schemes that would reduce the number of enterprise zones to try to reduce the bottom line. But I think ultimately it was over a billion. I think. I'd have to go back and look at the actual numbers and estimates at the time to say for sure. But it wasn't deficit dust. It was a significant amount of money the way it was scored, and there was always an effort by Jack and all of us to meet with [U.S. Department of the] Treasury, to meet with OMB, to meet with CBO, to try, with the Ways and Means staff, to try to get it scored in a different way. So that was an issue. Of course the [House] Ways and Means Committee was controlled by the Democrats. They were happy to have enterprise zones that involved federal spending, but enterprise zones did not include federal spending at all. It was purely tax incentives. And there was a lot of concern initially in the House about some of the regulatory relief that was envisioned in

enterprise zones, what would that mean? And which constituencies would be upset about relieving some of the OSHA [Occupational Safety and Health Administration] or paperwork or environmental or whatever they were, the regulations that were envisioned to be reduced through enterprise zones in those particular communities.

Kondracke: There's always been a debate about whether enterprise zones would create new enterprises in those zones or whether people would just shift into the enterprise zones things that were going to be built anyway, to get the tax advantages.

Cannon: Right.

Kondracke: Were there any good studies on that question that came up with an answer that persuaded Jack?

Cannon: Jack always believed that they would be new enterprises, and even if they were enterprises that shifted or grew as a result of moving into these areas, that that would be still a net plus overall for the communities and for the people who lived there and for job creation. But he came strongly down on the side that it would create new enterprises, and small enterprises. He wasn't expecting IBM [International Business Machines] was going to start in the South Bronx, it was more smaller mom and pop, I think on the model of his own dad's business, was what was in his mind of what would be the type of business that might gain a foothold or see a competitive opportunity there.

Kondracke: How much had Jack been involved in other aspects of urban policy—housing or homelessness—before he became HUD secretary?

Cannon: Other than those two key issues, not very much, but he was involved overall in promoting an urban agenda that included an overall economic component, and these particular things. He was involved in education a little bit through Buffalo, the Great City Schools, he supported charter schools, was one of the few Republicans initially on who actually supported—they were called magnet schools at the time. That was an urban initiative, that wasn't really a housing-related one. He wrote letters, you probably have these in the archives, but I think after he dropped out of the presidential race, before he became secretary of HUD, he wrote to the President, the future president, and to [Harvey L.] Lee Atwater and [James A.] Jim Baker and everybody, encouraging the President to address these issues and to talk about an urban agenda, and reach out to minorities. But, no, we went to the meetings with the Senators before he was confirmed, you know you have to go this round of meetings, and they would bring up these programs that we would just be "Oh, my gosh, what have we got into?" 'Two, twenty-one D three program,' I remember John [F.] Kerry was very concerned about that program, and just different aspects of things, "We've got a lot to learn."

Kondracke: But in his recommendations to the new administration, this urban stuff was high on his agenda. What about his tax proposals? Were these comprehensive memos that he wrote to the, or just urban memos?

Cannon: I'm sure he wrote other memos, certainly cutting or eliminating capital gains was something that was a constant, but he felt strongly that the party ultimately could not prevail if it was not giving its message to everybody, if it was cutting minorities out of the people who were meant to receive their message. I think it was a political argument, a policy argument, a moral argument, really.

Kondracke: Did he do any of that in the hopes that he would be HUD secretary?

Cannon: I don't think so. I really don't think so. I think he was surprised. No, I think that's one of the things that is a bit of a misconception. It was really just about the ideas, that's what he really cared about were the ideas. He wasn't angling for anything. When he was at HUD there was always a certain faction that was kind of "He's angling for this" or "He's going to run against the President." It really wasn't the case.

Kondracke: Who did that come from?

Cannon: The ether, the punditry, the people, you know, people who talk about things like that. It would always find its insidious way, and I think he met with the President, he felt he was sincere in wanting to reach out to minorities, and he wanted to help him do that. But I don't think he was scheming or maneuvering or anything like that, in my view.

Kondracke: You go to Heritage, you move all the stuff over there, right?

Cannon: Yes.

Kondracke: And then what happens?

Cannon: It happened fairly quickly.

Kondracke: This is January 1989 or so?

Cannon: Right. I think it actually might have started maybe even in December. But there started to be people reaching out, and then he became secretary. It did happen very quickly, very, very quickly.

Kondracke: How did you find out that he was asked?

Cannon: He told me. I don't remember it exactly, but I can sort of see us in the office at Heritage in my mind's eye, but I don't. It was one of those things you kind of know it's happening and then it happens, but it was all very quick in my remembrance, anyway.

Kondracke: Tell me about your arrival at HUD.

Cannon: [laughs] Before we got to HUD, he had started the process of talking about people who he might want to bring on board, and beginning the confirmation process, meeting with various Senators and so on and so forth. But the first day it was Sharon and Scott [W.] Reed, and me, and we were the first people, we were kind of this little outpost there, and—

Kondracke: You're not allowed to go to the building until you're confirmed, right?

Cannon: Right.

Kondracke: So where did you do the transition?

Cannon: At Heritage. There was also an office at the transition headquarters.

Kondracke: Did he have somebody from the administration who was shepherding his nomination?

Cannon: Yes. There was a staff guy named [J. Stephen] Steve Britt, who ended up coming to HUD with us. He was the staff guy who was assigned to go around with us to the meetings with the Senators. I'm sure there was somebody else, I can't remember who.

Kondracke: Did you go to the meetings with the Senators too?

Cannon: Yes, I did.

Kondracke: So besides John Kerry and 501c3

Cannon: The 221d3 [HUD subsidized housing program]. I remember meeting with Pete [V.] Domenici and talking about homelessness, that was an issue that was very dear to him. And I remember meeting with Barbara [A.] Mikulski, who was, as you would expect, a pork barrel politician, not really a big idea kind of person. [Edward M.] Ted

Kennedy. There was an interesting trip we took to Massachusetts, I remember being on a helicopter with Ted Kennedy and John Kerry and David [O.] Maxwell, who was the head of Fannie Mae [Federal National Mortgage Association] at the time, and Jack and me and a couple of other people, and it was like "Oh my gosh. This is just too weird." I'm trying to think of who else. We met with all the Senators, [Donald W.] Don Riegle [Jr.], [Alfonse M.] Al D'Amato, of course, I'm trying to remember who else, what other Senators. [Daniel Patrick] Pat Moynihan actually came to HUD after Jack got confirmed, and came over specifically to meet with him, and I remember that meeting very well, because he talked about homelessness and how homelessness, at the time there was a huge, homelessness is caused by a lack of affordable housing, and that was the story line, right? So Reagan had cut building of public housing and that's why we had homelessness. And Moynihan came and spent about an hour, I think, just talking about how it was a crisis of mental healthcare, and not to fall into the trap of it being about housing, because that wasn't going to solve the problem. And that ultimately, that and many other things, led to the Shelter Plus Care program, which was something that we did at HUD.

Kondracke: Was there any opposition or delay in the confirmation?

Cannon: There was a little bit of a thing, I think, about a financial thing, a very, very minor, but no, it was pretty well strongly supported on both sides.

Kondracke: What were his hopes and aspirations going into the HUD job?

Cannon: To get enterprise zones passed, and resident management, to make those his top priorities, and to overall to be someone who showed how Republicans could reach out to the inner cities and to minorities overall.

Kondracke: Did he feel that he had the President's support for all this?

Cannon: I think he did, I think he did feel that.

Kondracke: When he was sworn in, President Bush made a statement that indicated that he was in favor of all the things that Jack was in favor of.

Cannon: He came to HUD. I mean, Bush came to HUD, and the place was on fire. HUD had been a very, it's kind of a cliché, but a very neglected agency. [Samuel R.] Sam Pierce was, whatever his strengths or weaknesses, he was a very remote leader of HUD. Most people never even laid eyes on him.

Kondracke: Where was this? You weren't in the new building, were you? Or were you?

Cannon: We were in the building that I think HUD is still in.

Kondracke: It's a big new building.

Cannon: It was new in the sixties, yes. A really hideous building on D Street, Seventh and D.

Kondracke: Hideous in what way?

Cannon: It looked like an urban renewal type of a project. It's a very unattractive building, but it has a nice view of the water. It was called "ten floors of basement," and it really was ten floors of basement. Jack was just, when we got there, "It's so dark." He made them change all the light bulbs to higher wattage. They had these huge murals, they weren't murals but they were huge photographs on each elevator bay of public housing projects. Jack made them change them all to monuments and Winston Churchill, Abraham Lincoln. Yes, Bush came, there was a huge rally, basically, in the cafeteria at HUD. Every employee was there, and it was great. It was really a nice start to the whole tenure there.

Kondracke: What did Jack do for the morale of the people at HUD?

Cannon: He talked to them. He walked around a lot. He would just drop in on various offices. They had never seen the secretary before. He was very outgoing, of course, as was his personality, but he would eat in the cafeteria every once in a while, he would talk to people on the elevator. With Pierce, if he was on an elevator, no one was allowed to get on. So Jack would just like ride the elevator as a normal person would, and stops at this floor, and somebody gets on and he starts talking to them. So that was a big part of it, I think, just the accessibility and the energy of being there. And then he immediately went on some high profile trips to highlight, not that he was just going to be listening to the staff, but listening to the constituents too.

Kondracke: What trips?

Cannon: We went to a soup kitchen in Baltimore, and then we went to Philadelphia. There was a homelessness activist named Sister Mary Scallion or Scullion [Sister Mary Scullion] or something like that, and we went around with her. There was another guy, Robert [M.] Hayes, who's also a homelessness activist, who was there also, and went to homeless shelters and talked to the residents, really. I think that trip he stayed in a low-income senior housing project that was run by Rev. LeAnn Sullivan's Opportunity Investment Centers [OIC], I think, who had been a longtime friend of his, and Jack had spoken to OIC a lot and they'd worked on South African issues too. And then we went to Atlanta and went to just this really dreadful spread-out public housing project, garden-style apartments, very desolate. And he stayed at a hotel that was kind of a civil rights, during the civil rights era had been a gathering place for African-American activists, Reverend King and others, Pascal's [Motor] Hotel. And I think we stayed at this hotel, which was very, certainly no Cabinet secretary or government official had done that before. And met with [Coretta Scott] Mrs. King.

Kondracke: How often would he be out traveling?

Cannon: In the beginning quite a bit, going around and seeing what was going on. Some trips to Chicago, we went to a place here in D.C., Tyler House, which was just a disaster, just complete disaster.

Kondracke: What do you remember about Jack's interactions with people or what he did?

Cannon: He's just so natural, and the residents loved him, just loved him, and he was completely, he loved them too. He was very at-ease, listening to what their issues were, trying to fix things. Sometimes it was very little things that were the things, and I know you're going to ask me "Like what?" but little things that made a huge difference for the residents. Something like the elevator working as opposed to, I mean you don't have to rehab the whole thing or tear it down or change every, just get the elevator to work, or things like that were really important. Some public housing officials who are all local government people got on board, and some were less friendly to the whole project, but for the most part I think they were happy for the attention.

Kondracke: What conclusions or what personal reaction did he have to what he was seeing?

Cannon: I think he was moved in many ways by the plight of people living in conditions that you wouldn't want anyone to have to live in, and I think he became angry at those who were, I mean angry is a strong word for Jack. He wanted change, he wanted to make a change. There were people who were responsible for maintaining, there was a lot of money going into housing, I mean a lot, and why wasn't it being spent to maintain and to make these places safe and livable?

Kondracke: Do you remember any specific case?

Cannon: There was one case where drugs, I mean, you could go to these places and sort of see drug transactions taking place. But there

was one place in particular, and gosh, I can't remember the name of it but it was one of the initiatives at HUD. It was one of those things that just got the HUD bureaucracy spinning, because he saw or heard about something and he immediately called [Francis A.] Frank Keating in, and "We've got to put out a notice to all public housing about something. We're going to get rid of drug dealers." Drug dealers were living, had certificates or they had subsidies and were living in these projects and not being evicted. I think that was the issue, something like that. The drug thing was a big thing.

Kondracke: He actually saw this happening?

Cannon: I remember in Philadelphia we did see something, and in Atlanta. Yes, you could always see, I mean they wouldn't draw you a picture, but you could get an idea of what was going on, and that was a big issue for the residents, that they felt besieged, they couldn't go out, their kids weren't safe, they felt besieged by the drug traffic that was going on right under their nose in a federally-subsidized housing project, and they didn't feel that people were doing enough to get rid of it.

Kondracke: And what did he do about it?

Cannon: He required public housing authorities to report to him. Your tools are relatively limited, but he required them to report to him what they were doing. I'd have to go back and look at specific, there was a whole initiative, and he just brought a great focus to it. Something that had been swept under or just ignored, I think.

Kondracke: How successful was he in ridding projects of drugs?

Cannon: I'm sure there were some successes on the margin. I think like anything, it depended a lot on the energy and the focus of the local authority. There was a limited amount that HUD itself could do other than try to put strings on money that it provided. I think some places were probably—there was a guy in Chicago who was the housing authority head at the time, who was very energetic. And there were others too; some were not so energetic.

Kondracke: What do you think Jack Kemp's primary accomplishments were as HUD secretary, and then we'll get to disappointments, and then we'll go specifically through the programs. What do you think his major accomplishments were?

Cannon: I think his major accomplishment was putting a focus on home ownership. I think that if you had to say the one thing that came out of all the legislative efforts and all of the policy initiatives, I think the biggest focus was putting a focus on home ownership as a way to give people a stake in their own communities and to build wealth for the future.

Kondracke: And how did he do that?

Cannon: Through the HOPE program, which of course was never fully funded.

Kondracke: This is Home Ownership—

Cannon: Home Ownership Opportunity for People Everywhere.

Kondracke: Right.

Cannon: Through the HOPE program, and—

Kondracke: But there was legislation.

Cannon: Yes, and it passed, and it was funded, but at a very minimal level. And I think in bringing the idea of providing incentives for job creation in the inner city, I think, was something that at the time the model was purely federal funding, UDAG [U.S. Department. of Housing and Urban Development Urban Development Action Grants] program, the Community Development Block Grant, everything was purely, the way we revitalize the inner city is purely a function of how many federal dollars we pump in in government programs, and I think he succeeded in changing that focus, not to the degree that he would have liked, but changing it to some degree.

Kondracke: You did oversee all that federal money going into cities, I mean that was in his budget?

Cannon: Yes.

Kondracke: How much money did you have?

Cannon: I think the budget for HUD was in the 20 billion range, but a lot of that, it's a little bit deceptive because a fair amount of that is FHA [Federal Housing Administration] loan guarantees. So the way

that the budget accounted for that, it wasn't all discretionary money. Some of it was FHA.

Kondracke: What were his major disappointments?

Cannon: I think he was disappointed that the HOPE program was not fully funded. I think he was disappointed that enterprise zones were not enacted in a way that he thought would be the way that would make them effective.

Kondracke: Were they enacted at all?

Cannon: They were ultimately enacted to a certain degree. They have things that are called enterprise zones, and they do include some tax incentives, I believe. But it was not on the scale that he had hoped. But it was a step in the right direction. He would always see it in a very optimistic way, I'm sure. I don't want to let my own cynicism about it bleed in too much.

Kondracke: What is your cynicism about it?

Cannon: I think that it was token, that there was not really an acceptance of these ideas as being as powerful as Jack certainly saw that they were. It wasn't as broad as I would have liked to see, for a lot of reasons. Mostly interest group politics, that was a huge factor. But that's just me.

Kondracke: So any other disappointments?

Cannon: At HUD?

Kondracke: Yes.

Cannon: No. Of course the broader economic issues were, while he was at HUD he was deeply disappointed by the 1990 budget deal.

Kondracke: What was the 1990 budget deal?

Cannon: The raising taxes, the Bush breaking the no-new-taxes, the read my lips pledge.

Kondracke: And how did he react to that?

Cannon: He tried very hard to persuade them not to do it, and when they did do it he tried very hard to not react badly.

Kondracke: Did he meet with the President about the 1990 budget deal?

Cannon: I'm sure at Cabinet meetings, yes. I don't remember a one-on-one meeting about that. He may have tried. He may have. I don't remember exactly. He did meet with the President one-on-one a couple of times over various things during his tenure.

Kondracke: Did he come back and report?

Cannon: I think he always felt that the President was sincerely interested and supportive. I think he really did feel, I don't think he

would have wanted to do it if he didn't think that the President himself was, understood what he was trying to do and that he supported it, at least in its broadest outlines. But there was a disconnect, I think, between, well, the White House had to set priorities and our priorities weren't always their priorities. And I think there was a disconnect between what the President wanted in its broadest sense, and what the administration allowed in the budget sense.

Kondracke: When the 1990 budget deal was made, some of Jack's friends, many of Jack's friends in Congress resisted or opposed the President on it, and matter of fact denounced him. So what did Jack do about it, and what did Jack do talking to Newt Gingrich or any of his other friends?

Cannon: He was in contact with them, of course. They were his friends and his allies. I don't think he had to really say very much for anybody to know what he thought of that deal.

Kondracke: But did he speak publicly at all? Or off the record, or to [Robert D.S.] Bob Novak or anybody?

Cannon: Probably, possibly, yes. I'm sure, but what news is that? That he opposes the budget deal? That was not news; that was to be expected.

Kondracke: But did journalists try to get him to come out and beat up on Bush?

Cannon: Of course. I think over that he was pretty disciplined. Later he got a little, the thing I mentioned to you on the phone the other day I remembered, it was about him calling some of the things in the budget, I think it was in '91, "gimmicks," and—

Kondracke: It was the '93 budget.

Cannon: Ninety-three budget, so maybe it was in early '92, and that was the thing they got really mad about.

Kondracke: How did they get mad? What did they say? What did they do?

Cannon: It was right after [John H.] Sununu had left, and [Samuel K.] Sam Skinner was I think chief of staff, and they had actually done some things I think in the budget that they thought, on capital gains, that were good. But there were also some things that were not.

Kondracke: Tax credits, temporary deals.

Cannon: Tax credits, that sort of thing. And Jack was asked about it on *Meet the Press* or one of those Sunday shows, and he said, I mean he just said what he thought, that they were gimmicks, but okay, but overall the budget was good. And I remember seeing it. I think I was even there, but I remember seeing it, and "Oh my gosh, we are in big trouble." I wasn't with him at *Meet the Press* but we talked right away, and I went right in to HUD, and [Max] Marlin Fitzwater called and "You have to get this out now. You've got to fix it." And we tried to do that.

Kondracke: So Marlin Fitzwater calls you and says—

Cannon: “Fix it.” You know, get something out right away retracting it, denouncing it, denying it, doing whatever you have to do to say that he’s sorry, that’s not what he meant, whatever.

Kondracke: Have you read Marlin Fitzwater’s book about Kemp?

Cannon: No, but I read an article the other day in which he talks about that story about Jim Baker and Jack. But no, I haven’t read his book.

Kondracke: This is the story about Ariel Sharon?

Cannon: No, the story about Lithuania.

Kondracke: Oh, I don’t know that story.

Cannon: I didn’t read his book. I just read an article that talked about his book, and he told a story about Jack and Jim Baker getting into a fight at a Cabinet meeting about recognizing Lithuania. At the time, you know, it was right after the Soviet Union had dissolved and the smaller republics were wanting legitimacy, and the assistant secretary for Community Planning and Development, [Skirma] Anna Kondratas, was Lithuanian. So she and Jack talked Soviet and Lithuanian politics a lot, because Jack was very interested in that sort of thing. And he couldn’t understand why they wouldn’t just recognize them. Why? All the disputes, Jack wasn’t trying to be,

wasn't positioning himself or anything. He was just trying to help. He couldn't understand why you wouldn't, why isn't this not a no-brainer, right? Why isn't it so obvious that you recognize these countries that want to be like us, that want to be free, that they've been subjugated and they want to be free, why wouldn't we want to be our allies?

Kondracke: Did he say something publicly, or in a Cabinet meeting?

Cannon: I didn't remember this, but Marlin Fitzwater in his book says that Jim Baker and Jack got into a little bit of a tussle over it.

Kondracke: Let's do talk about relations with the White House. So you think that Bush, I've read lots of stuff that says that this was not really on Bush's agenda, his real agenda. His urban policy was basically Points of Light, and that was about it. So how do you feel about that?

Cannon: I think that history shows that it clearly was not a priority, but in his conversations with Jack, Jack felt that the President was supportive of the ideas that Jack had, and was supportive of the idea of bringing minorities into the Republican Party. That he sincerely felt that that should be something that the party and that the administration focused on, in reaching out and speaking to those communities. I think Jack sincerely felt that the President sincerely felt that that was something that Jack should do, and that he supported it and wanted to have done. But in operational terms was it ever a priority? No. They gave a few speeches, there was an empowerment task force, there were some junior staff in the White House who were trying really hard to make it a priority and worked

really hard at it. Of course there was Congressional support for that Conservative Opportunity Society model also, but no, at the highest levels of the administration it was not a top priority.

Kondracke: Were there any other Republicans who actually made an effort like Jack did to reach out to minorities or poor people?

Cannon: I think there were some Congressional candidates who tried to follow that model in their districts, to the degree that they could. They didn't have the platform that Jack did, either in Congress or later, to do it as much, but, yes, I think there were, I'm trying to remember, I think it might have been, there was a congressman, it might have been Indiana, it might have been [Daniel R.] Dan Coats, but I think he was in the Senate by then. Where Jack went out with him and they went to a public housing project and I think there might have been a retrospective about this when he died. One of the things that came up, I think, this story was brought up again. Yes, there were a few. Most of them didn't have a constituency that would allow for a lot of that. They didn't have any urban areas in their constituency.

Kondracke: And you didn't have many national Republicans doing what Jack did, or any?

Cannon: I can't think of any, really.

Kondracke: Right. What about John Sununu? What was Jack's relationship with John Sununu like, the chief of staff?

Cannon: Overall I think friendly. Sununu asked Jack to do things and Jack always tried to respond and do them, political things. I think the focus of a lot of the conflict in the White House was with [Richard D.] Dick Darman.

Kondracke: Okay, Dick Darman. Tell me about the conflict.

Cannon: Well, it was a conflict about the budget.

Kondracke: Dick Darman was the budget director.

Cannon: He was the budget director, and Jack was trying to carry out what he thought was the mission that he had from the President, and to do it he was trying to get some resources, and that's where everything always shut down. It was always a battle, a constant battle to get any money for anything we had, to take it away. That's why—I'm sort of skipping ahead—that's why the HOPE program, though it was authorized, it never was appropriated at any level because we could only, the White House would only accept appropriations if they were offset by other cuts in the HUD budget, so it was always robbing Peter to pay Paul, and the Democrats in Congress weren't going to go along with that. They wanted new resources. They felt like housing had been shortchanged, and they wanted resources from, you know, if you have to cut something cut some other thing, not housing. And so that's where we always, you know, where the rubber always hit the road, where we never were able to really get beyond that.

Kondracke: So was there a lid on HUD funding?

Cannon: Basically yes. There were some minor additional funds provided, as I recall, but it was very miniscule.

Kondracke: So what did Jack say about Darman?

Cannon: Jack wanted to like everybody. He wanted to like everybody, he wanted to persuade everybody. I think he felt like he would try to persuade Darman, and he would make a little progress, but then at the end of the day he was unpersuaded, I think was the frustrating part of it for him. Jack felt like he was trying to help the President. I think history shows that if they'd done some more of the things that Jack wanted them to do, might have been a different outcome. And he felt constantly, I think he felt shut down by the budget process.

Kondracke: Was he answerable to the Domestic Policy Council?

Cannon: Answerable, I don't know

Kondracke: Or did he have to consult with the Domestic Policy Council, did they have any power? Who was the Domestic Policy Council?

Cannon: I don't even really remember.

Kondracke: It's basically Darman who's making decisions.

Cannon: Yes. I mean there were people in posts, and there was the decision-maker.

Kondracke: I read a 1992 *New York Times* piece that quotes from a 1990 letter that Jack sent to the Domestic Policy Council that says something like the problems of urban America are reaching a critical mass, and it's past time for the administration to aggressively highlight a new comprehensive anti-poverty agenda. And then something happens. And then he's got a July memo. I guess the White House just proposed some sort of study. This is 1990 now and the letter says "That's not a vision. They're bureaucratizing the effort and sending it into oblivion." Do you remember that dustup?

Cannon: Yes, I do. There was something called the Low Income Opportunity Board at the White House, and that was sort of the policy-making venue for trying to get things not just at HUD but administration-wide, that dealt with these issues, and that was important because enterprise zones were not in the HUD budget. They had to come out of the Treasury budget, they were a tax expenditure. And so that was something that we were really trying to work, and there were staffers in the White House who were supportive of that, and there was this big buildup, and then they come forward with this "We're going to study it," and Jack was furious, and ultimately there became this White House Empowerment Task Force, which Jack was the chairman of. And right after that Darman gave his anti-new paradigm speech. [James P.] Jim Pinkerton, who was a White House aide at the time, was a big supporter of the empowerment agenda, and—

Kondracke: What role did he have?

Cannon: He was in the, I don't know what his title was. He was in the policy apparatus somewhere at the White House. He had written some memos and talked about something called the new paradigm, which included a lot of the ideas that Jack had been working on at HUD and went beyond that too in some other areas.

Kondracke: This is a speech for the President?

Cannon: No, it was a memo that he had been circulating, or maybe he'd given a talk. Anyway it became known as the "new paradigm speech," and Darman gave a speech right after Jack was named head of the Empowerment Task Force just mocking it, mocking it, just devastating it. And there were never any consequences for that so it was, that we could perceive—

Kondracke: This is 1990?

Cannon: I think it was 1990, yes. I think it was around the time, around the summer of '90. It might have been when we were in, we went to England and Jack gave a speech in Scotland, and I think it might have been around that time.

Kondracke: What was that about?

Cannon: Jack gave a speech to an Adam Smith anniversary thing in Edinburgh and then we went to London and he met with his counterparts, and we met with Mrs. [Margaret H.] Thatcher, which was

a thrill. And he had met Prince Charles at something in D.C. and they shared an interest in urban issues, very different perspectives, obviously. And so Prince Charles invited us to go to his house, we went to Highgrove. That was kind of a funny little incident.

Kondracke: Tell me about that.

Cannon: We drive out to Highgrove, it was right after he had fallen off of his polo pony. I don't know how closely you follow royal issues but the only reason I know is because when we were doing this, he'd fallen off his polo pony and so he was recuperating at Highgrove, which is his country house, so we had to drive out there with our little State Department handlers. We were driving out, and we get there, and they really would only allow Jack and one other person, which ended up being me, to stay. And we walk in and it's a British country house, and Jack and I are both like, and we go out into the garden—

Kondracke: This is *Downton Abbey*?

Cannon: It wasn't *Downton Abbey*, but it was along those lines. It was smaller but it was along those lines, and we went out to the garden and a butler comes and brings drinks and so on and so forth and we went and had lunch. And they actually had a really good conversation. There were some people that the Prince worked with in one of his charitable things who were there too, and they really—Jack could talk to anybody, you know, and could find some common ground with them, even though you would think two people who could not be more different, really. They had a really good conversation about

inner cities and about—the Prince was kind of interested in microenterprises, and, so, it was kind of fun.

Kondracke: And what was the Thatcher meeting like?

Cannon: I didn't go into that meeting so I don't know exactly what they talked about, but then she came out afterwards and it was just kind of old friends, old comrades in arms, a very, very positive, warm feeling about the whole thing.

Kondracke: Did Jack have a continuing relationship with Prince Charles?

Cannon: There was some correspondence, but I don't think it really went on beyond that.

Kondracke: In August, 1990, this Empowerment Task Force actually gets created. How did that all happen? Was this in response to all this back and forth in memos?

Cannon: Yes, I think so. Yes, it was, ultimately.

Kondracke: So Jack was complaining, basically, that the administration wasn't doing anything.

Cannon: Was treating it not seriously, was not taking it seriously.

Kondracke: So the attorney general, Richard [L.] Thornburgh supposedly had something to do with this.

Cannon: Yes he did. He might have been the chairman of the Low Income Opportunity Board. It was some internal Cabinet designation that didn't really have a lot to do in practicality, but yes. Thornburgh was more or less an ally on that stuff in the Cabinet, to the degree that there was anybody.

Kondracke: Did he have any other allies in the Cabinet? Secretary of Labor, Secretary of HHS [U.S. Department of Health and Human Services]?

Cannon: Not especially, no. They just weren't interested I don't think in what we were doing. I'm trying to remember who some of those people were. I guess [Mary E.A.H. Elizabeth] Liddy Dole was Labor, right? And—

Kondracke: Wasn't [Louis W.] Lew Sullivan HHS?

Cannon: Wasn't Lynn [M.] Martin at some point?

Kondracke: She was Labor at some point.

Cannon: Labor at some point. No.

Kondracke: And besides Jim Pinkerton in the White House, any other allies?

Cannon: I think Vice President [James Danforth "Dan" Quayle, to the degree that he was involved in things, was an ally, was supportive

overall. I think Chuck Cobb [phonetic], Richard Porter [phonetic], they were all relatively junior in the White House, the speechwriting crowd, you know? [Robert A.] Tony Snow would try to get things in here and there.

Kondracke: Let me go to the Cabinet. Jack often spoke up at Cabinet meetings about things that weren't necessarily—

Cannon: Yes. That he felt like the Cabinet the President's advisers overall, that it wasn't, he felt that the Cabinet should be the place where the President can talk about broad issues and the nation. I think he saw it in a very idealistic way. He wasn't where he was supposed to go in and say, "Well, we built 20 houses this week," or "We insured 5,000 mortgages," it wasn't that sort of a place. It was supposed to be where he could talk freely. And I think he did.

Kondracke: Did he report back after Cabinet meetings about what happened?

Cannon: Yes, but he wasn't one to come back and chapter and verse it. He wouldn't come back and say "And then so and so said this, and so and so said that," or whatever. I think he always felt like the President was listening. I think he felt that, and that was important. So I'm sure there were lots of back and forths that may or may not have been frustrating or encouraging or whatever to him, but he didn't come back and really dwell on them. You'd just sort of get a sense it was good or it was bad. There wasn't a lot of unpacking it.

Kondracke: Do you remember any other highlights or lowlights from Cabinet meetings?

Cannon: From Cabinet meetings? No, I don't. Not specifically. Some were good and some were bad.

Kondracke: So Dan Coats told us that he heard, apparently Jack told him, that at some Cabinet meeting Jim Baker, the secretary of State says, "Jack, you're the secretary of Housing and Urban Development, you are not the blankety blank secretary of Commerce, you are not the blankety blank secretary of Treasury, you're not the blankety blank secretary of State." Did you ever hear about this?

Cannon: Yes. I think that happened a lot, but yes.

Kondracke: That he was dressed down?

Cannon: That people would not want him to talk about things that were not specifically in his portfolio. Yes, I think that was something that happened.

Kondracke: You were the communications director of the public affairs chief, so did you have to deal with post-Cabinet meeting press reports and leaks and stuff like that?

Cannon: Yes, but we always really tried to shut it down. There were back channels, of course, where things got out, but we tried not to engage too much in that. The whole Ariel Sharon thing was one where we had to address it in the media to a certain degree.

Kondracke: Talk about the Ariel Sharon thing.

Cannon: Ariel Sharon was the housing minister of Israel, and he was coming to the U.S, and Jim Baker and the State Department did not want, they were at odds with the Israeli government at the time over peace process and did not want Ariel Sharon to come to HUD to meet with Jack. And it was sort of indicated that Jack could meet him somewhere else, but it couldn't be an official type of visit. And Jack did meet with him. Jack had had a long relationship with most of the Israeli leaders. He'd been a strong supporter of Israel, and he knew them on a personal basis as well as a professional basis, and he did meet with him.

Kondracke: At HUD?

Cannon: No, not at HUD. I think he went to the Israeli Embassy. The Secretary of State was not happy about it overall, and they kind of publicly chided Jack about it, I think. But it was another case where Jack is like "What's wrong with you?" Not to be too, but I think he was shaking his head, "What's wrong with you? Why isn't this a good thing? Why isn't this a service to the President? Why isn't it helping the President in his effort to accomplish his goals, to be reelected, to— why are you picking fights that don't need to be picked?" I think was his thought about it.

Kondracke: So did Jim Baker let it out publicly that Jack was off the reservation on this, and then you had to respond to it as a spokesman?

Cannon: Yes, I can't remember exactly how it came out, but I think Margaret [D.] Tutwiler made some kind of insulting public comment from the, was asked about it at a State Department briefing and made some comment about it. And it got a lot of press in the Israel. There was coverage here too, but there was quite a bit of coverage in Israel about it, where they felt like it was insulting to the Israeli government and to Ariel Sharon.

Kondracke: Supposedly there was an actual shouting match between Baker and Kemp in the White House about this.

Cannon: Yes, there probably was, yes. Yes.

Kondracke: Did he report to you about it?

Cannon: Yes, I'm sure he did, but I don't remember exactly what he said. He did not tend to come back and give you a blow-by-blow. It was just the headline.

Kondracke: Right. Do you remember any other particular press highlights or lowlights that you handled?

Cannon: He did get an enormous amount of positive coverage at the beginning of the administration, and was very open with reporters. He liked reporters, he liked to talk to them, he liked the back and forth. There were some really very favorable profiles. Later on he started to get irritated through the legislative process. There started to be a little bit of press that was more process oriented and more focused on

whether this program in HUD was being well run or not well run or who was advising him or whatever that came out from disgruntled people in the Department who didn't like the way things were changing. That was a little bit frustrating to him. But I know we'll get into this, but the whole HUD reform thing was a huge press gauntlet for him in dealing with programs. He went in having an agenda, legislative, policy agenda. Had to be completely set aside to deal with programs like the 221d3 program and the co-insurance program and the mod-rehab [Moderate Rehabilitation] program and all these little cats and dog programs that were really riddled with fraud, but he had to cope with it.

Kondracke: Just one more incident. Supposedly after the '91 Gulf War, after we'd won, Jack wanted the President to use his political capital to have an urban agenda and said something at a Cabinet meeting about that, and the President said "Send me a memo" or something, and nothing ever happened?

Cannon: We sent a lot of memos. Yes, I'm sure that, I think I remember that specifically. We did write a memo, and the President did do some things. He did at least go and say basically, "Endorse the agenda." Where it fell down was in the fighting for it on the Hill.

Kondracke: Okay, so, at the end of the administration, HUD produced a report called "HUD's Accomplishments and Challenges: A Report to the Next Secretary of Housing and Urban Development," and page one talks about the mismanagement, abuse, of favoritism in many HUD programs and so on under Sam Pierce.

Cannon: Right.

Kondracke: The predecessor. Was Jack surprised by the scandals?

Cannon: Yes. Yes, he was.

Kondracke: How did they emerge?

Cannon: The inspector general, who was a guy named Paul [A.] Adams, came to see him shortly after he was confirmed and met in his office, I was there, and said that he had been working on and was just about to complete a review of a program called the Mod Rehab program, which was Moderate Rehabilitation. I don't know how deeply in the weeds you want to get about housing programs, but it had to do with providing developers' money to rehabilitate properties that then would have a certain percentage of them reserved for low-income renters who would have a Section 8 subsidy. It's like a guaranteed income stream. And it wasn't that the program, I mean the program itself, I think you could question its wisdom as a policy program, but it wasn't so much that the program was flawed as that the way in which the Section 8 subsidies and the winners were selected, was very subjective. And there was a lot of political influence brought to bear on who got these, because they were quite valuable. There was a real economic incentive to want to have, if you were in this world, to have these units attached to your rehab project. So Paul Adams came and me with us, and I remember we were stunned. I mean, we knew that there was probably some mismanagement at HUD. It wasn't that naïve. It was just the scope of it and the degree to which it was almost purely a political slush fund, I think, for well-connected people,

was surprising. So it wasn't that there was ever any mismanagement or anything wrong at HUD that was a surprise, that wasn't. It was the scope of that particular project. And then, of course, then Jack said to Paul Adams "You got anything else? I don't want any surprises? What else is out there?" And he went through other things that he had found or was working on or whatever, and was very candid. Jack realized at that point that there was not going to be getting anything done legislatively until that was really dealt with. And he did.

Kondracke: Did Congress have any idea what was happening?

Cannon: No.

Kondracke: So this is all the inspector general's laying this out on Jack's lap.

Cannon: Right. And he had to take action, and he did. He cancelled the Mod Rehab program, just cancelled it, froze everything, and I think that was some of the source of some of the grousing later on, that there was a constituency for this stuff, and there were people who wanted it and who wanted things to be moved through at HUD. They had a lot of money riding on it. So that was sort of some of the feedback loop later on. But at first it kind of froze everything in place. He cancelled things, he stopped things, he went to Congress right away and reported on it, and that kept the momentum on our side dealing with it.

Kondracke: Evidently there was a lot of corruption.

Cannon: There was a lot, yes. There was a lot of corruption, there was, as you did go down through, you'd find that there were programs that were just so poorly designed it was hard for them not to be corrupt, in a way. There weren't any checks and balances, there wasn't a competitive process for things, there weren't any criteria to decide why should this project in Miami get funded and this project in Chicago, not? How do you decide? Just the simple things of bringing it out into the sunshine, to making it more of a transparent process was a big part of the reform.

Kondracke: So was this in the first couple of weeks of his—

Cannon: It was very early on. I'm sure that the archives show the dates of all that, but it was very early on after his confirmation.

Kondracke: Who did he put in charge of fixing it?

Cannon: Frank Keating was the general counsel, and he had a law enforcement background, so he was well-suited to that. And [Alfred A.] Al Delibovi, who was a really important part of the whole taking control of HUD. We came in and we had lots of ideas, and I think we were generally responsible, but Al had actually run a federal program before. He'd been the administrator of urban mass transportation in the Transportation Department under [Ronald W.] Reagan. So he had a little bit more of the nitty gritty getting control of the bureaucracy responsibility.

Kondracke: So there were people who went to jail as a result of all this.

Cannon: Yes, I believe there were, yes.

Kondracke: What did HUD have to do with the prosecutions and stuff?

Cannon: There was a special prosecutor appointed, Arlin [M.] Adams, I think was his name, and so once it got into that sort of criminal realm it was really more just cooperating with him and his staff and making sure that they had everything that they needed. We weren't directly involved in that aspect of it. We were involved more in the coming up with the ways to, the legislative package to change things. And that passed pretty quickly.

Kondracke: Did Jack have to testify a lot?

Cannon: Yes, he did. He testified quite a bit, especially in the House, but both, both the House and the Senate. There's a lot of, I'm sure you've seen or have the footage of all those long testimonies.

Kondracke: And how well was he informed about the nitty gritty of all this management stuff?

Cannon: He had to master a lot of it, and we helped, and had really good briefing books, and I would sit next to him when he was testifying. They allowed me to sit next to him so I would kind of put the right briefing book page in front of him, or write a little note or something so that he could. It was a huge amount of material, huge, huge amount.

Kondracke: What did he do with the briefing books? Did he take them home, or—

Cannon: Yes.

Kondracke: I mean, he was famously a reader, but did he master all this stuff?

Cannon: More than you would think, yes. He is a very quick reader and quick study of things and can digest it pretty quickly. He knew enough. As you get more into the HUD stuff and you look into the housing programs, they are incredibly byzantine and complex. Nobody could keep track of all of the, all the ins and outs of all the different subprograms of all these things, but yes, he did, he did. And he would read briefing books, sort of.

Kondracke: Okay. So this report lists the priorities as expanding home ownership and affordable housing opportunities. And he saved the Federal Housing Administration [FHA]. How did that happen?

Cannon: There was an audit of the FHA that showed that it was not actuarially sound, and we developed a, and this was reported to Congress, this audit was also reported to Congress, and it was one of those things that action had to be taken. There were different proposals to put it on a more actuarially sound basis, and I think, there was a lot of legislation back and forth. There was an alternative that was not our alternative, that many people supported, that required less of an increase in the fee, we had more of a risk-based underwriting in our proposal.

Kondracke: So if you're getting an FHA-approved loan and it gets you a lower interest rate, right? And the FHA has to guarantee the loan, basically.

Cannon: Right. And there were underwriting standards and there was a fee that the borrower had to pay to basically pay for the FHA insurance, and there were, what the reform ultimately did was put in some sort of a graduated fee structure so that riskier loans had to pay a slightly higher premium for the FHA insurance. That was what the legislative dispute was about, the degree to which there should be underwriting that took into account the risk of the various loans. Because some people would go in, a first-time home buyer with a 10 percent down payment, and get an FHA loan, some people would be getting a two percent down payment with shoddier credit, or whatever. These were all people who were not going to go to their local bank and get a loan to begin with. So there were different underwriting standards and I don't remember all the gory details.

Kondracke: How much did Jack have to do with Fannie Mae and Freddie Mac [Federal Home Loan Mortgage Corporation]?

Cannon: He was technically their regulator. That was before the Fannie Mae reform bill was passed, so it was a little bit less of a direct responsibility. But later he did have more of a responsibility for Fannie and Freddie. There was that whole Federal Housing Finance board issue, which he was the chairman of that also.

Kondracke: Did he have any inkling of the financial crisis that—

Cannon: No. It wasn't at that time anyway. They were much more actuarially sound at that point. After HUD I worked at Fannie Mae, until 1999, and it really was the effort in Congress, I think, to start requiring more of a social mission from Fannie Mae that started to lead down the road to the poor underwriting. And I mean Fannie didn't resist it, but at that time, back in the—

Kondracke: Were you there in the [James A.] Jim Johnson era?

Cannon: Yes.

Kondracke: He was the one who expanded the portfolio and made gazillions of dollars through it.

Cannon: Yes, he did.

Kondracke: So this was after Jack was done with HUD.

Cannon: Yes, when Jack was at HUD, David Maxwell was the chairman of Fannie Mae. Jim Johnson had kind of a view of very Mundellian [phonetic] view of get to yes. He saw managing political risk as getting to yes. But that was not really an issue. I think that John [C.] Weicher, who was the head of Policy Development and Research at HUD, sort of had a little bit of a bead on Fannie Mae even back then, like what some of the risks might be. And some of that came out in the Fannie Mae legislation. I think it passed in '92, but it was not a big issue.

Kondracke: Bush actually signs a National Affordable Housing Act in 1990, which created HOPE, I take it.

Cannon: Yes.

Kondracke: So what was the process of getting that through the White House and through Congress?

Cannon: It was

Kondracke: It was Jack's initiative?

Cannon: Well, there'd been a desire for a housing bill for a long, long time on the part of Congress, and Alan [M.] Cranston, who was the chairman of the Housing Committee in the Senate at the time, had a proposal for a program that he called HOP, Homeownership Opportunity or something. It was like a huge housing block grant that would be analogous to the Community Development Block Grant that already existed and was administered by HUD. He really, really, really wanted to get that passed. The Reagan administration had never really had any interest in passing a housing bill, and so everybody saw this as the opportunity to maybe get a new housing authorization passed. I don't think anything had been passed for maybe 10 years. So there was a lot of bipartisan good will and interest in trying to come to some meeting of the minds. Our budget proposal we had to fight like crazy. We had to get funding for it, but at that time the Housing Bill—everything was done on a continuing resolution—so there was an authorizing bill that authorized the amount that could be spent, and then there was an appropriations bill that actually spent the money.

So it was a little easier on an authorization because you weren't actually spending any money, you were just saying a certain amount of money could, theoretically be spent. It was a really fun, interesting, good legislative process, and I think Jack, having been a legislator, was well equipped to try to manage that process on the Hill and get everybody on board. It's not to say there weren't conflicts. There were. Things we wanted that the other side didn't, and visa versa, but ultimately I think it came up with a pretty good bill.

Kondracke: But it just didn't get funded.

Cannon: Right. Well parts of it got funded, but not our parts, yes.

Kondracke: Do you remember what the authorizing amount was?

Cannon: I think for HOPE it was like \$1.2 billion, in that range.

Kondracke: And you got about \$350 million?

Cannon: Yes.

Kondracke: And was that because the White House Office of Management and Budget didn't put it into your budget, or because Congress didn't—

Cannon: They put it in the budget, but they required it to be offset with other things that, public housing construction, and other things that Congress was never going to cut to that degree.

Kondracke: But did Jack agree to the tradeoff, when the budget went in?

Cannon: Yes.

Kondracke: Because there obviously were things that he preferred—

Cannon: He thought were more important priorities. His argument at the time was that we have so many units of public housing are vacant. We don't need to be building new public housing. We need to be managing the public housing we have better. He saw good arguments for not building new public housing, which was really a bit of a boondoggle for certain communities. It cost way more than it needed to, you have to pay Davis-Bacon wages, he could see good policy reasons not to be spending money on building new units of public housing when you could have vouchers. The appropriators in the Senate and the House wanted more of everything. They were happy to give us whatever we wanted for HOPE as long as they could have everything else too.

Kondracke: Who were the chief appropriators that you were dealing with? Who were the people in Congress that Jack had most to do with?

Cannon: On the appropriating side on the Senate it was Barbara Mikulski, and on the House, I don't remember. I mean Mikulski was the driving force, I would say. On the authorizers it was much more collegial. It was Henry [B.] Gonzalez was in the House, and Chalmers [P.] Wylie was the ranking Republican. And in the Senate it was, well

Don Riegle was the chairman of the Banking Committee and Al D'Amato was the ranking Republican, but Alan Cranston was the housing guy.

Kondracke: What was the problem with Mikulski?

Cannon: She wanted more of everything. She didn't really want to cut anything. There was a big dispute. There was a supplemental appropriation bill in, I guess it would have been 1991, and we were trying to get, HOPE had just been, the housing bill had just been passed, and we were trying to get it funded, and there was a little bit of a game of chicken. The White House didn't fight for it. We put it forward but they didn't fight for it. And they ended up, Jack wanted them to veto the supplemental, and because they didn't put money in for HOPE and the President did not veto it, and so after that it was—

Kondracke: Why?

Cannon: There were other things in the supplemental they wanted. They didn't want to jeopardize them. There was a space station thing that was a priority for the Vice President, for Quayle. There were other things. I don't even remember what they were. I remember the space station because we were outraged. [laughs]

Kondracke: When Jack was outraged and frustrated and all that, how did he behave?

Cannon: You know, the thing about Jack that I really appreciated as a staffer was that when he was mad he would express it, and then it's

over. He didn't carry grudges, he didn't seethe and lash out or anything. When he was unhappy about something he would express it, loudly sometimes.

Kondracke: Did he use swear words?

Cannon: He really did not swear very much at all. He really did not. No. I mean, I'm sure he did sometimes, but it wasn't his normal.

Kondracke: Especially not in front of ladies, I suppose.

Cannon: Yes, I'm sure not in front of ladies. But no, that wasn't something that was part of his regular everyday speech. You knew where you stood with him. If he was mad or frustrated, he couldn't hide it. We used to joke because I was the same way, and he would write me a note saying, "How do you think I can tell how you feel?" Then he'd draw a picture of me with like steam coming out of my head or something. That's the way he was too. He was very, he couldn't hide it.

Kondracke: What else was in this housing bill that made the difference.

Cannon: Was of any importance?

Kondracke: Yes, or of any importance?

Cannon: There were some minor programs that were policy initiatives. There was the Shelter Plus Care program, which was the homelessness initiative.

Kondracke: Was that funded?

Cannon: Yes. I don't think it was fully funded but it was funded more because I think there was an emerging consensus that that was more of a way to deal with homelessness than just building new public housing projects. And there were some really minor little programs that I don't remember what they're called, little things that we wanted that we did get in and we got some minor funding for because they were so small that they don't show up on the budget.

Kondracke: What about ownership? Was that in that bill? Public housing ownership?

Cannon: Yes, that was the HOPE program.

Kondracke: So how many units actually ever got bought by public housing tenants?

Cannon: I don't know.

Kondracke: I read very few.

Cannon: Probably very few.

Kondracke: And some of them were in D.C.

Cannon: Because by the time it was funded, Kemp was gone, he was no longer secretary. And once he left, they said a lot of the nice things about it, but programmatically it really wasn't a priority. It did not become a big focus for anybody.

Kondracke: But the drug-free aspect of it he did get done.

Cannon: Yes, I think so. I don't remember legislatively what happened. Administratively yes, there was more of a focus on that.

Kondracke: This report sort of indicates that Bush did declare a quote unquote new war on poverty. Was there a speech to that effect, or?

Cannon: I think he did slip it in somewhere along the way. It might have been after the L.A. riots. It might have been when he went to Cochran Gardens in St. Louis. Bertha [K.] Gilkey's project.

Kondracke: Bush did.

Cannon: Bush did, yes. Jack was reluctant to use that kind of language. The President was. Jack was always urging him to, and always casting what the President was doing in those terms even if the President didn't say it himself.

Kondracke: How many speeches a week would you say Jack gave?

Cannon: I don't know. Two or three, maybe. Maybe more.

Kondracke: Okay, enterprise zones. Did enterprise zones actually ever get into a Bush budget?

Cannon: Yes, it did get into a Bush budget, not with the tax incentives as broadly as Jack would have wanted them, but pretty much. There was a cut in the capital gains tax in enterprise zones, and there was some expensing of investments and all that, but they didn't get enacted in that form as I recall. They did get enacted in some form, but yes, they did make it into a Bush budget, even before the riots.

Kondracke: This is House Ways and Means and Senate Finance Committee.

Cannon: Right.

Kondracke: Who were his counterparts, who did he deal with legislatively on enterprise zones? Or did he have any allies on the Hill?

Cannon: He really, really, really wanted [Charles B.] Charlie Rangel to be his ally, and he was, to the degree. We were always in a situation where there were things that you had to give up to get the thing that you wanted, and the Democrats on the Hill wanted you to have the thing that you wanted and the thing that they wanted. So that was always a conflict. The Ways and Means Committee overall was not friendly to enterprise zones. When we were on the Hill I remember begging Barber [B.] Conable [Jr.] to do something, he's the ranking Republican in the House at the time. He just resented the idea that somebody who wasn't on the Ways and Means Committee would even have a tax idea, much less want you to have a hearing about it and all

that. It was always an uphill battle with Ways and Means, always. But Jack persevered.

Kondracke: At 1992 riots you weren't there anymore, but you were dealing with—

Cannon: Well, I mean I was getting a lot of calls from the press and kind of under the radar from my colleagues at HUD, because [Thomas M.] Tom Humbert, who was also gone, and I were the people who were most on a day to day basis—

Kondracke: Who was Tom Humbert? What job did he have?

Cannon: He was the deputy assistant secretary for policy development, and he'd also worked in the Congressional office and had worked on some of these issues there too, so we were the people most on a day to day basis involved with those policy initiatives.

Kondracke: And what happened after the 1992 riots?

Cannon: I think the White House made things a priority that had not previously been a priority, and there was a legislative package passed and it did include some version of enterprise zones, I believe. But it was at the end of the administration and the President wasn't reelected and so in reality the implementation of it was out of Kemp's hands.

Kondracke: So you didn't go on any of the trips to L.A. though?

Cannon: No.

Kondracke: Did Jack talk to you about them?

Cannon: No.

Kondracke: Another priority was fair housing. What did he do on the fair housing front?

Cannon: It was mostly an enforcement responsibility. There wasn't a lot of legislative initiative in that area. The assistant secretary was a guy named Gordon [H.] Mansfield, who went on to be secretary of Veterans Affairs. He made it a priority. It was something that President Bush had supported when he was in Congress, the Fair Housing laws, and so that was an area of—the President had a history in the housing arena. There were some studies that came out, we did some studies and there were some small grant programs, but it was really more of just taking seriously the enforcement of the Fair Housing laws.

Kondracke: Overall did Jack think that his service at HUD was a success, a failure?

Cannon: I think he would think it was a success that could have been a greater success. That he did a lot to change the way people thought about urban issues in the Republican Party, and opened the door for Republicans to constituencies that had never really even considered listening before. So in that way I think he would say it was a success. Legislatively it was a big success in some areas. Obviously the reform,

the FHA, some of the change in the way of thinking about things like homelessness and homeownership. That homeownership was something that wasn't only limited to people who were economically successful, but that it could also be something that helped make people who were struggling more successful. I think all those things were successes.

Kondracke: After the HUD years, what was your relationship with Jack like?

Cannon: Just as a friend, and I didn't see him very often. After I came back to D.C. I was at Fannie Mae for a number of years, and so there was occasionally a slight overlap with him, but he was doing the Kemp Associates—

Kondracke: Empower America.

Cannon: Empower America. Then the Kemp Partners. And so not an awful lot. The only other thing was when he was running for vice president I was pregnant with my first son and was on bed rest, and the day before the debate he called up, he and Joanne [Kemp] called, "Oh my gosh, you should see this briefing book. [laughs] Can you do something?" And, what can I do? So they sent it to me, I don't even know if they should have or were allowed to. I was not in the campaign at all. And I kept having to try to get up. We had no laptops or anything at that point. And I would try to get up and type things, different answers or whatever, and then I had preeclampsia and my blood pressure kept going up and my husband was like "You've got to lie down." I ended up not really being able to do

anything and then the debate—I mean, not that that would have made a difference in any way—but I think he was frustrated by what they wanted him to say.

Kondracke: They wanted him to go negative on [Albert A. “Al”] Gore [Jr.].

Cannon: Well that, but also just the policy, what is [Robert J.] Bob Dole’s position on x, y, or z? It was very boilerplate. There wasn’t any—

Kondracke: I thought Bob Dole was in favor of a tax cut.

Cannon: Yes, just the questions as I recall in the briefing book that he was very frustrated. There wasn’t any real persuasive vision in it. It was kind of what you would have if you were a Congressman and you were writing a letter to your constituent who wanted to know what your position on the Clean Air Act was, or something. It was very—

Kondracke: What did the briefing book look like?

Cannon: It was very, it was a huge binder like this, divided in many different categories

Kondracke: A thousand pages? Five hundred pages?

Cannon: At least, yes. It was huge. And someone had worked really, really hard on it and put it together, and he was, I don’t know if he reached out to other people in addition to me. He obviously was not

happy with what they wanted him to say and do. That debate did not go well.

Kondracke: You watched it from bed, did you?

Cannon: Yes.

Kondracke: And how was your blood pressure?

Cannon: Frank [Cannon], my husband and I watched it together, obviously, and a friend of ours called and after the first question, she goes "We're dead, aren't we? We're dead. We're just dead." "Yeah, we're dead." Hang up. And then the funniest thing was, he kept trying to bring up urban issues, but he wasn't getting any traction. I remember my sister called me from home, and she's not involved in politics, and she goes "What's redlining? I don't understand what redlining is." Jack was trying to inject some of these issues into the debate, but it wasn't really jelling.

Kondracke: What did he do about redlining?

Cannon: Well redlining was—

Kondracke: It was a Fair Housing issue.

Cannon: It wasn't only a Fair Housing issue. It had to do with lending in urban areas, so it had to do with whether a small business could get the capital it needed to start if it wanted to start in a particularly blighted area, where it might be affordable. It was kind of an

enterprise zone reference in the way that he was using it at the time, but these areas, they couldn't get capital to start up, so it was a vicious circle. I mean it was a good point, it was a true point, but it just didn't jell in that debate. I probably shouldn't have said any of this.

Kondracke: Nothing jelled in the debate. [laughs] Okay, Mary, is there anything we've missed here?

Cannon: No, I don't think so. I'm sure there are many things that you will come up with in your research that will shed a lot of light, more light than I can on a lot of these issues.

Kondracke: Okay, so how do you think Jack Kemp should go down in history?

Cannon: Well obviously I think he should go down as someone who had vision and compassion and commitment to ideas. Now I'm having trouble composing my thoughts right now. As a great leader, as a great friend, as a great teacher, as a man of ideas, a very human person who wanted to help alleviate suffering where he saw it in every possible way he could come up with, and that his ideas, I think, were the right ideas and that had they been fully implemented, I think they would have borne, would have proven to be of great benefit to many, many people.

Kondracke: Thank you.

Cannon: Okay.

[end of interview]