Tom: My name is Tom Bell actually Thomas Dibrell Bell III but since my grandfather died when my father was one he dropped the junior so I become junior, so Thomas Dibrell Bell Junior there’s now a Thomas Dibrell bell III Rider leaves here in Atlanta. I grew up in Memphis Tennessee I moved there when I was one month old into the Peabody Hotel. My dad was superintendent the construction for DuPont at the time and was building the new plant in the Memphis area, and mom had stayed at Niagara Falls which is where he had built the previous plant until I was born. He was 40 and my mum was 39 so pretty late in life for the 40s 1940s my first memory of the ducks at the Peabody they had these ducks that would swim in the fountain inside the hotel, and every night the ducks would go up on the escalator and they would come down in the morning on the escalator and get into the pond.

There’s I’m told there’s still a picture of the Peabody Hotel of me in the fountain with the ducks I was about one at the time, so we stayed in Memphis after dad built the plant there. He was both a civil engineer and chemical engineer and when he finished building that plant he told the guys at DuPont that he just wanted to stay in Memphis, really like Memphis great place to raise your family. My sister and I and DuPont said well you know you can’t stay there as the plant manager you’re a superintendent of construction you are a construction guy, and he said look I’ve got my chemical engineering degree I can run this plant better than anybody I built it and, so either I’m going to stay here and run the plant or I’m going to quit and start my own construction business here. Because I’m not leaving Memphis well they let him stay and four times they tried to move him after that and every time he convinced them that he can build a facility there in Memphis cheaper and better than wherever they were going to send him.

It ended up as the DuPont works in Memphis five plants and he stayed there until very late in his career at DuPont where they decided to move Wilmington and make him a vice president and that didn’t work too well so he retired. I’ve been asked about early life and how important early life is as I’ve made talks around the country trying to people trying to understand this very odd career that I’ve had on doing different things in different places in different industries with different people. I think most of who you are is created in those early years with your family in your home place that’s where the real you gets developed, people who have a very stable early family life have huge advantages throughout their life. Those that don’t I think have to overcome some very significant disadvantages so I was blessed and I had a father and a mother who loved each other, and who were together for 52 years and I had a dad who was a strict disciplinarian and I had a mother who was a softie.

I guess because my father was older when I was born and I think he always felt like he was running out of time with me from a very, very early age we did a lot of things together. Whether we were fishing or we were hunting or I was a competitive shooter as a young man trap in skit shooting travelling around the country doing that together. All those hours in the car in the boat in the field in the dirt blind well you learn a lot, and I was always around adults so most of the time it wasn’t just dad and I it was myself and dad and uncle Ed or myself and some other of his pals and I think that’s a great thing that fathers should try to do for their sons. Is put them together with their an adult environments where if the child is well behaved where they can listen to the adult conversation and absorb what it is they’re talking about what are they thinking about.

I think you mature so much more quickly that way, well that’s my theory anyway I’m not sure anyone has ever proven that to be correct I grew up in Memphis, went to propel schools for 11 out of 12 years. Got kicked out of St. Michaels after the second grade unfortunately because of my behavior but after one year in public system, my family discovered a new propel school that was been developed at St. Dominic’s. They didn’t know any better so they accepted me in St. Demonic in the fourth grade and I went there with Dominican sisters until through eighth grade and then onto Christians Brothers high school in Memphis with the Christian Brothers which is a very interesting order. It’s the catholic order where if you’re too mean to be a jugulate you get to be a Christian brother, and it was a great place for me I learned a lot from the Christian even though they had to beat it into my head in most cases. I remember when I was going to St. Dominic’s and I was not a very good student in school, I was not a very good student academically.

I was not a very good … not a very cooperative student in the classroom I got very big early I don’t remember this all this clearly dad told me that I was six feet on my 13th birthday and I weight about 175 pounds. I was always the biggest kid in those early years and I don’t think that’s very helpful in terms of learning how to be appropriate in the classroom. Anyway in the sixth grade sister Mary Mercy told my dad that I was really haven’t done well in the sixth grade and I need to repeat the sixth grade, and she thought my father should have me tested because she wasn’t sure that I didn’t have some sort of learning disability or attention issue. Because I just didn’t seem to be doing that well of cared to do that well in the classroom, and so I remember going to take these test and spending an entire day with these group of people in the testing that my father and mother were very worried about me I can tell.

My father said just go in there and do your best and let’s see what they have to say so that’s what I did, so after about a week they got the test results back and my father I remember been there when my mother went and got them. She brought them home and I remember been there with dad when he was going through them, and I could tell he was getting more and more upset and … so that of course made me more, more upset. I was trying to figure out my gosh there must be something wrong with me. He got all finished and he slapped the stuff down on the table and he said I just can’t tell you how upset I am with you, with me and he said there’s nothing wrong with you in fact you’re in the top five percent of every one of these test. That means you’re just lazy no good not trying not paying … and he just went off on me something terrible I’ll never forget it.

I’ll never forget my mother standing by with her hands on his shoulders, now Tom after we had a chance to talk to the people who had done the testing, I guess was some sort of psychologist I’m not sure. They told him that the problem probably was in addition to the fact that I got bigger earlier than other, was probably that I was bored just not really never got into the work didn’t really interest me very much. When they went and had that conversation with sister Mary Mercy and I think they produced sort of new schedule for me which I hated, because I had all this stuff I had to do more stuff than anybody else. I had to get there earlier and I had to stay late and I would still try to do my sports, and I was very unhappy with the way it all worked out but I guess it turned out to be a very good thing for me because my grades improved quite a bit.

Fortunately everyone else continued to grow and things started to even out a bit and so on I went to Christian Brother High School, which was brand new Christian Brothers High School had been there for a long time and we were the last class that went to the old school off central in Memphis. The first class to go to the new school and the first class to graduate from the new school, well first class that went to the new school graduated there. Christian Brothers was terrific for me they had great academic program almost all of our teachers were members of the order, we don’t have that anymore obviously and we had very good teachers and a very competitive school environment. A very competitive academic environment and sports environment, excellent teams pretty much in all the sports it was very good experience. Those guys took absolutely no back talk off anybody about anything and believed strongly in psychical repercussions for a smart mouth.

They didn’t think anything about knocking you right over your chair of course if you did that now I suppose you’ll get arrested, but … and I’m not recommending it but it worked for me. It was very helpful for me and I made some good friends there and made decent grades and did my sports was never a great athlete just a big kid that gotten in the way of other kids. I did a little boxing which was very educational for me in terms of been able to maintain your composure when somebody is beating on your head. Sort of settle me out a bit and … but I got involved in drama and I also got involved in music which I enjoyed a lot, was quite a shock to everybody that knew me. Anyway I went on to the university of Tennessee from there and I can remember my sister who was four years older I can remember my dad and my mother, taking my sister to see all these schools. They went to Vanderbilt and they went to Two Lane and they went to various schools in North Carolina went up to University of North Carolina and they went to Duke. I can’t remember the rest she was a very good student anyway she ended up going to Vanderbilt and I remember as I started my senior year I said to dad I said in the time that we started going to look at schools, we probably need to go look at schools.

He said we already did that I said wait a minute I don’t know we haven’t gone, so we went to that football game at University of Tennessee last year and he looked around the campus with me. He said that’s where you’re going University of Tennessee so I don’t think we have to look for any other, I said what I guess that’s fine with me but why I’m I going to University of Tennessee? He said look your sister needed to find husband we needed to get her in a good school where she can find a good husband he says you just need to get education. You can get as good in education as you want at University of Tennessee you just have to work at it a little bit. Find the right professors and he says besides all of those kids that you go to school with there, you’ll know them throughout your career you’ll create relationships they’re very beneficial to you throughout your career. He’d gone in University of Florida and was a swimmer at University of Florida and of course he didn’t spend five minutes in Florida after he graduated, I dint mention that at the time.

Off I went to the University of Tennessee I think now about how much time we spend obsessing over where our kids go to school, and frankly the way we raise our kids period we’re so involved in their life everything that they do we want to know where they are and where they’re going and when they’ll be back. Who they’re going to be with and what courses are they going to take and how many event courses should they take and where are they going to go college. It seems to me that in so many cases it’s more about us the parents than it is them the children, which is just dead wrong it’s so different than the way our parents raised us. I’m not sure exactly what happened because and I’ve asked this question to 100 of my friends and I said were your parents all these touchy feeling so involved. Everybody said are you kidding me absolutely not I said do homework no I dint think so obsessed over where I was going to go to school, no it was a very sort of hands off figure it out yourself give you a chance to make mistakes environment. We don’t do that and I think it’s a real mistake I think we retard our children’s growth by not letting them get out there and do things on their own and make mistakes.

I’m guilty of it myself so at Tennessee I went in as a engineering major because that’s what my dad wanted me to do and that lasted one semester, I describe it like this the engineering students of that day and age and Tennessee has good engineering program were very serious about been engineers. If you went to the bulletin board in the engineering building it was all about need a study partner for this or we’re having out of class seminar on this of professor so and so is willing to provide extra time for this. I got to admit I just hated the engineer … I didn’t want to be an engineer especially when all my friends and fraternity brothers were in business school. On their need a fourth for golf in Hill Wood on Thursday afternoon as opposed to need a study partner, that seemed to me to be a much better way to spend your college year. I remember I had to go home to dad and not asking if I could transfer but telling that I had transferred from the engineering school to the business program.

I think that’s probably the first time I really stepped out of the box and did something on my own understanding that there may be consequences, but having heard somewhere along the way that forgiveness is often easier to acquire than permission I just went ahead and did it. He as it turns out said okay if that’s what you want to do at your age you ought to be able to make your own decisions. I had good first couple of years at the University of Tennessee I was there about three years when an odd thing happened; this young congressman name Bill Brock who is a congressman represented the Tennessee at the [inaudible 00:18:38] area of Tennessee. Had been asked by then President Nixon to do he and some other young congressman to do a campus tour, because you remember this is 1967, 68 and there were riots going on, on campuses there were Acadians taken over buildings. President Nixon had asked these young congressman try to go out there and find out what are these kids so upset about, what is going on that’s creating this issue.

Of course mostly the Vietnam war but there were things going on as well, and so they came to Tennessee these group came to Tennessee and since I was involved with the inner fraternity council at the time. I guess I was maybe an officer by then I’m not sure they asked me if I would be willing to show around campus and put some beatings together for them. Which I did and I got to meet congressman Brock and we hit it off and spent two days together, and that was my first or really second introduction to an important world class political personality and I was intrigued by that. I’ll go backwards to when I was about 14 years old my dad was the chairman of the Tennessee manufacturers association and something had happened. He had served and ended up serving two terms instead of one term and so at the end of the second term they had a big dinner for him in Nashville. The governor came and he sat next to the governor I was his date I guess companion so I was sitting up there with him and I just watching the crowd and watching the interaction of all these people coming up and talking to the governor was Frank Climit at the time.

Basically kissing his rare end and telling him how wonderful he was and asking for advice in this and asking for advice on that, and I remember driving I said to dad I don’t understand any Mr. Climit was a very nice guy I don’t know what does a governor do? He told me he’s chief executive of the state and I said why were all those people coming up to talk to him, he said well yes immense power in the state and everybody wants to be friends with the governor everybody wants to know the governor. Everybody wants something from the governor and I thought to myself been a governor that wouldn’t be such a bad job really it looks like it’s a pretty good job. My first introduction to political so anyway now I’m back at the University of Tennessee and I got to know Congressman Brock about four or five months later Bill Timmins who had been his Brock’s chief of staff and got over to the White House with President Nixon as director of legislative affairs.

Called me up on the phone said congressman told me to call you the President is coming go East Tennessee State University which is up in the Tri-city area, to make a visit and we’re looking for a couple of young people to help us find our way around the campus. The head advancement for the president was a guy is a guy named Dewey Clawa and he’s going to be calling you and maybe you and one of your friends could him out. I said we don’t go to East Tennessee we go to the University of Tennessee, he says I know but you understand how campus life works and they just need an interpreter. I said okay I can do that so Dewey Clawa calls and said the president is coming on such and such time and we need you for a week. I said I don’t know that I can do a week and well just try just go your professor tell him what’s going on tell him we asked you to help us with the president see what they say.

I go to see my professor to tell him he said sounds like it’ll be a pretty good experience give you the time here’s what you have to do while you’re gone, so I went up there to East Tennessee State and worked with Dewey Clawa watched the full presidential advance team come to town. This was in 68 I guess and watched the whole program and worked with him every day and I tell you I was just captured by that process. To watch how they moved in the White House communication organization moved in the secret service secure the campus, talked to everybody about who they should see and what they should do and how this is all going to be staged and the whole security process. What are they trying to get, I sat in the meetings what are we trying to get what visual what’s the visual that we want to see. Was going to be on the front page of the paper what ‘s the television is going to have, watching how the speech was pashed and changed and recalibrated to be the needs of the audience.

I just thought that was fascinating so I went back to school and thoroughly bore down with regular class work because having watched that process wow that was really something. I finished that period of school and then Clawa called me and did a couple of things with those guys, other places they had gone which had student participation. I worked for DuPont that summer and dad decided the best thing he’ll do for me was to give the horse job in the plant so he did, I worked in the cyanide plant swing shift. I remember I worked five days from eight till five and then I had one day off and then I worked five days from 5Pm to midnight and I had one day off and then you worked five days from midnight till 8Am and you had three days off and then the process started over again.

You got your body clock about as screwed up as anybody but yeah I was 20 years old so what difference does it make, a little hard on my girlfriend at the time me showing up at midnight her parents didn’t like that very much. I can remember we would get off Sunday morning at 8:00 and so we’d go down to the dinner down from the plant and we’d be having our dinner and a couple of beers. All the church goers would be coming there looking at us like we were havens and which was not that far from the truth, but actually we just got off work and we’re tried. I worked at the cyanide plant cyanide plants is an interesting place to work because we made cyanide pellets and as you know the way they kill people in a gas chamber is they drop cyanide pellets into water. It creates a gas so you have to keep that environment very day and very hot, hot and dry for the process.

We would only work 50 minutes out of the hour and then for 10 minutes we had to go and take salt tablets and drink a bunch of water and then we’d go back out, great experience working with those guys that was a great experience for me working at that plant was a great experience. Well towards the end of the summer I go back to school and I’m fully engaged and trying to figure out how to get through my statistics class, which I dropped twice already and knew that I had to ultimately finish. I got a call from Congressman Brock and he said I need some help running for the United States senate against Albert Gore, and Albert Gore is a very anti-war and big darling of the college set. I really have to be able to keep pace with him among young people and so I could really use some help and some advice. I said sure congressman I’d be delighted to help you and … so I started working for him part time in the campaign going to school keeping up with my other responsibilities.

It got more … he wanted me to do more and more and finally his campaign manager Ken Ritz called me up and said look, can you take off after Christmas and work for us full time and just take off to or that second semester actually two quarters we were on the quarter system at Tennessee at the time. Then you can go back to school and I said well yeah if I can get a deferment I can stay out for six months but if I can’t get a deferment I can’t do it. Because if you miss if you don’t go to school you don’t have your … anyway I was able to go graph board and get a one year deferment. I went to work for Brock in his campaign agonist what we call in Tennessee the real Earl Gore which was Earl Gore senior and that was my first involvement in the political … We ran that campaign and I sort of worked my way up from been a youth coordinator to been a field or state youth coordinator to been the state motor group coordinator all the groups. We had Barbers for Brock and Farmers for Brock and Democrats for Brock, youth car salesman for Brock and everybody else for Brock. Then ultimately my final job was sort of deputy to the campaign manager running around doing all the stuff that he didn’t want to do, my friend Ken Ritz who is still a friend of mine today some 40 something years later.

We worked together several times over the years anyway that was a great experience and it’s something really to be valued if you can get yourself in situations where you’re clearly over your head and having to learn on the job. You have people that have enough confidence in you or who are desperate enough to give you responsibilities that you shouldn’t have you really grow very quickly. You either die or you grow you either flame out or you figure out some way to get it done and your learning curve escalates very significantly and that’s what happens, and that what’s … and that’s generally what happened in the campaign environment. Now campaigns have become so organized and so high powered and so expensive everybody has their jobs but in those days you threw bodies at problems. You sort of figured out what you were going to do but sometimes between 10Pm and midnight the next day and it wasn’t much more lose and sort of by the seat of your pants. Anyway we run that campaign and we beat Earl Gore Senior much surprise to everybody and we beat him not tremendously but by one and half percent probably.

The national media couldn’t believe it but the part that they really couldn’t believe was that we beat him among young people almost two to one, and what we discovered was most young people don’t have a fully articulated or thought out view of what they believe or don’t believe politically or from sort of a public policy philosophy. They didn’t consider themselves liberals or conservatives they didn’t have 24 hours seven days a week news programs that tell them what they were supposed to think. We found if you went to them told them about your candidate asked them to become involved and gave them something to do with their peers, they sort of liked that and they got involved they thought it was fun and now we talk about things going viral. In those days things sort of went viral sort of mouth to mouth as opposed to gadget to gadget. The more young people we got involved the more young people they got involved and anyway it was very successful and it create quite a bit of national attention to Brock how did this happen.

Because here we thought all young people were against the war and they would be for Earl Gore and that’s not what happened and we don’t understand it sort of the national media shocked. Brock went on to Washington and I went on to school but he asked me if I would work for him part time and … so we put a special phone and the desk in our apartment with my three roommates and he had an office in Knoxville. I did his advance work and since he was sort of celebrity this 39 year old congressman had gotten elected to the senate and beat Earl Gore, we were travelling around the country. Most weekends I was off rather than go to a football game or hanging out with my pals at the fraternity house I was off with Brock in Wisconsin or Oklahoma or down in Texas some place in the south land where the republicans were trying to end almost 100 years of Democratic Party rule. That went on for a year or so I was able to keep up with my course work and then one day Bill called me congressman … then Senator Brock called me and said I need you to come to Washington we got a special project we need to work on.

I went up to DC and I went to see him in his office in the Russell building and he said attorney general Michel has called and he wants me to explain to him, how we were able to win the youth votes in Tennessee. He said I don’t think there’s anybody better to write up that for me than you and I wish you do that because I’ve got a meeting with him on Monday. This was Friday and I said well sure senator I’ll be glad to do that I said but if you don’t mind me asking what’s the attorney general … why does he care, he said well he’s going to be the chairman for President Nixon reelection campaign. Okay John Michel, so I worked all weekend with a lot of help from Ken Ritz and some of the other people that we worked together and we put together this little they would call it a PowerPoint today. We just … in those days we called it just a memo to the attorney general went over to Bills house gave it to them on Sunday night he read through it made a few changes, we went back to the office fixed the …

I called in said got it all done I’ll bring it back to the house and he said no I’ll just get it from you in the morning, and I said well senator I’m going to school in the morning. Said no you’re going to the meeting with me with the attorney general I said wow okay sure I’ll do that, so off we went the next morning to see the attorney general and to explain who we won the youth vote in Tennessee against the Earl Gore. We went to that meeting and he said well this is terrific he said I’ve got a meeting in an hour with Mr. Haldane who was the President’s chief of staff. Let’s as long as you got just come with me let’s go over there and lay this out to him see what he’s got to say. They did and he was very enthusiastic about it and went briefed the president and the president was enthusiastic about it. They decided that’s what they were going to do and came back and Brock called me up that night and he said well you’re not going to believe this but they’re going to create young voters for the president and they’ve asked me to the chairman the young voters for the president.

I guess that means you’ll be the executive director I said senator I can’t be the executive director I haven’t finished school I’ve got to go back to school, and he said Tom he said you need to think about this because this is a national political campaign for an competent president. He said this is just going to an unbelievable opportunity for you and like you need to seriously consider whether you can’t defer school for a year or a year and a half and dos this. I saw okay but I got to go back right now because I got to go back to class. I went back to Knoxville and thought about it called my dad and my mother and my mother was did against the idea but deferred to my father who said.

Now let me get this straight you’re going to be on the staff of President Nixon? I said well yeah dad I’m the campaign staff for his reelection campaign, in some sort of serious role and I said I don’t how serious it will be but I’m going to be employed by the campaign. Try to do what we did in Tennessee nationally he said well I think that’s probably an opportunity you can’t pass up and if you think you can do it then you ought to go try and do it. I left school went Washington drove car with all my earthly possessions up to Washington DC to this little apartment that they had rented for me right off 16th Street. In Cochrane in 16th and I remember I drove all day and I got there about 9:30 or 10:00 and I just took my bag left everything in the car took my bag went up stair and crashed. Got up the next morning went down to unpack and everything in my car had been stolen. The trunk was up the wheels were gone my golf clubs all my cloths everything had been absconded that was my welcome to Washington DC, and I realized later on everybody just laughed at me.

Everybody knows you can’t leave anything in your car in that area you’re lucky you didn’t get killed, okay thank you very much so off we went after about a month it became clear to me that there was no way I could do what they wanted me to do I just didn’t have the management or the business experience to do it. They asked me to out together these budgets I’d never put don together a budget in my life other than Tennessee. I called Ken Ritz who was sort of my mentor and had run the Brock campaign successfully now he was a celebrated political consultant at the end of 29. He started to help me in … it immediately became to me and he knew he could do this, so I called Brock up and I said Senator we need to hire Ken Ritz to be the director and I’ll be the deputy. Because he knows how to do this and I think if I do it it’d not going work out the way you hoped it would.

We went called on Ken and got him to … he had some other clients that he was working on John Tower down in Texas and this young fellow by the name of George Bush young congressman named George Bush who was going to run for the senate in Texas. That was George Bush the first he said I have to continue to work with this clients but I can give you 75% of my time and … so that’s what we did. We started young voters for the president and it turned out to be quite an experience unbelievable experience for me, there was another example of just been thrown in the deep end of the pool. Go to New Hampshire and organize young people for go to concord and recruit somebody to be our chairman our youth chairman there, and then let’s organize young voters organization in New Hampshire. I tried to make arrangements to go to Concord and I think … I can’t remember exactly there but I think I was so naïve I ended up in Concord Massachusetts instead of Concord New Hampshire, because I didn’t realize there was more than one Concord up there in the place I’ve never been north of the [inaudible 00:40:37].

Never been north of Kentucky I think that’s the furthest I’ve ever gone so it was a great experience and in the process of that experience they decided that what we should do, we should really celebrate the young people at the national convention. Because that was going to be our first opportunity to show the world and show the voting public that even thought this war was underway and it was extremely unpopular, and the national news was showing rioting on campuses every day. There were the SDS and all these student organization they thought that’s what young people were really into though it wasn’t what young people were really into, it was what minority of young people were into those that were had been radicalized and were paying attention and who cared. They decided that what we would do if we put series events at the convention, and we would use our youth organization to provide all the volunteer manpower for the convention.

The ushers would be young people the people that did all the logistics would be young people, all the jobs that were usually adult jobs and very visual in the convention center around the convention center at the convention events. We tried to have young college students doing those things and of course we knew at the same time, there were going to be demonstrations that are going on by these other radical organization. The convention was going to be in San Diego California and so they gave me the job of running the convention for that aspect of convention. Off we went to San Diego to begin organizing everything and we … there weren’t enough hotel rooms. We went to San Diego University and the various colleges the convention is in August the schools are out, we got all the dorms under contract and we were cooking along.

About six weeks before the convention the secret service came along to the president and said we can’t have the convention in San Diego, we simply can’t protect you there it’s going to be too radicalized he said the venue doesn’t really work. He said we’ve got to have a venue that can be more contained and you need to move the convention, it takes a year to put on a convention six months of hard work now we have six weeks and the only thing we can do was to move the convention to Miami. Where the democrats have just had their convention … were going to have their convention and their convention was one month before our convention. All the systems were in place secret services were familiar with the facility you can cut Miami Beach off by closing two bridges, if you had a security situation etcetera. We had to move our entire operations to Miami and once again we were all thrown in the deep end of the pool then, but me at the ripe age of 21 I think by then a logistical nightmare. Where was I going to put 4000 kids well there wasn’t any place to put 4000 kids all those fancy hotels up and down The beach of course that’s where the delegates were going and the president’s staff and all the marketing marks.

There was no place for the kids to go so I’ve recruited named Steve Knostrand who was the executive director of Miami Beach Chamber of Congress a young fellow 27 28 years old real good guy. I said Steve we’ve got to find … we need universities and he says Tom there are universities but there are none on the beach I mean there’s nothing down here. If they cut those roads off if they secure those bridges and we’re not going to be able to get our volunteers to do their jobs and this won’t work. I said well there’s got to be some place he said well there is some place but you’re not going to like it, I said what’s that he says well there’s 20 or 30 old run down hotels in south beach Miami that mostly are either empty or they’re filled with old people or in some cases vacant. He said they’re pretty scazzy but there are rooms. Off we go to south beach to the Delano Hotel and to all the rest of those hotels up and down … we at least we rented out every hotel in south beach 21 hotels some of them small as three rooms and some of them big like the Delano with 240 rooms.

We rented them for a month it’s the only way they would rent them to us because it was month to month room, and I’m embarrassed to say now they kicked all those old people out and told them they had to go find someplace else to live for a month. That created a bit of a stir so we were paying them to go live someplace else for a month, we cleaned this places up as best we could there were alligators in the Delano Hotel swimming pool it’s just unbelievable. My average rack rate … not there was the average rate I paid per day per room I remember it like it was yesterday was six dollars and 55 cents a day a room. To put all those kids in a hotel made out headquarters in the Delano, and now when I walk down south beach with my family I point to these hotels and say yeah I rented all these hotels once upon a time they look at me like yeah right dad sure. Now the rack rates $1000 a day and all the beautiful people are in south beach, so anyway we had our convention and the kids did a great job I could tell you stories all day about that convention and the things that happened that have never been disclosed.

I won’t but the our 30 … we had 3400 kids there and they made a great showing and it was the talk of town and the radicals had flamingo parks, and they had their show going on and they tried to attack the convention center a couple of times. They had to be put off with tear gas and that was there story which was on the news but then you turn on the convention on the inside and you’d see all these kids and you’d say wow obvious the president has a lot of support among young people and he did. 62% of the votes against George MaGanvan 58% of the youth vote under 30. Bill Timmins who now head legislative director says so what are you going to do after the campaign? I said I got to go finish up school and he said do you have to go back? I said well yeah I think so I mean and he said look if you don’t go back I don’t want to keep you from going back but if you decide not to go back he said I got a job for you.

I said what will I do? He said well he says we’re going change things around a little bit and we’re going to put the congressional LAs on staff and all the major departments. We’re going to have assistant secretary for legislative affairs and the transportation department and health and human services and interior department and defense department etcetera. He says I don’t think you can be assistant secretary but I think you can be a deputy assistant secretary and have the number two job, and maybe after a couple of years you can have the number one job. You get to know everybody on the hill that ought to be great for your career, I talked to myself je that’s pretty interesting so I called my dad up and I said there’s … what do you think and he said let me make sure that I got this right, you’re going to be a what? I told him and he said what will they pay you to do that? I said $38500 a year he said $38000, it’s 1971 I guess no two and I said yeah that’s what they say that’s the rate, he said well he said you got to finish school can you go at night?

I said I don’t know, he said let me talk to your mother he calls me back he says she’s not happy about this you have to promise that you’re going to finish school, but I think you should do it. I’m all set they asked me if I would do the inaugural balls the inaugural events and so I did that as deputy director the inaugural the second Nixon inaugural. Did the events so the concert and balls once again with our young team it was very interesting and it’s the first time that the balls had ever been done in federal buildings. We took over the Kennedy Center this [inaudible 00:50:46] institute the pinch building and that was interesting, and then I was all getting ready to go to work for the government, and one day I got a call from Senator Brock and he said you need to come over here I got some people you need to meet. I went into his office and there was Bill Timmins and a lawyer by the name Lim Garment and Senator Brock and Fred Thompson who was US attorney I guess then and Assistant US attorney in Nashville.

It has been Senator Backer’s council and I looked around and I didn’t know two of the four of them, and I said what’s going on, he said well there’s been a special investigative body created for to investigate water gate. Everybody knew what water gate was by then and Senator Backer is going to be chairman of the minority banking minority member. Fred is going to be his council and the special prosecutor Sam Dash has identified you and since you were the third person hired by the committee to reelect the president to be the informational witness for the committee. I said well what does that mean, well that means that when they want to know something about what did this person do or where did this person sit and when was this person hired. Or what was this person responsibility or when did you hear this when did you hear that they’ll come to you; I said well I didn’t have anything to do with any of that I don’t know anything about any of that.

They don’t want to know about the break in they just want to know who these people were when they were hired, I said well I don’t want to do that he said good because we don’t want you to do it either. I thought I was going to be deputy assistant secretary and Bill said well you’re not going to be able to do that, and said you need to go back to Tennessee. You need to have a job so that we can say well Mr. Bell is available I mean you can sapina him if you want to but he lives in Nashville and he’s working there so you’re going to have to fly him back and forth to DC and you’re going to have to supplement his wages so that his boss … the next day I’m on a plane back to Tennessee I’ve got a job in a fund raising outfit in Nashville who raise money for charities. Which I had nothing to do I was told where to go and where to show up and I was disappointed so I went back to school had my job and then the water gate hearing started and I was about the happiest guy ever.

Because Rob Odal who was the guy that was hired after me was the informational witness and for seven straight days he was on television, because remember those were the first televised hearing everyday and I’m pretty sure everybody in America though Rob Odal had something to do with water gate break ins. When all he did was answer questions about when Mr. Magruder was hired what Mr. Lidy did for the committee and etcetera and that would have been me. There’s a little lesson there if you’ve got friends in high places who are looking out for you who care about you, who don’t want to see you hurt when you’ve done nothing wrong you’re blessed. Because if they hadn’t looked after me I was not smart enough to know to say no so anyway I dodged the bullet, and I don’t need to tell anybody about water gate or about the president blowing the greatest mandate in modern political history by abject stupidity. That water gate whole water gate thing is such a great lesson which unfortunately most people have forgotten, I’ll tell you today I am absolutely certain Richard Nixon knew nothing about that program and knew nothing about that break in or what they were doing.

Why I’m I so certain of that? Because there’s no one in that White House who would have the courage to tell him, they just wouldn’t have done it so he knew nothing he hands were quote clean now he had many failures failings don’t get me wrong. On that particular his hands were clean he has 62% of vote and the right to do whatever he wanted to do as president in his second term, and instead of letting the chips fall where they may letting the people that were responsible for pay the price for their illegal activities. Through his tuberous his arrogance perhaps at least partially brought on by the fact that he had such a great reelection mandate, he made the decision to try and cover it up I think initially his people [inaudible 00:57:03] and Ordamn and Calson and company were not telling him all the facts.

He got himself a little bit crocked on the issues at the outset but it wasn’t long until he knew the facts and instead of just calling Senator Backer up and saying, come over here I’ve got a story to tell you. They decided to what do they call it stone wall and the result is he ended up having to resign and blew the thing that we had all worked for, all those kids that we had involved in this campaign what do you think they thought now that this guy turned out to be a liar. Had to be run out of office it was just tragic absolutely tragic and that was it I washed my hands off politics, I don’t want to have any more to do with that I was so disappointed in how it had all played out. For the fourth time I’m trying to pass statistics and I’m back in school and minded my one business and trying to get out as fast I can because I’m a little older than everybody else. I don’t find school very interesting anymore and I’m just working on the side keeping myself busy, one day I get a call from Pat Brock who was Bill’s Brock younger brother.

He said can you come down to [Chad Logan 00:58:57] have dinner with me, and I … Chad Logan is not far from us, I said sure what’s up? He said I just need to talk to you about some stuff that’s going on with Bill. I went down there to Chad Logan and we had a cocktail and had dinner together and he said Bill’s office his senate office is just not working right and it’s just … apparently according to Bill, I needed to talk to him but the staff is not getting along there seems to be two opposing teams if you will. He said Bill would like you to come up and spend a few days there see if you can figure out what’s going on since you know all the folks. We had a holiday coming up from school I forget just when it was and I went up to Washington and spent a few days, and I figured out pretty quickly what the problem was. That the fellow who was then chief of staff was having an affair with one of the girls in the office and there are a group of people in the office felt like she was getting unfair treatment.

Another group who felt like she wasn’t and this has created this problem in the office this might be one of the oldest problems in the history of workplace relations, and all I can say whoever might ultimately listen to this is the old saying that that my dad left with me that is always a tragic mistake to stick your pin in the company ink well. You can try to figure that out in modern times if you wish to is a very good piece of advice, relationships in office environments when you’re the boss are froth with danger and ultimately are not going to work out well. I went to Bill I said look there’s no way to really resolve this without dealing with the people involved and he said good, he said so why don’t you go talk to Bob. I said me I don’t work here I don’t hardly even know him because he came along after, he wasn’t involved in the campaign he said yeah but he knows that you and I are close and so why don’t you go talk to him.

I go talk to Bob get him in the cafeteria at the Senator’s office building and he says what business is this of yours and what the hell are you doing here anyway, I said well the senator asked me to come and I it’s really no business of mine I’m just he asked me to have this conversation I’m having it. That was quite a lesson for a young person and he been 20 years older than me went into the intimidation mode, and I don’t know exactly what it was about it and maybe there’s a lesson here somewhere. It just hit me the wrong way and so I said to him I said look this is very simple, you can stop and try to repair your relationship with the staff or you can leave those are your two choices. He said well you can’t fire me or threaten me you have no you’re not even on the staff and I said well that’s the way it is you just figure out what you want to do. I remember walking out of there walking down the halls and I was literally shaking, I had no authority to say anything like that I went back to the senator I said senator I think I probably screwed this up.

This is what I told him he said perfect that’s exactly what I would have told him I said really he said yeah, so anyway he tried and failed and … which was another good lesson. Trying to get all the sand back in the sandbox is very difficult and so he had to leave and about a month later Pat Brock called me up and he said [inaudible 01:03:27] is going to leave and senator what’s you to come up and be his chief of staff. I said me I mean I’ve never even worked in the senator office he said well you need to go up there and talk to him, so I went back to Washington and sat out with Bill. Said senator I don’t know what you guys have been doing here I’m no legislative expert and he said look everybody here knows you everybody here respects you, everybody knows you were involved in helping us out of the other situation he says I’ve got complete confidence in you and I’d like you to do this. Just come up here and do it for a year and if it doesn’t work out go back to Tennessee, so you know what’s coming next right I call my dad and I say Senator Brock wants me to come up and be his what was then called administrative assistant now called chief of staff.

He said so what do you do really so I run the staff he said you’d be the boss, I said well the senator is the boss but I’ll be the deputy boss. He said well how many people would you have work for you I said about 50, he said well how old are they? I said well I will be the second youngest person in the office I was 23 and he said do you think you can do that I said well, I don’t know I guess we’ll find out so once again I leave school and I move back to Washington and I can only imagine what people must have thought now when they came in that office and saw me sitting behind that desk this young kid. I was smoking a pipe at the time so that was my prop I look at those pictures from back then and think to myself what are those adults think that were coming in there having to talk to me about whatever their issue was. Anyway I liked it I was pretty good at it the staff came back together senator did well in his roles in the senate become chairman of the senate campaign committee which is unusual for a senator in his first term back in those days shared a couple special task forces. We had a great time he didn’t get reelected I went back to run his campaign and ran against a guy named Jim Saser who had absolutely no business been a United State senate in my opinion. It was during the Carter Ford campaign. Two things happened one was which most people don’t realize one was that Jimmy Carter got more votes higher majority in state of Tennessee than any state in the nation including Georgia.

We had more people vote in the state of Tennessee that year than any time until and that was 76 in any time until the early 90s, what had happened was that evangelical crowd that exist in the eastern part of the state which are usually heavy republican but doesn’t vote in great numbers. The evangelical crowd turned out to vote in great numbers and voted for Jimmy Carter that was the one thing that happened, the second thing that had happened is that Senator Brock would not release his tax returns. He gave me his tax returns there was nothing in his tax returns other than the fact that he was quite wealthy, but he wouldn’t release them as a point of principle. He said this is … if the political class start making people make their tax returns which are supposed to be private public, then where will it end when will the government make everyone tax returns public. He stood on principle and it cost him I’d say maybe one percent one and half percent, anyway we lost a very close election Senator Brock got more votes in that election than any republican got in the history of the state or any republican got in the next four state wide elections.

He lost by 40000 votes and … so once again I was done with politics I couldn’t believe that the people of Tennessee had elected this guy Jim Saser, who had no business been in United States senate over Bill Brock who had a great six year run in the senate. I didn’t want to have anything to do with politics after that so I started a consulting firm that did public relations and public affairs consulting for corporations and for associations and things of that nature. It was relatively successful and we had a pretty good run going on Carter in my opinion turned out to be a really bad president poor president, smart man well intention wanted to do the right thing but the problem at the time was economic. He didn’t give it … populist really don’t understand market economics in my opinion we see that now with our president administration. The economy was getting very bad we had double digit inflation and double digit unemployment; we had interest rates that went to the roof and … so I got motivated again.

When Brock was chairman of the senate campaign committee I got to know a lot of the consultants around the country and a lot of people and started doing some consulting or as part of my business for political candidates. I got in John Ruthel in California John Tower down in Texas, Lamar Alexander in Tennessee, Howard Baker, Dick Lugar in Indiana and was writing strategic plans for campaigns and putting fund raising campaign plans together for campaigns. Then my brother-in-law I was married to Margret McDaniel my brother-in-law called me up from Indiana and said he was going to run for congress in Indiana, and so I worked for him helping in his congressional campaign. I guess was doing 70% commercial work 30% political work had offices in Washington and Nashville. I had a firm good team and then my cousin called me up and said he was going to run … I mean my brother-in-law called me up said he was going to run against Senator Bi in Indiana for the senate. My brother-in-law was then Dan Quail by the way and he really needed me to help on that so more of my time started going to the political side and then of course President Reagan was running or Governor Reagan was running and I work with him earlier did some work for him and I was sliding back into the political world.

Now our business is 70% political and maybe 30% commercial, so Dan gets elected would be by couple of my other candidates won and a couple of my good candidates lost to in 80. I said okay that’s it I’m not doing politics anymore and started to refocus on commercial business and we step up three new companies. A polling company opinion research company a search firm a head hunting firm for public affairs type in association with executive, and direct marketing firm and we had as our rule we were going to do 80% commercial and only 20% political and I wasn’t going to do the political stuff. Some of my guys wanted to continue doing that and … so we were cooking along offices in Washington and back in Tennessee. I think by then we had an office in Boston too and I was hired to one day the a guy named Dan Searle who was running the Searle drug company up in Chicago called me up. I knew him from somewhere I can’t remember where right now and he said I’m on the board of a think tank called the Hudson Institute and we’re having some issues and I would like to have our founder and his executive vice president come see you in Washington I said alright.

They made an appointment and I sort of forgot about it and my assistant called me that day and said Doctor Con is here to see you Harman Con, so his associate Mr. Mark Signer. I said okay well send them on back. She said I think you should come get them well I bet okay so I walk out to the reception area and here’s Harman Con and all his glory he has on maroon … first of all he weighed 425 pounds. He has an Amish beard not much hair he has on maroon double nip pants which were fairly tight a black silk shirt and a white and black double nip bounce tooth coat and a white belt. Next to him is Mark Signer who in a perfect Brooks Brothers outfit and he gets up off the couch and he’s huge and I have to admit I’m sure I was sitting there like this. Because I’ve never … I mean I’ve read some of Harman stuff but I’ve never had any idea what he looked like, we introduce ourselves we go on and he sits down in my office and I say well Doctor Con great to have you here I’ve read some of your work what can I do for you?

He said well Tom we’ve got some issues at the institute and we really need some advice and some help and Mr. Searle and Mr. Timmins thought maybe you can … you could help us. I said, well tell me your story maybe I can, for the next 40 minutes he spoke non-stop between the speed at which he talked and the level that he was speaking at intellectually. I caught maybe 15 or 20% of what he was saying it was way over my head and every once in a while Mark Signer would interrupt and say well what Harman meant was such and such I got that far. I was just dumfounded all of a sudden in mid-sentence he stops and he turns to Signer and says what time is it because he never had a watch. Mark looked at me and he says it’s about 3:15 he says oh my gosh he said can I use your phone I said sure, picks up the phone he’s looking at a piece of paper he dials the phone and he calls and he says, “This is Harman Con may I speak to secretary Bans please alright yes I know I’m sorry I’m just running late yeah 15 minutes I can be there in 15 minutes okay alright. Sorry I’m running just a little a little bit late in my previous appointment I can be there in 15 minutes thanks very much.”

I said was that the secretary of state he said yeah I’m running a little bit late let me just finish what I had, and he proceeds to start talking again I said Harman you can’t do that you got to … he’s the secretary of state you got to go see him right now. He said that’s one of my problems and he left and I thought to myself fortunately he left Mark Signer behind, and I said Mark what the hell is this? He said look he is on one hand probably the smartest of God’s human creation he is brilliant beyond belief, but he’s also in some ways the dumbest he is the most disorganized scatter brained hard to manage person. I’ve been with him for 15 years and I can’t do it anymore he said you’ve got to find somebody to run this institute or it’s going to go away. He just can’t sustain it as he gets older this is just getting worse he was 60 probably I said so is he really going to see the secretary of state? Oh yeah is the secretary of state really going to wait for him? He said oh yeah, he said and if it had been the president of United States he would have done the same thing.

I mean he gets involved in a conversation with somebody and that’s all he’s thinking about, so I said well how can I help you he said well I hear you have a search firm could you find a president for us. I sad do you know I have president now … yes we do and she’s a delightful lady she used to run Mulberry College or something like that I can’t remember exactly. She can’t stand it anymore first of all she can’t do it because he won’t listen to her and he can’t … we got to find somebody who can deal with Harman. I begin to search for the president of the Hudson Institute and Hudson Institute was well regarded think tank about 70% of its business was for the government or allied governments. National security and economic international economics mostly about 30% was from private corporations.

About 60% domestic about 40% international terrific staff of brilliant [inaudible 01:21:14] up on the old Lame Estate North Cronut, just north of the city overlooking the river so I start doing the search bringing people to the board and Harman. Found a couple that the board would accept that Harman wouldn’t accept I found a couple Harman would accept that the board wouldn’t accept, the board were all CEO types and so finally Wally Stun who was the chairman of the board at that time had just taken over from Dan Searle I remember it’s correct. Said I brought in another candidate and … who wasn’t going to work and Wally said why don’t you … would you do this? I said me, head of a think tank I said Wally I never graduated from college. He said that’s not really what the job is about really it doesn’t make any difference you said you do so well with Harman and now you’ve got to know everybody you know all of us and you’ve obviously been successful some of the other things that you’ve done.

You really articulated our problems so well in the position statement so you understand what our issues are he said we can make it worth your while, let me think about it. We were at the end of a campaign cycle so I went back home talked to Margret we had a young son we were living in Washington DC and anyway long story short we just said okay we’ll do it. We moved to Cronut Hudson became president and chief executive officer of the Hudson Institute made Harman the director of research for Hudson. He no longer had an administrative role or title and moved to Cronut lived right there on the campus in the president’s home, and became the head of a think tank. Now amazing thing happen when I became head of that think tank, instantly my IQ went up about 100 points and I became Dr. Bell. Didn’t make any difference how many times I told people I don’t I’m not a doctor I don’t have an PhD I was still Dr. Bell, because everybody else at Hudson would was doctor somebody. I’m not internally but externally and internally I don’t think my IQ went up very much but externally hey just assumed as president of a famous think tank he’s pretty smart.

I learned something in that process that my dad had always told me but I never really understood it he used to say, if you’ll keep your mouth shut people won’t know how little you know or how stupid you are. I developed a certain skill set with these brain yaks that I would be dealing with all the time, and they would get in whatever their subject was and they would begin to rattle off about … and I would sit there listening intently and I’m a pretty good listeners always been a pretty good listener which is important by the way. It’s not a natural skill it’s a developed skill listen and I’d let them talk for about seven or eight minutes, I’d say would you hold on for a second do you have any data that backs that up? Yeah sure and they’d tell me all about the data I say okay that’s interesting and then they’ll talk for another 15 minutes and I say back up now why do you say that how did you reach to that conclusion? That doesn’t sound … well I know it sounds unusual but … and then they’ll rattle off so you just interrupt them every once in a while. Ask a couple of questions let them talk for a sec wait a minute why do you say that and then they back up and they tell you, okay well what are we going to do with this? Then they tell you what they want to do and then they leave and I always have somebody with me and I’d say do you know what they were talking about? They’d say yeah I got it I say okay and I heard 100 times they would laugh and they’d say come back to me after they walked the person out, and they’d say stuff like I probably shouldn’t even say this. They’d say stuff like well you didn’t again I say I did they say oh yeah, the guy says he says that’s the only non-physicist that I’ve ever talked to who actual understood my work.

That happened over and over again and I learned a lot it was like having your own graduate faculty [inaudible 01:27:14] 24/7, if I read something in the New York Times that morning about issues in Israel. I could call one of my guys up and say come here and talk to me and he’d come and say explain this to me what’s going on. How does this work why is this an issue is there an opportunity for us here, and I was good at seeing opportunities where our skill set at Hudson might be able to help the government or a corporation or in organization find a way out of their problem or a way to take advantage of their opportunity. It wasn’t always met with great success by the way I remember we had Dr. Brown ran our energy program and every year we would make the Hudson the Brown estimate of reserves and price. A forward 12 was before energy was traded the way it is today and so every year and this is you remember when we were having energy crisis.

The OPEC have been created and so the Axons of the world were confident that pricing was going to go up continue to go up linearly, and Dr. Brown said no chance that’s going to happen price is going to be radix because you cannot have collusion among kings that will last. I said Bill what do you mean he says Tom there are kings they are in-charge of everything they touch now you’re asking seven or eight of them to agree with each other on anything for any period of time it’s not going to happen. He says they’re going to fall out and then market is going to get all screwed up and then they’ll come back together and they’ll stay together for … and then they’re going to fall out. I said can you tell when they’re … he said yeah pretty much, he said I’ve got relationships with all the ministers and I can pretty much tell when things are going bad. I said is that what you base your forecast on he said yeah partially and I’m the only one who does that, everybody else is just looking at the data.

He would make a prediction that oil was going to be static or is going to fall by such and such and Axon and all energy clash with virus, you guys don’t know what you’re talking about. He’d be right oil would stay static or fall not go up as they had predicted they’d all hire us back every time they hired us and hired us back I raise the price by 20% and then he’d do it again and they’d fire us and then they hire us back and that went on for several years. You can’t have collusion of interest pretty good lesson there I think you could apply that not just the government but probably but probably the chief executive officers of major organizations or any major organization. Religions, corporations we had a meeting that we did every year I mean once a month at the pentagon, and the government hosted a breakfast or a lunch.

All the three star officers in pentagon would be invited from all the services and they had a subject they either ask us to talk about something or Harman would talk about something. It might be a new weapons system it might be a new logistic issue it might whatever and so we’ll have if we’re … any breakfast or lunch we would have 30 three stars in there. He would be talking about the impact multiple warheads or nuclear warheads would have on deterrence or he’d be talking about where Israel was in their development of the weapon or some other classified. We were all had all out tickets pretty much so one morning I went get him pick him up and we had dinner together the night before with some of our none government clients. I went to pick him up with our driver because he couldn’t drive and he was dead died of a heart attack that night, the great Harman Con had passed away 62 years old.

Well that was quite a blow because there’s only one Harman Con we have an unbelievable stuff but one Harman Con, I’ll never forget as long as I live that night on the 6:00 news Dan Rather lead the news with the following statement. Today we lost the world’s smartest man Harman Con died at the age of 62 blah, blah I thought to myself wow, so then we called trustees meeting and the general view of the trustees was well we can’t we’re going to have to close the institute because we can’t have an institute without Harman Con. I said I don’t think that right we’re not going to close the institute and some of the trustees were felt the same way many others felt we had to of course the staff was devastated. Harman had become less important over time the staff had become more capable he’d slowed down quite a bit but still brilliant, anyway there’s big debate and I finally said look you guys do what you want to do.

If you don’t feel comfortable we’re going to keep the institute open and I think we can Harman and I I’ve been looking for a place to move and as we can’t support this estate 48 acres on the Hudson river. We’ll sell the estate and the trustees that want to stay please stay if you guys want to leave, leave but I’m not going to close the institute down. I have the right as chief executive officer within the charter to continue and I understand you guys might withdraw your funding but we’ll find funding somewhere else. Anyway they all stayed and Harman and I had already started looking around for someplace to move and the word had got out that we were looking for a place to move. The New York Times wrote a big piece about how people everyone was moving out of New York, this is 1980 I think 81 everybody is moving out of New York because the government is so messed up and the city is so bad. It said corporations even our intellectual capital is leaving the Hudson Institute is out looking for a new headquarters, and all we were going to do is move to wide plains but they made it sound like we’re going to leave the state.

Well as soon as that New York Times piece appeared I started getting phone calls from all over the country, Chambers of Commerce calling saying move here move to Phoenix move to San Antonio move to Santa Barbra move to Nashville move to Indianapolis Indiana. Each one had their own pitch so Harman and I were sort of thinking well maybe we should move maybe we can, not only get the money for the estate maybe somebody would pay us to come there. We decided what we need were major university relationships because we had a relationship with Colombian in New York City. A lot of our guys were associate professors there and with New York University, so we had already been working on that and I told the trustees I said look I think let me see if I can sell the estate and let me see if I can find a place to … for us to move. Where we can significantly reduce our cost and get more bank for our buck, so anyway it ended up the really aggressive places were Phoenix, Arizona.

Because Harman had been a professor he’d been the first Goldwater professor at the university of Arizona or Arizona state whichever one is I guess either in Phoenix. Where were they? Tucson maybe but anyway he was well known in Arizona and the papers in Arizona and Phoenix were owned by the same people that owned the papers in Indianapolis, and they were very competitive to each other so we narrowed it down to those two places. They sent delegations to talk to us and all those kind of stuff this is all when Harman was still around, and now Harman passed away and so I figured it would go away no they still wanted us to come. We end up going to Indianapolis Indiana and going … in Indianapolis there’s a combined Purdue University and Indiana University campus, so they had all the engineering sciences from Purdue and all the arts and sciences from Indiana. They gave us a building right there on the campus that we converted to our headquarters for the first two years we were there, and the Lilly endowment gave us $10 million to move which was a lot of money in those days.

Two million dollars a year for five years unrestricted use it for whatever we wanted so we had fellowships and professorships for our folks that wanted them, so they can continue to teach. We moved the whole kit and caboodle to Indianapolis Indiana the birds and river in New York and I had and there’s a lesson here I guess for my friends who leave in New York City or in out in California or the other great cities in the world. A lot of my researchers when I tell them we were moving to Indianapolis Indiana they were like where is that. Where is Indianapolis Indiana? Then one of them would say well you know Indiana I’d say we fly over that when we’re going out to the Ran Corporation it was that big middle of the world. We had to hire some driving instructors because half are people who didn’t have driver’s license never driven a car, after we’ve moved and we’d been there for about a month or three weeks I got a call from the deputy police chief one night about 11:00 and he said to me … and I too had gotten to know a little bit and he said Tom he says ‘do you ever fellow who works for you by the name of Frank Ombrester Dr. Ombrester?’ I say yes sure why? Has he been in an accident or something? He said ‘No but we found him down in the steam tunnels and we thought maybe he’d … he swears he was looking for the subway and I think maybe he guy’s crazy.’ I started laughing I said, ‘No actually he probably was looking for the subway. Ha he had a couple of drinks?’ He said ‘yeah’ I said ‘ See he’s from New York and when he saw those stairs going down he probably figured he was going to the subway so he’s just wondered around down there in the steam tunnels …‘ That was a typical experience we had with the … all our New Yorkers and Californians moving into Indianapolis. Indianapolis was a great place for us and after a couple of years we acquired the old … one of the old mansions one of the great old mansions … I can no longer recall whose home it was and we did it for our staff and built and added to it and Hudson had a great run there.

While I was there I went on the board of a couple of the Indianapolis companies a bank Merchants National Bank, a computer software company called Compucom, Mayflower Moving company … by this time I think I’m 37, 38 something like that. One of the boards I went on was Ball corporation, had a [inaudible 01:40:43] Indiana. I got divorced about that time from Margaret and we were having our annual meeting and in our annual meeting at the Hudson we always had a bunch of people come and make presentations and we invited people from the community and people … all our contractors from government and you know we’d have hundreds of people. I made a presentation that night which was called ‘Approaching the year 200’ which was sort of a copulation of the work that we did on future’s research and as you know there’d been a lot of that kind of futures research in Hermann while … what shouldn’t have been best known as the future probably was best known as the future to those days.

After the meeting, Dick Regan who was the chairman of Ball and the CEO came up to me and said ‘hey I want to talk to you and I know you’re making … you’re doing our annual speech at the [inaudible 01:41:49] county chamber of Congress' he said ‘would you be willi9ng to come have dinner with me that night?’ and I said sure. We went off and had dinner and he said ‘look I’m going to retire at 62, I’m 60.’ And he says ‘I’ve talked to the board about this we’d like you to come and be executive vice president of Ball and my successor.’ He was a dick … the last time I worked for a manufacturing company it was DuPont I was 19 years old. I don’t know anything about manufacturing …He said we really need to … some different thinking. He said ‘we’ve got very strong people running our packaging business and we’ve got very strong people running our airspace business but we need to grow our airspace business and we need to expand our packaging business.’ He said ‘I can teach you what you need to know in the two years that we have together.’

I had just got divorced I had been running Hudson Estate for six years, I was broke, I was still living in the same town with my x-wife whose family owned both the newspapers … I said maybe this is worth doing. I moved to Muncie Indiana from Indianapolis and I became the number two person at the Ball Corporation in this small town of Muncie which is a great town by the way and Ball was a great company. In Muncie Indiana you have Ball Corporation you have Ball state, you have the Ball foundation, you have the Ball hospital system, Ball Corporation was Muncie Indiana. That’s an odd environment to live in … the second thing that was odd was here was this guy who was a member of the board and I stayed on the board as the only other executive on the board who had come inside in sort of an undefined role and I had some direct responsibilities but largely undefined role where everybody quickly figured out what my real role was which was to be the apprentice to CEO.

I have to say that the senior guys in that company who were running the major businesses and were pretty certain that they should be the CEO the next CEO were not really enthusiastic about that; which is a lesson for whoever’s listening to this program. If you’re going to come n from the outside you need to come in with defined responsibilities and some sort of scorecard so that you can make a contribution and demonstrate to people why you should be considered for whatever job that you’re ultimately being hired for. I’d actually recommend that you not go in period unless you had the job ... or maybe go in as chief operating officer anyway you’re going to get the job six months later but to come in sort of under the radar and think people aren’t going to understand what’s going on is just nonsense. They’re way too smart for that they figured it out right away. Then you’re walking [inaudible 01:45:19] with a big bull’s eye on your back … because the fastest way to take care of his problem is to get rid of you.

Since all of your information depends on them, you’re in a very vulnerable situation and you better make friends in a whole heck of a hurry. Well then my friend Dick Regan who was the CEO did something where I honestly think he was trying to help me but he was not helping me and I wasn’t smart enough to see it at the time, he said ‘we’re going to organize a big program to restructure this whole corporation and you’re going to be in charge. Now I’m the guy from the outside who has no practical experience in any of the major business units and I’m in charge of the task force that’s going to restructure the company which puts everybody’s job at risk one way or the other. Are we going to sell these divisions are we going to acquire these things … not very smart, very rocky road and a very major learning experience … very major. In the process of doing this and the bad news was it was difficult and stressful and I was not very happy. The good news was the learning curve was unbelievable for me and I was making some progress, I fell in love with my now wife Jennifer Haltsman and she was living in Indianapolis and was commuting back and forth to see me and I was commuting back and forth to see her and one night we went to a Ball social event and pretty much every social event in Indianapolis or even Muncie was a Ball social event because that’s all there was a Ball this and Ball that. Dick was there and with his wife and we spent a lot of time together.

Driving home that night Jennifer who was a nurse and who was the head nurse … a head OR nurse at a children’s hospital and grew up in a medical family her dad was a doctor, sister was a doctor everybody in the family. She looked at me and she said you’re friend Dick Regan either has cancer or some other debilitating disease or and I think this is more likely, he is in the late stages of alcoholism. I said ‘that’s nonsense what are you talking about?’ she said I’m just telling you I’ve been around this stuff al y life … he’s sick. You just … you better pay attention. I start watching and sure enough I notice … begin to notice things and one day we had been out in [inaudible 01:48:27] Colorado where we had a big airspace operation and we were meeting at the airplane we had private planes obviously because you can’t fly anywhere from Muncie Indianan to fly back to Muncie and I got on the airplane early and he was already on the airplane and I caught him up in a bourbon a little bourbon bottles, drinking it from the bottle.

I said ‘Dick what the hell are you doing I’s 7:30 in the morning?’ he said ‘I got a terrible hangover from last night I thought this might help.’ Anyway I watched him and I could tell that what was going on now that I had been enlightened by my fiancée. I went into the chief financial officer who I’d gotten to be friends with and I said ‘you know I think Dick’s got an alcohol problem. ‘He laughed he said ‘It took you what eight months to figure that out?’ he said oh my God tom where have you been? I said well how bad is it? It was pretty bad we just had to work around it and I said well ‘you and I need to talk to him we need to get him some help.’ He said ‘No I tried that a year ago and he basically said you ever bring that up again it’ll be your last day here.’ I said ‘You’re kidding?’ he said ‘No, so you can give it a shot if you want to but …’ I didn’t know what to do.

I went to see our lead director our oldest director … flew down to Birmingham had some business to do there and I went and took him out to dinner and I said ‘You know we got a problem’ and he said ‘oh yeah what’s our problem?’ I said ‘well you know ‘he said well I was wondering how long it was going to take you to get down here. What do you want to do?’ I said ‘look I love the guy he’s unbelievably talented but we have got to get him some help he’s going to kill himself. He said ‘okay let’s do an intervention.’ I said ‘what’s an intervention?’ he said ‘well that’s where you get your loved ones I’ve done it before you get your loved ones around an individual you sit him down, you say you got this problem. We’ll all write him letters that say why this problems affecting him and therefore us for him to take with him and we get them and pout them right in the [inaudible 01:50:42] airplane send him to treatment, he stays there … no communications for the first two weeks with anybody until he’s got though his DTs and then back under recovery.

I said ‘Does this work?’ He said ‘It works … doesn’t work all the time but works most of the time. We’ll have to get his family involved we’ll have to get Edd Ball and Dick Fischer … it’s okay you and … so we organize this intervention before a board meeting and right before we’re supposed to go into the room Dick Fischer who is a former chairman of the company [inaudible 01:51:22] by marriage came to me and said ‘Tom we’ve decided it’s probably not a good idea for you to be there because you’re going to be interim while he’s gone and he might think that this is just the …’ I said ‘Oh I got that completely fine I understand.’ They all go into the room and they don’t come out and then at this intervention stuff’s supposed to take about 30 minutes 40 minutes and then an hour and a half later finally Dick Fischer comes out with Eddy Ball … comes in and closes the door and I said ‘So, what happened?’ He said well you were right and he admits he’s got a serious drinking problem and he admits that it’s causing a problem and he read the letters and understands and … I said ‘did he go?’ “No no he’s convinced that he can handle it himself and so we’re going to give him a chance to do that. He says ‘just give me 60 days, I won’t have it … I’ll clean myself up and this won’t be a problem.”

I said well that doesn’t work right I mean our lead director told me that he got to go, well he’s a very disciplined guy we have confidence he can do it. I said. Okay,‘ so we go on have the board meeting, next day I’m in my office about 7:30 and our offices were connected by internal all with bathrooms and storage closets and stuff. He comes through that door and leans up against the door and he looks at me and he says, ‘Well you almost got me but you missed.’ Turned around and walked out. I followed him in there I said Dick what are you talking about?’ he said ‘I know what you were trying to do, trying to get me out of here … you a little tired of waiting? Well let me tell you I’m going to quit drinking and I’m not going to retire at 62 and I don’t want to talk to you get out of here.’ I walked back to my office, thought about this for a little while … called the general counsel said George come on down here. He walked down to my office I said I had a three year contract but I had the right after two years to leave and I get paid for the third year that was part of the deal we made; because it was an experiment for both of us.

I said George my contract is up on the 13th of next month I’m out of here. I left and he stayed … and he died 14 months later … Cirrhosis of the liver and all the comp0lications of that. Then they had a terrible time hiring somebody to replace him and George Cecil who was the general counsel ended up as the acting CEO and then CEO for like four years and they finally got the chief financial officer in this. He chief executive officer he did a great job in [inaudible 01:54:57], after having a tough few years done very well. Now I am unemployed but paid for a year and I’m enthusiastic about having this opportunity to do something fun and interesting and Jennifer has asked me to write a book so I’m thinking about writing this book and a friend of mine calls me from New York … who ran an agency called [inaudible 01:55:38] which was the largest public relations firm in the world at that time and he had been on our board at Hudson institute. He said I’m going to come down to Indianapolis and have dinner … I want to have dinner with you.

I said well you don’t have to come down to Indianapolis because I happen to be in New York for a board meeting Thursday so I’ll stay an extra day and so we had dinner and during dinner he reached into his pocket and pulled out a letter he said ‘here read this letter’ I read this letter and it was an employment offer to a friend of mine that we both know who’d been president Reagan’s last chief of staff to become vice chairman of [inaudible 01:56:25] and run all their public affairs business worldwide and un the Washington operation. I said ‘well that’s great that’s terrific he’ll do a terrific job.’ I said ‘why are you showing me this?’ he said ‘no he is going to Hill and Norton’ which was our big competitor. I said ‘you are kidding me?’ he said ‘no.’ I said ‘so what did you give me that for?’ he said ‘I want you to do that. We want you to do it.’ I said ‘you want me to do what?’ he said we want you to do that job be vice chairman and move to Washington and run [inaudible 01:56:59] affairs of business worldwide and I said ‘really, on these same terms?’ and he said ‘yeah.’

I said ‘have you old anybody in the company about this?’ He said Harold knows and the guys at Young & Rubicam because [inaudible 01:57:20] was a subsidiary Young & Rubicam and I said so what did they say? Oh they’re all for it because I had been a client of theirs they knew me. I said ‘well okay let me think about it.’ I didn’t call Jennifer that night I just went home went to bed went back to the hotel and then I called her the next morning as I was at the airport and I said ‘let me read you … you got a minute?’ she said yeah I said ‘let me read you a letter’ and so I read her this letter and she said so they’re going to pay you x and they’re going to give stock of y and we’re going to move to Washington? She’s living in Muncie and I said ‘Yeah.’ She says okay, I’m packing call them and tell them yes. Back to Washington I went now for the third time and so I ended up taking due in that job for a couple of years and I was chief operating officer of [inaudible 01:58:26] and a member of the executive committee for Young & Rubicam which was a private company at the time.

We had a big client called Gulfstream aerospace and gulfstream was having a really tough time because for the first time ever Gulfstream invented the long range business aircraft when they made the G1 the Gulfstream Drum and G1 and then the G2 first business jet long range business jet long range business jet. Now they had just brought out the G4 but Dassault a French company had brought out the Falcon 900 which was a real competitor. It would do everything the Gulfstream would do it’s a little more expensive because of three engines instead of two; I didn’t think it was quite the airplane but it was a real competitor. Then Bombardier up in Canada had brought out the Challenger which was not a Gulfstream but fulfilled about 80% of the mission. Do about 3100 nautical miles in range and had a nice cabin and … so the guys at Gulfstream were just getting their butts handed to them and Teddy Forstmann had bought it back from Chrysler along with a guy named Allan Paulson who the original founder of Gulfstream, he bought it from Grumman and they were just having a terrible time and Allan had left because he didn’t want to do it anymore and Teddy had hired a guy from IBM to run the place and that had been a disaster.

All his partners were trying to get him to sell Gulfstream get rid of it because he had an unbelievable record at the time, his annual return to his investors was 39% compounded. They said look ‘just get rid of it, take your losses it’s not going to really affect your results that much and it’s a tubby.’ He said ‘well I’ll consider it.’ He got Goldman’s act was an accounting firm, Freetrack was the law firm each to do their study and he hired us to do the marketing study, since we knew the … the aircraft and we knew the market. We all brought back our reports and Goldman said ‘sell it,’ Delloitte said sell it, Freetrack said sell it and we said great product, great brand, nothing wrong with the company just marketing has a dismal. Well what we didn’t know and what they obviously didn’t know is Teddy had no intention of selling because he loved the airplane and loved telling people that he owned Gulf stream and the Gulfstream G4SP was on the … about to be rolled out and the G5 was underway.

He told all those guys to go pound sand and he came to me and said you guys obviously understand this, he said ‘I’m going to make myself the chairman and I want you to go run the company’, I said no way I am not going to Savannah Georgia and run another manufacturing company especially with you up here as chairman. I’m just not going to do that I’ll help you, I’ll be your consultant, I’ll help you find somebody, I’m not going to do that. Well I didn’t know it at the time but the best way to negotiate with a billionaire is just to say no because they’re not used to people saying no. He kept after me and every time we have the conversation the deal got a little bit better and a little bit better. Finally I said to Jennifer who I hadn’t even talked to about this I said you know I sat down and said ‘we got to have a conversation’ so we had a conversation about Gulfstream and Savannah.

We snack down there in Savannah and we wondered around looked around and she wasn’t all that enthusiastic frankly because we … now we had our tool, had a little son and we … she had just bought this house and was redoing it … but anyway long story … boy this has been a long story. We moved to Savannah to the Gulfstream 1993 … August of 1993. I remember flying down there with Teddy on his G4 and we pulled in the Gulfstream headquarters are right there and the manufacturers are right there on the Savannah airport so we flew into the airport, we’re pulling onto the tarmac and I was looking out the window and there’re six Gulfstream G4s lined up, one right next to the other. They’re all this odd green color, very unattractive for pea green and I looked out there and I thought ‘boy those are really ugly, that’s a really ugly color’ and I turned to Teddy and I said ‘who do those airplanes belong to Teddy that’s an ugly color?’ he laughed he looked at me and said ‘I guess they belong to you now’. I said ‘what are you talking about?’ he said ‘That’s inventory.’

I said ‘we’ve got six finished airplanes that are just sitting on the tarmac?’, and he said yap, and he said ‘they’re all certified they need an interior they need a paint job and they need to be sold. Then he said by the way there’s another one coming off the assembly line next Thursday. I forgot to do my due diligence on the inventory … I just looked at the previous year’s numbers and things had gone downhill really fast so 1993 we had negative cash flow I think it was a hundred and … almost 180 million dollars on about almost 900 million dollars of sales. We had to go back to our debt holders and convince them to become equity holders because couldn’t service the debt. We jumped in there we got a guy named Bill Bolster who is a terrific sales and marketing guy, came from Hawker and Fred Bridenback was running the manufacturing operation. We got … recruited a guy from McDonald Douglas who had just certified the MD-90 in the fastest time ever we got him to come to Savanna.

There’s nothing like luring stock options in a private company that’s going to ultimately go public to get people down to Savannah Georgia at the time and put our team together … totally revamped our marketing and sales operation, changed how we made the airplanes. It used to be that every airplane was custom and it cost us a fortune and made a very … delivery process very slow but if you went back and looked at the records there are really four interior designs that made up 90% of all the … what the customers ended up with. I said to the guy we’re just going to do this four interiors, we’ll be able to deliver the airplane three months faster and we’ll be able to reduce the price by a million bucks because everything doesn’t have to be custom. They can pick the shades they can pick the rugs they can pick the colors they can pick the upholstery they can … but the furniture’s going to go in one of these four places. “Oh no, no you can’t do that.’ ‘Oh that’s what we’re going to do’.

They convinced me that we still had to have a custom option so we do we have a custom option, it’s going to take three months longer to get your airplane and it was going to cost you a million dollars more depending on what you wanted. I think we sold one custom interior after that and we started producing our airplanes faster getting them to the customer faster, brought our price down a little bit. The G4SP was running great exceeding all its expectations so that was working for us Hanne had gotten the G5 back on schedule because we were in a race with Bombardier they were going to bring out the Global Express so things were cooking along. In 94 or 95 we made $180 million on a billion-eighty sales so we were back in the … and of course the market had helped us a lot, the timing had been good.

Always good to be at the right place at the right time; the guy who had taken over Young and Rubicam or who was running Young and Rubicam when I left was a guy named Alex Crawl and his number two guy was a guy named Peter Georgescu. Alex had been in the advertising business all his life and was a copy writer started off as a copy writer. He was all American sinner at Harvard no Yale … a real tough character. All I can say is I think Alex was sick to death of running that advertising agency anyway he decided he was going to leave and Peter Georgescu was going to take his place. Here’s the thing that happens in private companies [inaudible 02:08:05] was 75 years old private company and it had 800 shareholders which is all the shareholders factors … I think you’re only supposed to have 500 but they got an exemption because of their age they could have 800 shareholders.

As time goes on the people with the most shares did the least work and the people who do the most work create most [inaudible 02:08:25] pay had the least shares. That’s just the way it works … the people work their way up they get more and more shares and they get more and more senior then ultimately they’re so senior they’re really not doing that much anymore they’re sort of in their retirement mode but they still have the shares. The deal at [inaudible 02:08:41] is we buy your shares back at good value so they had every incentive to hang on as long as they could because book value went up every year. It had become a real problem … and Teddy … Peter came down to Savannah to see me and he said ‘look we want you to come back and be CEO of [inaudible 02:09:10] and run all the non-advertising businesses and then I’ll report to you. We’re going to create this thing called the diversified services group ‘I said ‘yeah no I don’t think I can do that I go t a commitment here blah, blah, blah.

Now we went back and forth for a little while and then he said look we’re going to take the company public because we’ve got to fix this share issue that we have so first thing we’re going to do is we’re going to take it more private and then we’re going to take it … try to take it public. We want you to be part of that and they sort of explained the economics of all that, so I said ‘well I tell you what … let me talk to Teddy Forstmann about it. I’ll tell you right now if he says Tom you have a contract with me and it’s got another year to run and I’m holding you to it, then I’m staying. Then if you still want me after a year then we can talk again but if he will let me out … now as is four years I’ve been there I can’t remember maybe it’s three years I’ve been there two I can’t remember. I went … I remember we were in LA we’ were having a board meeting at Los Angeles and I had breakfast with Teddy and I told them the whole story and I said ‘look if you want me to stay I’ll stay but I’d sort of like to go do this.’ He said ‘Well I’ll tell you right now I’m holding you to your contract.’ And I said ‘okay I understand.’ He said’ but what do you want to do?’ I said ‘well to tell you the truth we sort of got the company fixed and you don’t really want to put more of investment in it, I really don’t have that much to do so I’d sort of like to go do it.’

Teddy who you know died last year, earlier this year but he had a reputation of being the toughest guy in the world was really pretty soft when it came to people. He said ‘I’ll tell you what, I’m holding you to your contract but if you can find somebody that I will accept to take your place then I’ll reconsider. Anyway I found somebody a guy named Brian Moss who was running Bombardier Aviation Business and who was a good friend of Bill Bolsters, they knew each other really well they make a great team. We convinced Teddy to make Bill Bolster take my job and then Brian take Bill’s job and anyway he let me off the hook so I went to Young and Rubicam in my new job and we brought in a private equity partner we bought out all of our shareholders who wanted out. We offered them two and a half times book value and told them you can stay … I told them … we told everybody what we were going to do ‘you can stay we’d love to have you stay or you can go it’s up to you, but this is a onetime offer, two and a half times book value then you’re in it with us and either we’re going to be successful or we’re not.

Every senior person took the deal, they took their money and so we … took all our guys moved them up in the organization which they wanted to do, gave them a bunch of options in the new company, got Freedman as who was our private equity partner they bought 28% which is the people we bought out and we set about a two year process of restructuring the business which we did. We took it public in May of 1998 for $18.50 a share … I became shortly thereafter head of Y&R advertising which was the largest of our businesses about 70% of the business. I did that for about a year and a half then I became first chief operating officer and then chief executive officer and chairman of the holding company of Y&R. this obnoxious little guy named Martin Sorrell who … now Sir Martin Sorrell man who was running a company called WPP and it had bought [inaudible 02:14:00] and bought J. Walter Thompson, the two other … there were three great American … old American I’d say Young & Rubicam the first among of them I thought; J. Walter Thompson and [inaudible 02:14:12].

He wanted Young & Rubicam in the worst way and now we were public so he could mess with us and he was messing with us, calling me up all the time telling ‘Tom we need to put these companies together we can be the most powerful marketing services firm in the world. You need to … can I come see you …‘ My board and I are not enthusiastic about this idea because we’re on as growth curve like this and growing 15 or 20% a year, growing our earnings by 30% a year the markets love us. The dot.com era is upon us they have this weird idea that somehow the marketing services firms are going to become the structures in which ‘Dotcoms ‘are going to grow and prosper because ‘Dotcoms’ didn’t have management revenue or you know …our stock was going crazy we’d gone from 1850 to 4250 in 18 or 19 months, Martin just can stand it so he makes an offer for the company … at about $50 a share I think … so I have to take it to the board and we have to consider it and I think of the shareholders but we decide not to pursue it.

Then he comes back with another offer $53 a share something like that and time goes on … after two or three false starts hands up buying the company for what was a share and cash deal but was equivalent of 62 bucks a share. I had to tell the board at our last meeting in consideration I said ‘guys I can tell you right now that this is not a sustainable price. If we don’t take this offer the next time we’ll see $62 is … if we ever see it is five or six years into the future I think. That’s my personal opinion because the stock has run up because of this and because of the dotcom world and that can’t last because I’s not real it’s a bubble. As much as I hate it because I had planned to do this until my retirement, I think we should … we got to sell it to him’ until we did. May 23rd of 2000, we signed a definitive agreement and on May 24th we announced it to the world. He had asked … he Martin had asked me if I would become Chairman of WPP, I said I would consider that but he was so annoying that I just couldn’t really imagine myself doing that, but I didn’t want to decide right then.

It turns out, and this is back to our right place at the right time and how luck is often a major factor in any business transaction as is timing the luck of good timing, and don’t get me wrong this is a great company and it was a great acquisition for him but we paid too much for it probably 20%, 25% in retrospect. Being at the right place at the right time has a lot to do with everything and it turns out that May of 2002 was the highest multiple month in the history of marketing services and is still the highest multiple month and by that I mean multiple urban earnings so it just happened that way. Hellman & Friedman who was our little equity partner that gave us 240 million dollars to buyout the shareholders at two and a half times book value they ended up making one billion dollars net profit off their investment over a four year whole period. Warren Hellman who was a wonderful guy just passed away, told me on many occasions ‘must be the best investment I ever made.’

It took us until November to close … it takes quite a while to close while our shareholders obviously did very well. Mike Dolan terrific executive who was my president became head of the group, I left just couldn’t imagine spending my time working for Martin and the rules of a UK company are different. The chairman has significant responsibility to the shareholders without much authority other than the fact that he can allegedly populate the board and get rid of the CEO. I didn’t want to do that so I retired and when we closed which was in November … late November … and my lead director was this fellow by the name of Mcgilacuty John Mcgilacuty, he was chairman of Chase Bank and one of the great guys of all time a great Irish man, cigar smoker up from the bootstraps sort of character, smart as he can be. And he took me to lunch and he said ‘what are you going to do?’ I said ‘I don’t know I’m 58 years old and I don’t know I don’t think I’m going to run another public company having just gone through what I’ve gone through.’

He said ‘I’ll do something I’m going to take a while’ he said ‘one thing I got three rules; he says ‘first I don’t want you to do anything for six months except to have fun. For the next six months I want you to say no to every offer you get unless you talk to me or somebody who’ll give you a straight advice, because by the time the six months are over you’re going to be so handsy, you’re liable to make a mistake.’ He says ‘and the third thing I want you to do is sell all your stock’ …’I say sell all my stock?’ he says’ yap.’ I say ‘well you don’t think the merger’s going to work?’ he says ‘that has nothing to do with it.’ He says that ‘if you don’t sell all your stock …’ he says ‘what percentage of your net worth is tied up in now WP stock?’ I said ‘Oh you know, 80%.’ He said ‘if you don’t sell that stock you’re going to open the paper every morning and you’re going to see they lost this account, they did this they did that, you’re going to be mad or in hell you’re going to be calling people up … you know I had an office there that they gave me for two years or three years and a secretary I wasn’t going in very often but he said you’re going to be seeing people in the hall. He says it’s going to make you miserable and also it’s going to make them miserable so just get out.

I said, ‘Oh okay.’ So I sold all my stock over the next 30 days and darned if we didn’t have the stock market collapse shortly thereafter and I’d taken the money and just put it into bonds because I didn’t know what to do with it. We had one of the greatest bond markets of all time over the next three or four years so when I’m saying that I’ve been blessed or lucky in my life, I’m not kidding. I’ve had some really wonderful mentors, some wonderful opportunities and some great timing and I wish I could say that it was just all my brilliance that did it but it was good advice from people who’d cared about me and the willingness to take certain chances over time … when they were offered to me. It’s an interesting thing because I sit here and think about this long story that I’m telling and I think about young people today and I think about they come to see me they ask me about my career and how did you decide to do this and what was your plan and all. I never had a plan, they come to me and say ‘I’m out looking … can you help me learn to interview?’ I say ‘I never interviewed for a job. I’ve interviewed hundreds of people so I can tell you what it’s like from my side of the table and hat kind of people … I never interviewed for a job. I never looked for a job, I never interviewed for a job in my life, no one ever asked me where I went to school ever until after the fact … no one ever asked me what kind of grades I made until after the fact if they ever did which they generally didn’t.

When I would volunteer to people that never graduated from the university of Tennessee or later NYU I forgot that part in my story but I went back to NYU the Galton School and completed all my course works so all I had to do as my orals that’s when we moved to Hudson Institute [inaudible 02:24:21]. I never did my orals I was trying to fulfill that promise to my mother. No one ever asked me and I know that’s odd and that’s unusual but I just think all this pressure that we put on these kids about you need to make great grades in school, well you need to make the best grades you can make but what you need to do is graduate, you need to get out of high school and make god enough grades so you can get into a good college. You need to go to college make good enough grades that you can get out and get a good job. After that it’s all about your performance, it’s how that you do … how do you do in every job that you have and my advice to people is always … the secret of success is to under-promise and over-perform and always be willing to take on that next task.

If you have to make a sacrifice, which means that you have to move from place A to place B or you have to take over the broken division because it’s floundering and no one else will even though you think that that’s fairly high risk, that’s the things that you do if you’re successful that sort of accelerates you past the competition. For me all the jobs I’ve had whether it’s in politics or it’s in government or it’s in marketing services or it’s in think tanks or it’s in the aviation business or the manufacturing business or more recently the real estate business, each of those with serendipity one’s just sort of following the next and to the degree that I’ve been successful in those it’s because I’ve been willing to take risks and generally do things that other people didn’t want to do. Be willing to look at your business from the outside with a different perspective than the people who have spent their whole life inside the business, I think that’s a huge advantage.

Anyway I went on to … after looking at two or three other things to do … and spending a short period of time at Forstmann Little back at Forstmann Little as a private equity partner I wish I didn’t enjoy very much I ended up … I was the outside director of cousins properties in Atlanta and I decided my gosh I wanted to go back to work and Tom was hot for me to come down and run … Tom cousins to run cousins he tried to get me to do it right after I left Y&R but I just couldn’t do another public company I just wasn’t ready for it. Anyway I came down to cousins in January of 2002 having been an outside director for three years and took over as CEO of cousins properties and had a great eight years, eight and a half almost nine years at cousins. I think one of the reasons I was successful at cousins and one of the reasons we sold all those assets at the top of the market when everybody else was buying assets was just what I was talking about a few minutes ago.

It’s having a perspective as an outsider not having grown up in the real estate business and being able to look at these businesses and hat these office buildings were going for or what these retail centers were going for. The ridiculous pricing that people were getting that was not supported by the fundamental financials, being able to sit down with my guys and say ‘guys … a typical cap rate or a typical payment for an office building is somewhere between an eight or nine capsule, eight or nine times present earnings and they’re selling for five times or six times so how much will rent rolls have to increase to get back to the norm?’ We calculated that and I said okay so that’s … this $25 a foot building will have to be $40 a foot because what are the chances of that happening? Look around the table, zero, no chance.

Okay so if we know that people are willing to pay us more than something is worth and probably more than they’ll ever pay us in the future and we know that there’s no strategy that we can employ to duplicate that value by holding the asset what should we do? Well we should sell the asset right, so we all agree intellectually that we should sell these assets, yes. Okay, so let’s do it, well I don’t know, if we sell them what are we going to do? Well we’re going to take advantage of the cycle, we’ll sell those assets, we’ll return the money to our shareholders in special dividends and then we’ll rebuild when the markets are coming back and the pricing gets reasonable. That’s what we did we sold off … we had about five billion dollars of assets in our portfolio we sold a little over three billion dollars we’re getting the money back to the shareholders creating quite a stir within the real estate world though others ended up following us.

We didn’t see the crash everybody thinks that oh you guys saw it coming and you took advantage no we just knew that somebody wanted to pay us more than they were worth. We just frankly thought that they’d sort of just drift back down to normal and then the cycle would start again, we didn’t really see the bubble in the home … housing … the residential market even though we were in it a little bit, we didn’t really see the bubble in the residential market. We didn’t really understand how those securitizations had worked, because we didn’t do that. When the markets crashed they really crashed unbelievable and it was also unbelievable that the impact that the real estate markets had on all other markets. When those securitizations went bad, both residential and commercial those bonds and fell to 15 cents on the dollar and that created this waterfall of events within the financial industry.

Changed their capital ratios all these triple A securities were no longer triple A, created that waterfall of events which no one … very few people saw coming yet changed everything and certainly changed everything for people in real estate business but unfortunately it changed everything for lots of other people who had nothing to do with the real estate business they were just sort of the victims of some very bad financings. My son is at University of Colorado he had a professor who wanted him to write a paper on the crash and how it was all from a do to the greed and the criminality of the big banks. He called me up to talk to me about it and I said well is that what your professor thinks? Oh yeah that’s what e thinks. I said well it’s not true. Not that they’re not greedy I think they are greedy but you have to understand how their payment process worked. If they knew that this was going to fail they wouldn’t have done it because costing them money because most of their net worth is options in the shares of their financial institutions and when those shares go from $50 to 5$ it’s just costing them hundreds of millions of dollars would they do that to themselves? No.

They did it through stupidity not through huborous … maybe huborous but not through criminality, they made a big mistake. They created instruments that they didn’t understand and they were created basically by astrophysicists based on models and they sold them to people who didn’t understand them. Radiant agencies raided and who didn’t understand them and everybody thought that things were just fine and dandy, now I will admit right towards the end there on the residential mortgage side it got pretty crooked. Everybody was playing the game but I think mostly what happened was that the financial institutions got on this treadmill that was speeding up it’s going faster and faster and even as they begin to see that this can’t be sustained they didn’t know how to get off. I had one of the top guys at one of the top firms who came to me to talk to me about a real estate portfolio one time and I said because we had looked at the portfolio and he said and he’s a good friend he said, ‘so what do you think?’ I said ‘well you shouldn’t buy it.’ He says ‘well my guys want to buy it in the worst kind of way’ I said ‘you shouldn’t buy it.’

It’s at least 30% over valued and it might be 50% over valued and it’s going to be a problem, all of this is going to be a problem. He said ‘well you know we can finance 95% of it, we only have to put 5% equity and we get all the ups,’ and I say that’s what your guys are telling you?’ he said ‘yeah.’ I say ‘look the banks are crazy because they’re financing something at 30% the least 30% over its value and they’re financing 95% so they’re basically taking a risk they shouldn’t take. Would you make that loan?’ He said ‘no we wouldn’t make the loan.’ I said okay. I said this whole thing is going to come apart and I though just come apart back to normal I didn’t realize it was going to crash but he said to me ‘so what am I supposed to do just not invest?’ I said ‘am I supposed to stand up and say this market is crazy that these financings are crazy, we’re not going to participate anymore we’re withdrawing’ he said my stock would go down 50% tomorrow I can’t do that. I say well then you need to withdraw you need to slow it down, slow the process down; no one I think that they could see that things were getting out of control they just … there wasn’t an easy way to deal with it that didn’t have significant ramifications, negative ramifications.

Anyway hind sights it’s pretty good you know being able to look backwards and go back to the original point being an outsider and looking at a business where I didn’t build the Bank of America plaza, Tom Cousins built the Bank of America plaza so for me to sell the Bank Of America plaza for 435 million dollars was a heck of a lot easier than it would have been for somebody who had been there for 25 years to sell it because they’re so committed to it but if you come from the outside and you’re sort of an objector observer and you’re looking at the fundamental economics of a proposition and you can ask the right questions you will lead your team to the right answers … answers that they might not reach by themselves because they’re so invested in what they’re doing. I think that’s true of almost everything, I think that’s true of this universe and it’s true of your career in the army, it’s true of companies.

Stay inside too long doing the same thing it starts to get clouded. You got to be willing to know when it’s time to move on and I think I knew it was time to move on. I didn’t have anything to do for one thing we were a development company with no development, the markets were awful Dan Dupree who had always been my number two and my vice chairman has left retired. We had promoted Larry Galostat who we’d hired to eventually replace me, we bought his company we put him into the top job I mean to the president’s job. Larry could run the company three days a week and if he needed to he didn’t need me standing around doing nothing so I knew it was time for me to move on and let him do what he needed to do and he’s done a fine job in a very difficult situation. I sort of knocked around for a little while not wanting to do anything so I just spent another almost nine years running public companies so that as my third public company in my seventh career and I was certain of one thing I didn’t want to run any more public companies and I didn’t really want to have responsibility for a lot of people.

I really wanted to set my own schedule because if you’re running a big organization and the organization does everything it can to capture you in the [inaudible 02:37:39] schedule, the advice I give to new CEOs all the time is step back from your business, take a new look, get those blinders off, find some people to talk to that’ll tell you the truth both internally and externally that you can rely on and be willing to take a new look and to take some risk with your business. Put a plan together for yourself with about a five year horizon on it and execute against that plan. Have metrics hat you can trust and that you can understand and that you can explain to everybody also that they can trust them and understand them both externally and internally and hold fast to those metrics. When you’re doing something and it’s not working as soon as you figure out it’s not going to work quit doing it no matter how exposed you are because it’s not going to get better. When you find out that someone is not able to perform then you need to get that person out of there sooner than later I don’t care whether you have some other replacement or not, the longer he stays the more you punish the organization and the more punish him or her. All these little things that I’ve learned over the years, rules of the road that’s our path try to pass along. Probably though most important of those is you need to know when to go.

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