CARTER PRESIDENCY PROJECT

FINAL EDITED TRANSCRIPT (REDACTED VERSION)

INTERVIEW WITH STUART EIZENSTAT

January 29-30, 1982

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YOUNG: Let me start as usual, dispensing with the amenities of welcome and appreciation for your willingness to take the time to come here, to say a word for the tape as per usual about our ground rules. Everything said here by Mr. Eizenstat and by any other members of his staff who may join us today is off the record. Mr. Eizenstat and I have talked this morning at length about these ground rules. He has the circumstance, as all the members of the staff do, of dealing first with a commitment to accuracy, and that means some candor. He also has a commitment and feelings of loyalty to his administration and to the President. Everything is off the record. In this case, whoever uses the transcript material for purposes of writing up an overview will have to follow that ground rule. Everything is off the record unless he stipulates otherwise. This means that what he says is not for attribution without his special agreement when one comes to use the transcript as primary source material for the write-up. If there are cases where the scholar doing the write-up feels that there is a strong case to be made for letting Mr. Eizenstat speak in his own words, then that subject may be discussed between the researcher and Mr. Eizenstat. Have I stated that accurately?

EIZENSTAT: Yes, sir.

YOUNG: Would you like to start out by giving us just a general overview of your work and those four years fairly briefly and before getting questions?

EIZENSTAT: My responsibility was for the coordination of domestic policy, which essentially meant all non-macroeconomic domestic policy. And in that capacity, the paper flow of information from agencies and departments to the President on domestic policy initiatives would come through my office. I participated in the Economic Policy Group, which was chaired by the Secretary of the Treasury, and which was responsible for the formulation and coordination of economic policy. But I was not the economic policy coordinator, and indeed there was no economic policy coordinator within the White House itself. I think I'll be glad to answer any specific questions; otherwise, I may just start drifting off.

YOUNG: All right. Why don't we start out with some discussion about the campaign, taking it almost in sequence here? Your first involvement in the campaign for the Presidency, the transitional period, and the movement toward the decision to set up a domestic policy staff and to organize it, staff it, and so on.

Let me pose to you a general idea about the way the campaign, looking ahead to the Inauguration, was organized. As we have understood it, there was basically a campaign staff that operated more or less under Hamilton Jordan. There was another group working under Jack Watson. That was not involved, as we understand, with the campaign, but was working toward the problems—issues or whatever—of governing. And then third, related to the campaign, was still another group dealing with issues which you were involved in. Is that a correct summary? If not, please correct it, and then we can get some questions.

EIZENSTAT: Let me first just provide some very brief background. After having worked for roughly a year with Lyndon Johnson, in a junior staff position in the White House after I graduated from law school, and having served as Hubert Humphrey's research director in the 1968 campaign, I returned to Atlanta after Humphrey was defeated, and clerked for a federal judge. Toward the very end of that clerkship—as the campaign for Governor in Georgia commenced—a friend recommended that I see Jimmy Carter, who had unsuccessfully run for Governor in 1966. After some debate as to whether I should do that—since I had intended to work for former Governor Carl Sanders, who was running for election again after a four-year lapse—I agreed to meet with Carter.

I met with him, and he asked me to work with him. I talked with him, I suppose, an hour or so, in what was then a very sparse campaign office. I was drawn to him by virtue of the fact that not only was he quite obviously bright and articulate, but he seemed to me to hold out the promise of a person who could build bridges between the urban areas of Georgia—particularly Atlanta—and the rural areas. Georgia was, and still is, a rural state, but it had been very much rural-dominated by politicians running for Governor, running usually against the city of Atlanta. And he seemed to me to be someone who, while having a rural and farming background from the southern part of the state, understood and appreciated urban problems, and would perhaps end some of the divisiveness between rural and urban Georgia.

I served as his issues director during the campaign on a voluntary basis. I went into a law firm after my clerkship and practiced law full time, but headed an issues staff that drafted his basic platform and major speeches. After his election as Governor, I continued to practice law and did not directly participate in the administration of his Governorship. We kept in touch from time to time.

I was called up—in what would have been probably late 1973—by the then-Governor and asked to come to his office to involve myself in a new project. The project involved the drafting of positions which would be used by Democratic candidates around the country running for Congress under Carter's name. There was also a new position—chairman of the 1974 Democratic Campaign Committee—to which he was appointed by the then-DNC [Democratic National Committee] chairman, Robert Strauss. It was a position which in the past was purely honorary and fairly unimportant. Carter—for reasons which I later discovered, but did not know at the time—intended to make much more of it than simply an honorary position.

During the latter part of 1973—and through almost all of 1974 until perhaps a month or so before the election—I was the chief drafter and editor of what turned out to be perhaps ten to twelve issue papers printed by the DNC, which went to candidates critiquing the [Richard]

Nixon policies and proposing alternative Democratic policies to those that the Nixon administration was implementing. In the course of developing those papers—in fact, I still have a little blue box with the original names—I drew on many of the people who later came into the administration in minor and in major positions. People like Henry Owen at Brookings, who became the coordinator for economic summits, Dick Gardner, who became ambassador to Italy, and then a variety of other people.

Toward the end of the project, and before the November 1974 congressional elections, I asked the President, then Governor, if he would have lunch with me to discuss the project and sort out where we go from here. We had lunch at a restaurant in underground Atlanta, which is not quite as bad as it may seem—nor as secretive as it may sound. During the course of that lunch, I said to him that I had a rather bizarre idea, which was that I thought that the field for the Democratic nomination in 1976 was not going to be a terribly strong one.

I did not think that [Ted] Kennedy would be able to run because of the Chappaquiddick incident. Humphrey, for a variety of reasons, having run several times before, was unlikely to run, and the field—with [Morris] Udall and [Birch] Bayh and some of the other announced candidates—was simply not overwhelmingly strong. I also thought that, based on the receptivity he had received in campaigning during the 1974 congressional campaign, he ought to go ahead and make a shot at it. He couldn't succeed himself as Governor, and I thought that it was at least worth a try. Perhaps he would be named a Vice President if he made a good enough showing and won a couple of primaries. He smiled and said that he had long since decided that he was going to run, and invited me to meet with a small group of people thereafter who had already been planning the presidential campaign.

We began to have a series of meetings, which had started before I joined this small group, which consisted at that time of Hamilton Jordan, Charlie Kirbo, Jody Powell, and Peter Bourne. We met in the private residence on the top floor of the Governor's mansion from time to time. I was asked to do some of the issues for the campaign. There was at that time no formal campaign structure of any kind. I decided that the way to start was to sit down with him and, literally from A to Z, go through every issue that was likely to arise in a campaign as well as when he became President, and let him talk out without interruption what he felt about each of those issues. I would then try to refine them, and we would talk about the political implications of his stance. In fact, we did that. Someday maybe I will be able to lay my hands on where the tapes are for that, but I have not been able to do so thus far. In any event, he dictated, in effect; we would transcribe it; then we would go back and talk about the implications of it. We'd literally start with A for abortion and go to Z for Zaire and everything in between.

I was still practicing law full time at the time. He announced toward the end of 1974—I think he was still Governor at the time, it was maybe in his last month or so, last two months—I think it was November of '74. He drafted his own announcement statement, but I saw several drafts of it. One thing stands out in particular. It seems like a minor point in a substantive sense, but it is nevertheless perhaps interesting that in every draft, when he opened the speech, he described himself as an engineer and a farmer and so forth to show his varied background.

One element of it was that he was a Christian. I kept striking that out in every draft, and he kept putting it back in every draft. He obviously had an intention—which I was unaware of at the time—of making that a fairly central focus in terms of appealing to some of the rural southern white voters. I don't think it was a totally political decision. I think it's something he very deeply believed in. But in my previous discussions and conversations with him, he certainly didn't advertise that to me. Not that I was unaware of his religious background, but the depth and fervor with which it was held.

Thereafter, what would have to be, by any historic standard, an incredibly modest campaign organization was set up. It was incredibly modest, because he was unknown at the time, didn't have very many resources, and was living from hand to mouth for a good while. I worked as a sort of informal issues coordinator, working nights and weekends with a group of volunteers. We began to draft some things for him. We did one on government reorganization—not so much the details of reorganization, but the need for ways to react to the Watergate crisis and what implications that had in terms of ethics and so forth. The whole Ethics in Government Act that later was passed really emanated from what, I think, was probably the first white paper or speech we did for him. It had to do with ending the revolving door in government, all of that business. But the issues staff was, again, really nonexistent except for the volunteers.

There was no on-going organization until some time, I suppose, in mid-1975, when Steve Stark came on board. Steve, I think, actually had attended the University of Virginia. I think he had graduated, and he was in between college and law school. Steve came on full time. So far as I am aware, he had no previous political experience. He brought with him—if not with him, subsequently—a few kids in college who wanted to take a year or a semester off—people like Oliver Miller, who is now a Rhodes scholar. But I don't think it was more than three people. One was even between high school and college. So to say that there was an experienced issues staff would be, certainly, a gross exaggeration. We limped along like this for the better part of the year.

It's frankly a remarkable tribute to Carter himself that he was able to get by with so little substantive backup. He was then developing his themes about bureaucracy and cutting back on some of the abuses in government and so forth. But they were certainly more themes than they were fleshed out in any way, shape, or form, and we didn't have the kind of white papers one has come to expect—certainly at that point. I don't think that was all bad, because at that point he was simply identifying himself with some broadly felt themes, and it really wasn't until 1976 that those themes began to be fleshed out in the more traditional issue papers.

HARGROVE: Did these themes emerge up from discussions you had with him?

EIZENSTAT: They emerged down from him.

HARGROVE: But then that A to Z—did they come out of those discussions?

EIZENSTAT: In part they did, but I don't want to take more credit than I'm due. I think they did begin to emerge, certainly because we talked about balanced budgets and so forth, and about traditional Democratic views about them. But the input in terms of the basic themes—ethics in

government and balanced budgets and so forth—really emanated from him down rather than from me up. The discussions were a part of that and gave him a chance to articulate some of the thoughts he had.

In early 1976, it became obvious to the people in the campaign that things had taken off, that he was doing better than expected, and that he simply couldn't continue to be staffed on the issues side by a group of very dedicated and very talented young people, but people who really had no particular substantive expertise and no political experience. He asked me if I would spend full time on the campaign. I held off for a number of months in doing that because I had just been made a partner at my law firm, and I was really very busy. And frankly, even though he had done better at that point than one would have expected in terms of visibility, he certainly didn't seem like a sure winner.

I think the turning point was not so much the Iowa caucus, although that was important, but the New Hampshire primary—and ultimately the Florida primary, which was crucial. It knocked [George] Wallace out. I felt, after the Florida primary, that he would at the very least be Vice President, that he'd earned that by knocking Wallace out and cleaning out that whole particular era of southern politics—which was itself perhaps his most historic and unrecognized accomplishment. I think it changed forever the face of southern politics.

He then called me back again and said, "You know, we absolutely must have you full time." It was, I think, right after Florida—just before or just after—that I came on full time. About that time, a professor from Wayne State University with whom I had worked on the '68 campaign with Humphrey, Al Stern, told me that he had his year of sabbatical coming up and had heard about Carter and knew I was involved and would like to join us. Al was a sort of a renaissance man in terms of the breadth of his knowledge. We had worked together in '68, and he came down and worked full time. Steve Stark remained there, but I sort of took the operation over.

Really, beyond Al and me it was the same hardy bunch of students who continued to work on the campaign. That remained the case until just before the Democratic convention. We staffed him for the entire primary season with about six people. I often wondered to myself how in God's name a person could get the Democratic nomination with a campaign staff—an issues staff—so much thinner than the one I had worked on for Humphrey. Of course, Humphrey was Vice President at the time, but we had a full-blown issues staff—research department and people who had worked in government, and so forth.

Again, I think it's significantly a tribute to Carter, but also a reflection of the fact that people were not looking for specific issues in that election. They were looking for something to cleanse the slate from Watergate. And those basic themes he was talking about seemed to be more important to people than the kind of specifics that I was used to dealing with. During that period there was no Jack Watson operation. Of the type of political relationships we had, I think it would not be a fair statement to say there were three groups. I was very much a part of the campaign structure. Now in any campaign structure, there's an issues staff, an advance staff, a press, and so forth. I simply happened to be the issues component of the campaign. We worked out of a back office in Bob Lipshutz's law firm on Peachtree Road. I received essentially no compensation. It was an extremely low-budget operation. Given the lack of resources we had, I

think we did a darn good job in terms of staffing him, in terms of giving him some fairly high quality campaign material, in terms of giving him enough to say.

The relationships in the campaign organization were themselves interesting. Because people like Hamilton Jordan and Kirbo had worked on the gubernatorial campaign—as had I, although I was by no means the kind of insider they were—everybody had a very free and open relationship. I've worked in an awful lot of political campaigns—more than I care to remember—and I can't ever remember one in which there was less backbiting, less turf fighting than in that one. And that, by the way, carried forward in this White House. Whatever one thinks of the White House staff and the way it was organized, I daresay there probably have been few, if any, that had less personality conflict and fewer internal battles than ours did. I was delegated almost complete and total responsibility in the issues side, although nominally Hamilton was the head of the campaign. I shouldn't say nominally. He, in fact, was and nominally my superior. Our relationship was such, and his confidence in me was such, that I really had *carte blanche* in terms of the issues side, and my things went straight to the candidate.

It became obvious to me when Carter had the nomination pretty much wrapped up after the Pennsylvania primary that we absolutely could not run a general election with the kind of staff that we had for the primaries. We were going to be running against an incumbent President who had the entire resources of the federal government at his disposal, and we simply had to have a much deeper staff. So I got approval to dramatically expand the size of the staff and the scope and breadth of the staff.

YOUNG: This was after the nomination or very near to the nomination?

EIZENSTAT: No, this was after. This would have been before the convention but after Pennsylvania. It was absolutely and totally clear that he had the nomination locked up. Everybody else had dropped out. It was just a question of getting to the convention. I came to Washington in July of 1976 to begin hiring people for the staff. The appointments were arranged by a person who had worked with Bobby Kennedy—and to some extent, Jack [John F.] Kennedy—and who had volunteered his services to me, Milton Gordson. Milt did some prescreening of people on the Hill—Democrats on committee staffs and so forth, who were interested in working in the campaign.

We probably had 25 or 30 interviews in the two- or three-day period in Washington, from which I selected about a dozen staff people. These staff people were again almost exclusively drawn from either committee staffs or the staffs of Democratic Senators or Congressmen. I chose them in such a way as to have at least one substantive expert in every major area, foreign and domestic. We didn't have any separate foreign policy issues staff. Virtually all of the people subsequently served in various positions in the government—many on my staff. Essentially, I had an interview person and an agricultural person, an economist. We had Dick Holbrooke, who did our foreign policy work and so forth.

YOUNG: Did you say the majority of these people you selected were people then working in Washington?

EIZENSTAT: I think virtually everyone—maybe one or two exceptions—but certainly almost everyone was working in Washington.

YOUNG: And most of these people stayed over in some capacity in the government?

EIZENSTAT: I think every one of them did.

YOUNG: Every one of them did. This is an interesting point which we want to come back later to about the connections.

EIZENSTAT: These were people who had had no previous contact with Carter, who were sort of mainstream Washington Democrats.

MOSHER: Were they people you knew?

EIZENSTAT: No. I did not know a single one. I knew Milt, who helped arrange it. And Phil Zideman, who I had worked with ever so briefly in the '68 campaign—who was the general council at SBA [Small Business Administration] during the Kennedy and Johnson administrations—gave us some help from time to time. But essentially I did not know any of the people who were on the staff previous to my having hired them.

MCCLESKEY: Did I understand you to say that most or nearly all of these people were from congressional staffs?

EIZENSTAT: Virtually every single one. Yes, I would say virtually—either on committee staffs or on personal staffs of members.

MOSHER: How many were people you had worked with on the primary campaign?

EIZENSTAT: Steve Stark stayed for a while but then left to go back to school—to law school, I think—in September. In fact, I think he went to UVA. I'm not sure if he went to undergraduate school at UVA, but he went to UVA law school and later switched to Yale. He left, I think, in August or September, and all the other kids except Oliver Miller—who is really a stunning person, one of the brightest kids I have ever met, a young black fellow and just a very brilliant, incredibly well-rounded fellow. He stayed. All the other kids went back to college, law school, because they had taken semesters out. They were not released. I think Steve might have stayed longer, but at that point something he had started, and that was a small group, had obviously been consumed by a much larger inflow of people.

YOUNG: So, in effect, what had happened by very near to the convention was that the nucleus of what was to become the domestic policy staff had already been assembled for general election purposes?

EIZENSTAT: That's right. And it was a nucleus of people who—I wouldn't say failed to share Carter's views, that would certainly be a gross exaggeration. They were Democrats, and he was a

Democrat. But they didn't necessarily rise out of the same values that he was expressing in some of the early meetings we had. They were more mainstream, Washington-oriented people.

HARGROVE: Could I ask something about that? Did you have an implicit job description in mind? For example, you went to Congress. You didn't go to Brookings or the Urban Institute. You sought generalist types, although they may have had a policy specialty.

EIZENSTAT: I had taken Carter to Brookings in 1975 and had met with many of the Brookings people, Henry Owen, Fred Burkston**,** a whole group of people Henry put together. We continued to talk with them, but they were not in a position—as these younger people were—to just take off and hope that the candidate won. They had responsible positions.

HARGROVE: Then youth and mobility had something to do with it?

EIZENSTAT: Youth and mobility had an awful lot to do with it. We were in Atlanta. That was, by the way, a basic decision that was made (with which one can agree or disagree—it was certainly better for me personally) not to move the campaign to Washington after the nomination. While Henry and people like that were very useful, and would critique and review drafts and things from time to time, we had to have people who could uproot themselves and live in Atlanta for three months. People like Henry Owen and others obviously couldn't just do that.

MOSHER: May I ask why the decision to stay in Atlanta?

EIZENSTAT: It was not mine to make, but I think that the reason the decision was made was first, logistically it was easier for the people, who were all Atlantans or who were Georgians and would have had to uproot themselves. Second, I think politically the President wanted the image of running the campaign outside of Washington. Somehow the basic theme of running against the entrenched interests and so forth would have been diluted if suddenly upon receiving the nomination—having run against Washington—he decided to move to Washington. I suspect that was either a conscious or subconscious judgment.

Now, we had what I think was a first-rate issues group, people who were highly capable, very motivated, and quite expert in their areas. As his speaking engagements picked up, and as press attention began to be greatly focused, and as the nature of the campaign changed from primary to general election, and groups and organizations wanted to know where he stood on the Hatch Act and where he stood on national health insurance, and questionnaires began to come in, and requests for magazine pieces from different groups and organizations, the substantive content of the campaign increased. But the tone of it changed dramatically.

In retrospect, I think perhaps that one of the reasons the election was as close as it was after it appeared that he was 25 and 30 points ahead was not only because that was initially an unrealistic poll, but because somehow he began to be perceived toward the end of the campaign as perhaps more like a traditional Democrat than he had started the campaign appearing. I don't think that's accidental. I think it's due to circumstances that were to some extent beyond his control, in the sense that he was now the head of the Democratic Party. He wasn't running against established Democrats and over the heads of party leaders. He had to rally them to his

flag, he had to get their organizations going, he had to motivate them. The activist elements in the Democratic Party tend to be the more liberal labor-oriented Democrats, and I think there was a recognition that if they were to be properly motivated, he simply had to move to the left. It may also have been due to other factors, but certainly that was a significant one.

In retrospect it's a sort of historical exception, because the traditional pattern of American politics is that Republicans run to the right in primaries, Democrats run to the left in primaries, and then Republicans move to the center in the general election, and the Democrat moves to the center in a general election. Just the opposite occurred with Carter. He was clearly the most conservative of the Democratic candidates in the '76 campaign. He was the only one talking about balanced budgets and less bureaucracy and less red tape and themes that one associates perhaps with Republicans. Then he moved to the left after the general election in order to accommodate the groups and organization and institutional interests in the Democratic Party.

For example, the UAW [United Auto Workers] was a key element in any Democratic coalition organizationally, financially, intellectually. Its big issue was national health insurance, and the President had been asked to attend and address the National Medical Association in Washington—which was the predominantly black medical association—to talk about national health insurance. Well, you know, we couldn't go through a national campaign and turn down things like that and not talk about it. In particular, the UAW insisted on knowing what our position was. We negotiated with them for a quite lengthy period in terms of exact language, and there were certain buzz words—"comprehensive," "all inclusive," and so forth—that they had to have in order to be enthusiasts in the campaign. Carter, to his credit, held out as much as he could in terms of leaving himself flexibility so that he didn't have to implement immediately, and it could be done in phases. They gave on that and gave up some of the specificity they would have preferred. But he certainly had to give, too.

The mayors, who are a key part of the Democratic coalition, insisted on an urban policy speech. I went to New York, and the thing that they were most interested in was relieving themselves of the welfare burden—in particular, the burden of AFDC [Aid to Families with Dependent Children], which we now find, contrary to that, is to be totally thrust on them. There were negotiations with the mayors' groups and with then-Mayor [Abe] Beame, and the wording about how you relieve the welfare burden, and over what period of time, and so forth. The Urban Policy Paper came out, and that was, again, Carter having to move away from positions he perhaps would like to have taken—because obviously it cost money to remove the welfare burden—and that tended to cut against his balanced budget themes.

YOUNG: And as issues person in that general election campaign, you were a key link in the negotiations?

EIZENSTAT: Oh yes, absolutely, because these groups tend to be much more substantive, and you couldn't get away with talking about a government as good as its people. You know [redacted] just couldn't sleep at night thinking about a government as good as its people, particularly governing [redacted]. So this got down to really nitty-gritty, but I think the important point that I'm making is not simply that the campaign became much more specific

from an issues standpoint, but the content became much more traditionally liberal and constituency oriented.

HARGROVE: You seem to imply at the outset that this is responsible for his faltering or his losses.

EIZENSTAT: I think in a sense it was, because, although it motivated those groups, a lot of conservative independents who had seen in him a real break from the past began to see that perhaps he was more a traditional Democrat than they had thought. This balancing act—and by the way, I've gone into in this detail because I think it's terribly important in terms of what happened in the Presidency—this balancing act between his basic instincts—his basic fiscal conservatism, his basic distrust of Washington and the bureaucracy—time and time again during the campaign and during the Presidency conflicted with the realities of keeping an election coalition—and ultimately a governing coalition—together. I think in large part this explains where the Democratic Party is today, and why I am here right now rather than four years from now. That may be enough said about that, but I think it's an extremely important point and one that ought not to be ignored.

Now, other than putting all these specific papers together, and talking about how the Hatch Act was going to be for the federal unions—how it was going to be repealed so they could campaign and so forth in addition to just voting—our principal function was preparing him for debates. For that, I felt that even though we had a greatly increased competency level, I still needed something more. These poor people were working 15 and 16 hours a day, literally turning out papers and newspaper articles and answers to questionnaires and speeches and position papers. They just didn't have the time to remove themselves from the process and prepare the kind of briefing books that were necessary to brief for a debate—or a series of debates—a person who had never been in national life against a President of the United States who had spent 25 years in the Congress and knew issues upwards and backwards.

My feeling, which was very strongly held, was that Carter—in order to win the debate, or at least hold his own—had to show that he knew enough about national issues to pass some elemental litmus test. This was not just a guy who came out of the backwoods of Georgia and had been a one-term Governor, but he really knew something about national issues.

I got Ted Van Dyke, who had been with Hubert Humphrey for a good while and had been, in addition, one of the top two or three people in Humphrey's '68 campaign, as well as on his Vice presidential staff. I got John Stuart—who was likewise one of Humphrey's closest aides and an inordinately talented fellow—and Bob Hunter, from Senator Kennedy's staff. He was his foreign policy expert. The three of them came in totally fresh. They had not been in the campaign whatsoever, and I gave them copies of all the things that he had said in the primary campaign. What we did is prepare briefing books, which were designed not only to brief the candidate, but to give him some idea of what we thought were the weak points of [Gerald] Ford's record and how to answer questions that were likely to be addressed to him. David Rubenstein, who was working on the campaign, also was a great help in putting those books together.

And so the time of the first debate was upon us, the briefing books were sent down to the President, and—in what later became a rather characteristic fashion—he read every single page and corrected typographical errors and grammatical mistakes in what had to be, I would say, easily two hundred pages of written material. Perhaps we over-briefed him, but I felt that it was better to be inclusive rather than exclusive in terms of what we had to show. That was essentially it. As the time got closer, I went to Hamilton Jordan and said, "You know, we've got to talk about these things. We can't let the man just read this enormous briefing book and go in and wing it."

So after some pulling and tugging, the President agreed to see us in Plains. I think it was a Saturday or a Sunday. We got down there, and we sat in his living room, and I said, "Governor, we have some questions here, and perhaps what we ought to do is throw some questions at you and let you answer, and then we'll critique it." Oh no, that was not going to be done. He didn't need that. Somehow he either said or implied that that would be contrived, and that was just not the way he was going to do it. He didn't mind talking through some points, but he was not going to go through any sort of rehearsal. So we talked through it a little bit. I don't think the session lasted more than an hour or so, and that was it. That was his preparation for the first debate.

MOSHER: Who was there?

EIZENSTAT: I think the only ones who were there were Hamilton, Jody, Kirbo, and me, as I remember it.

HARGROVE: Does this say something about his cognitive style, which is to absorb a lot of material?

EIZENSTAT: Well, it says something about his utter self-confidence, for one thing, whether misplaced or not. It also suggests, yes, that he likes to absorb written material and not to make decisions by talking things through—which was certainly the style that one can follow through in his presidential tenure.

And then the first debate occurred. His first answer to the first question was as dreadful as one could possibly imagine. It was a softball question about what you would do for the economy to end the recession, and it turned out to be, from my standpoint, a disaster in the sense that there was no clarity. But after that first question, he did amazingly well, and I think more than held his own. I don't remember whether there were polls taken after the first debate as to who won. But I think, all things considered, he certainly did quite well. That was a domestic policy debate.

The second debate was a foreign policy debate. I think he was himself so shaken by his rather unimpressive start in the first debate that he realized he had to do something more for the second. Just as he finished the first debate book, we were working on the second, which was the foreign policy book. It's almost impossible to describe how hard we worked, because we were putting, as I said, all the answers to questionnaires and regular speeches together as well as these briefing books. If human beings can work harder than we worked during that period, I sure would like to see it. We had secretaries who would work in shifts literally 24 hours a day to get the enormous

typing load done. We got the second briefing book done on foreign policy. It was shorter and crisper than the first. I think we ourselves realized we probably had overloaded him.

This time he agreed to some questions. This was on defense and foreign policy. I guess the second debate was in San Francisco, and he agreed, I think, a day before the debate, to take some questions in his hotel room. We had Les Aspin come from Congress—which in itself was an interesting break, because it was the first time he allowed into his inner sanctum someone from outside the small group that had briefed him before. I have the recollection that Zbig [Zbigniew Brzezinski] was at that as well, but I'm not sure whether it was Zbig or Dick Gardner or Bob Hunter. But one foreign policy type was there.

It was still not the kind of practice I would like to have seen. It lasted maybe 45 minutes or so, but at least we were able to shoot some questions and get some answers and do a little critiquing. That was, of course, the debate where Ford made his gaffe on Poland. I think in retrospect we pounced on it too hard and persistently, and ended up turning Ford into someone with whom the American people empathized and sympathized. I think President Carter himself publicly has stated that he felt that that was probably a mistake. But he did quite well. I think he handled himself better. His questions were crisper and so forth.

The third debate was a general debate on everything, and we did give him another briefing book. But since we had already given him detailed briefing books, it was more in the way of summarizing and collating what we thought were the key questions. I think the third debate was in Williamsburg. In any event, the third debate was held, and I think that, if anything, perhaps Ford may have done better on that. But Carter was clearly better at the third than in the second, just as he was better on the second than on the first. From an issues standpoint, once the third debate was over, there was not much more to be said.

I went on the campaign plane for the last maybe two or three weeks. My staff stayed in Atlanta. We communicated by telex. There obviously were still some things to be done—questions to be answered—but essentially publication dates on magazines and questionnaires had already gone out. He had said everything he was going to say. Not much was new, and it was just a question of repeating what had already been enunciated.

Now on the [Jack] Watson group, unbeknownst to me, Carter had asked Jack—I suppose this would have been either just before or just after the convention—to get a transition group up. I only became aware of it—because it was kept fairly quiet—when Hamilton Jordan became irritated by both the existence of it and some of the work they were doing. I have a faint recollection that there was a leak or two from it about what Carter was going to do when elected. It was embarrassing, because it was much more specific than some of the things—and different from some of the things—we had said in the campaign. It was a sort of fifth wheel in the sense that it was out there, but none of us in the campaign had any control over it. It was doing its own thing without any central direction and without any relationship to what was happening in the campaign. This was later to make the transition a very strained and difficult transition.

MOSHER: Where was Watson located?

EIZENSTAT: He was in his law office in Atlanta.

MOSHER: He was in Atlanta, too?

EIZENSTAT: Yes. When I found out about the existence of it, I talked to Jack—went to his office and got some idea of what was happening—but I frankly don't think more than twice. We had a little bit of interchange between our staff and theirs, but we were so preoccupied with getting things done that there wasn't very much more than that. I think that what I asked Jack to do was to share with us papers that they were putting out, and we would share with them campaign papers that we were putting out. That, in fact, did occur the last month or so of the campaign.

Then the election occurred. Carter won, and we went up to Washington on a part time basis. I think I spent four and a half days out of every week there. I'd come back Friday night. There was the obvious problem of integrating the campaign staff into this on-going group. Jack was appointed—either self-appointed or appointed by the President-elect—as head of the transition group. And this aggravated Hamilton to no end. He had put two and a half years into running the campaign, only to find that decisions in terms of the organization of government and so forth were being made by someone who had not participated in the campaign at all. I think that—although I was not directly involved in this—just piecing things together, what must have happened is Hamilton finally took it to Carter and insisted that this had to change. Hamilton, in effect, then became head of the thing, and I was appointed as Director of Policy Planning.

I took some people who had been on Jack's staff—like Lynn Daft, for example, who became an agriculture person—and I tried to integrate them into my transition issues staff—in other words, adding them to the campaign people. I don't know whether that helped. It took at least a month for this integration process to occur, and even then there were still questions about who was really heading the thing and who had authority to do what. It was a disorderly reorganization in that sense.

In a way, that lack of organization at the top had probably less impact on what I was doing than it might have had on other functions, because whether I was reporting to Watson or to Hamilton, I was supposed to do the issues stuff. At that point we broadened our staff still further, not only taking people from Jack, but we began working with agencies, actually working with agency people. We arranged for a liaison to be appointed in each agency to serve as a liaison to each of the little groups that I was getting together to do briefing books for what we were going to actually do. I have all of those briefing books at home, if anybody ever wants to see them. That is, the transition liaison books, all the papers that came in to me and that ultimately went to the President on what he ought to do in each subject area.

MOSHER: Were these primarily for the President or the Secretaries?

EIZENSTAT: These were for the President, to give him a sense of what issues were percolating within the agencies and what legislation he was likely to be confronted with and so forth. They were ultimately turned over to the Secretaries as well when they were appointed. Of course, the Secretaries weren't appointed until January, and this was occurring in November and December.

YOUNG: Did your work at this period also involve any kind of screening or searchers or suggestions concerning appointments?

EIZENSTAT: Not mine. That was somebody else's responsibility.

HARGROVE: Was there an overlap with what Watson's little teams were doing? He had a little budget group who met with the President, I remember hearing him talk about. But they were Watson's troops, weren't they, not your troops? Is there an overlap problem here?

EIZENSTAT: Yes, that's right. There wasn't any overlap, so it wasn't a problem. There were other problems from the fact that there was no overlap. What was happening is that Jack had been able to hold on to a small group of people that he had brought who were in the budget area, and I took the non-budget stuff—the straight policy stuff—over. Of course, we obviously communicated, and we knew that they were there. But what I was preparing under my auspices were legislative issues that were going to arise in each area. Now, I did not have the macroeconomic responsibility at that time, and neither did Jack. You'll have to talk to Charlie Schultze to get more details on this.

YOUNG: He has been here.

EIZENSTAT: What I'm telling you may be absolutely and totally incorrect, so I can only give you my perception of it. Charlie will obviously have been in a position to be more accurate. My sense is that Carter had asked Charlie Schultze some time—maybe in November—to start to work on some transition materials before he was appointed to any particular position. Charlie and I had very little interface during the early parts of the transition. We had more during the latter parts. But Charlie was doing the macroeconomics stuff and was working on what became the first legislative initiative.

YOUNG: This is the economic stimulus?

EIZENSTAT: The '77 economic stimulus package. Of course, if there is any person who was capable of putting together an orderly and reasoned document in the transition, it was Charlie. He had extensive previous government experience and knows as much about the federal government and federal programs as any two people I've ever met. But we didn't have that much of an interface. Again, I was essentially working on non-macroeconomic legislative policy. I think, in retrospect, we should have had a lot more, but we did not.

One event of particular interest that I do remember—you asked about the selection process—was the selection process for Secretary of the Treasury. One of the things that we had done during the general election campaign is that I was responsible for getting together groups of outside advisors to come to Plains to advise the President-elect. What I'm trying to remember now is whether those occurred during the campaign or thereafter. I know they certainly occurred thereafter, but I am almost certain that some of them started to happen even during the general election campaign. That's a matter of record, and somebody can certainly find that out. In any event, this was a broad array of people. I guess most of it was probably after the election,

because we did have people who would not have wanted to be identified with him. But some certainly occurred, I think, before the election.

In any event, they trooped down to Plains, and they would meet in Atlanta. We would take a bus from Atlanta down to Plains. These were people like Larry Kline in the economic area—you know, a broad array of people with considerable stature in each area. They would come down for an afternoon, talk with Carter, and then go back. I guess the most well developed outside advisory group during the campaign was the economic group under Lawrence Kline. We put together an economic white paper which had the basis of the economic stimulus package. It also had, by the way, a call for the reinstitution of stand-by wage and price controls. I think the President made a fatal error in not following through on that in the '77 stimulus package. Perhaps somebody can ask me about that later, and we can talk about it. But in any event, that was a well organized group. They put out a good white paper, and we had these groups trooping down to Plains.

The one that was perhaps most interesting was the one to select a Secretary of the Treasury. We had all the possible likely candidates collected. Charlie had given some recommendations, I had given some recommendations, and it was really a sort of "show and tell" to see who particularly impressed the President. That session lasted a good part of the day. We did the same thing, by the way, on defense policy. We had a defense debate with [Paul] Nitze and [Paul] Warnke. There were more than those two, but they were the principal protagonists. And we had Joe Peckman down on the economic thing, and Mike Blumenthal, and Charlie, and Bob Rosa. We had Art Okun from Brookings there. It was an interesting group, and from that Carter essentially selected a Secretary of the Treasury.

It's important to recognize the Secretary of the Treasury was not selected and named until well after Charlie, I believe, was working on this paper. Again, you'll need to check your recollections of what Charlie said, but I think Charlie had a running head start on the Secretary of the Treasury. Charlie was essentially operating, at least in part, from that white paper that we had done under Lawrence Kline. I checked with Kline whether he was interested in being chairman of the Council of Economic Advisors. I don't know even if he would have agreed if Carter had appointed him, but he did not want the position. In any event, Charlie did get a head start. He was working on a stimulus package, and that stimulus package was by and large his product rather than Mike Blumenthal's. By the time Mike was named and in place and got his business affairs together, I think that plan was significantly already in train.

THOMPSON: After "show and tell" did you do any checking on Blumenthal or on anybody else?

EIZENSTAT: I did not, because I wasn't responsible for it. But a good deal of checking was done by Kirbo and Hamilton Jordan and so forth. One thing that I haven't mentioned—I don't know how relevant it is—is the selection of a vice presidential candidate. I had almost no role in that. You all know that Kirbo went around and interviewed people for that position. I think that it's interesting that [Walter] Mondale got the position, because certainly from Kirbo's perspective—Kirbo is a staunchly conservative individual—Mondale was far more liberal than same of the other people he was interviewing. I think from a political perspective that Hamilton's

feeling was that he needed somebody to solidify the liberal wing of the party with Carter. He hadn't exactly run against them, but he certainly would not have been perceived in the primary campaign as being liberal. This also sort of fits in with the point I was making earlier about becoming more a part of the regular Democratic organization, because Mondale had very close ties to labor and minorities.

YOUNG: Dick Moe and Mike Berman were here and have talked a little bit about that, too.

EIZENSTAT: There continued to be substantial confusion about the responsibilities of Jack and me. And that confusion was ended only just before the Inauguration. The President simply either didn't see—or refused to recognize, because I think it was pointed out to him—the overlap. Jack continued to be interested in issues, and the President asked us to give to him a job description of what jobs we would like to have. He said that to each of the principal people in the campaign—to Lipshutz, to Hamilton, to Jody, to me, to Jack—and I wrote out a description which essentially described the position I ultimately had. I didn't see Jack's, but I think Jack's description was probably not far different than mine. And the President-elect perhaps at last saw that there was an irreconcilable difference—not difference, but similarity, I should say—in what we wanted to do. And only one person could do it.

He asked Jack and me to try to work the thing out, and we roughly agreed to a division in which I would be responsible for the coordination of the development of policy. Jack would be responsible for the implementation of policy. That was, to say the least, not a clear delineation. But in practice it actually proved to work quite well in the sense that what Jack involved himself in was essentially intergovernmental relations. To that extent, he was implementing certain policies.

There was still, early in the administration, a bit of confusion between his other hat as Cabinet Secretary. He initially wanted to have all papers going through him rather than through me—or at least as well as through me. And that obviously couldn't work, because the Cabinet had to know to whom to relate, and the President had to have one flow and not two channels of information. We sat down and worked out that it was to be my responsibility. He really didn't have, at that point, the size staff necessary, in any event, to do it.

MOSHER: Had [Bert] Lance been selected as Budget Director at this point?

EIZENSTAT: Yes. The President also—and where he came up with the number, you will have to ask him—wanted to cut the White House staff down by a third. This was in line with his general campaign pledge to cut the size of government down. Where the one-third came from, I don't know. Everybody was supposed to take a third from the unit that they were inheriting from Ford and reduce it by that percentage. I did so, but we ended up having to cut down more on secretaries than on professionals. We had secretaries generally serving two professionals. Because the unit I inherited was a much larger unit than Jack's, he just didn't have the staff capability to do the other work anyway. And we really were able to work out very early in the administration—I would say within the first few weeks—what turned out to be a very workable relationship between the two. We had almost uniformly good and pleasant working relationships

despite what would have otherwise been—what one would have described as—perhaps a rocky, if not an acrimonious, transition.

THOMPSON: As you divided up these responsibilities, were there any discussions among the four or five of you about possible political liabilities of too many visible Georgians?

EIZENSTAT: Well, that's a point that I wanted to talk about next. Not to my recollection. If it was discussed, it was not in my presence. And certainly in retrospect it's obviously important that Presidents have people around them who have been with them for some period of time with whom they feel comfortable, who will be able to keep their confidences, and who have the confidence of the President. I think in Carter's instance that was particularly important. I mentioned how reluctant he was in terms of briefings and so forth to really meet with people he didn't know and didn't have confidence in. That was certainly something we saw during the campaign and in his preparation for the debates. But one has to balance that understandable need in every President against other factors: ability, experience, and competence. And I think that the President simply felt that everybody around him was able to do the job that he wanted regardless of their experience or lack thereof. To my knowledge, it was not an issue. Now again, I was not involved in appointments. Maybe Hamilton, Kirbo, or others talked to him about it, but not in my presence.

YOUNG: Is it possible in a sense that the President felt that both Mondale and his people and you and your staff covered that base in terms of his immediate advisors—that is, people who were in tune with, related to, had people on their staff who were experienced on the Washington side of things?

EIZENSTAT: I think that's probably part of it. And also, Professor Young, I think on the national security side he had completely non-campaign-oriented, experienced staff with Brzezinski and David Aaron and the NSC [National Security Council] staff. That may have been a subconscious factor.

HARGROVE: Did it ever occur to you during the campaign to develop task forces of outside groups the way Kennedy and Johnson had?

EIZENSTAT: We did.

HARGROVE: You did?

EIZENSTAT: Yes. We had task forces. I mentioned the economic, but we had them in every area. We had housing.

HARGROVE: But this is after November?

EIZENSTAT: No, no.

HARGROVE: Oh, you had them before?

EIZENSTAT: Oh, yes. This was after the nomination. We had a housing task force that came down. In fact, Larry Simons, who became a housing commissioner, was a part of that. We had a foreign policy task force. We had all the task forces and members. Oh yes, absolutely.

MOSHER: They worked for you?

EIZENSTAT: Yes, they fed into me. And let me just mention that in at least one or two instances, the President met with those task forces. He met with the economic task force, for example, before he presented the white paper in Philadelphia, the economic white paper.

MCCLESKEY: What was the function of those task forces in the campaign? Were they a support-building operation? Were they an important source of substantive ideas?

EIZENSTAT: They were really twofold. First, they were support-building. They were to show that the President was prepared to reach out to experts, that he would be able to obtain and retain qualified well-known people, well-known Democrats, well-known experts. And they were the source of what we hoped would be post-election ideas. In terms of the day-to-day input to the campaign, they had almost no impact, except in the instance of the economic speech, where they really virtually did all the work. As I remember it, in the health area and in the urban speech, they actually had some impact, but in particular in the economic area.

HARGROVE: I'd like to come back later and ask what influence those ideas did have later as you were developing legislative programs, but I think not now.

YOUNG: I'm interested that the President at some point asked each of his people close in for a job description for themselves. Did the President have in mind at that time anyone for a Chief of Staff type of position? Can you talk a little bit about how accidental or how conscious was the organization of these responsibilities, the organization of the staff work, and the advisory system immediately around the President?

EIZENSTAT: The President consciously decided that he was not going to have a Chief of Staff and that he was going to have a system which I described to reporters as the "spokes on the wheel" theory. That was presumably the organization of the Kennedy White House, in which the President is the focal point and the various spokes feed into him but don't feed into each other—or don't immediately report through anyone else. That was a concept he wanted to have, I think in significant part because he felt that the centralization of authority and power in a Chief of Staff during the Nixon era had been one of the things he had run against and one of the mistakes of the Nixon era.

We used to talk or joke about this from time to time. He felt it important to talk about Cabinet government, the importance of the Cabinet relative to the White House staff. Anything that could be done to denigrate the importance of the White House staff was something that fit in with this overall theme. Everything from taking away the home-to-home limousine service—which had been enjoyed in the past, and which was a dramatic mistake. I lost an hour a day at work by not having that—to selling the presidential yacht, to cutting the size of the White House staff down (at least nominally cutting it down), to not having a Chief of Staff. It all fit in.

HARGROVE: Do you think this was more politically symbolic than it was really thinking about how the government would work?

EIZENSTAT: I think it was both. I think it was symbolic, and I think that he felt he would work best if the people who were advising him had direct access to him and didn't have to go through someone else. It's also an indication of an important strain in his thinking, which is that he was going to be the Chief of Staff and the coordinator. He wanted to be the one who pulled the pieces together rather than having someone do it for him.

President Carter is a man of great pride—pride in his capacities and abilities and pride in his intellectual capacity, which I must say is quite substantial. He's one of the brightest political officials with whom I have dealt, and indeed one of the brightest men—extremely analytic, very incisive, just a very, very intelligent man. I think he prided himself on that intelligence and felt that perhaps it exceeded that of the people around him, and that therefore he should be the one to pull all these things together rather than having somebody else. I don't think it would be fair to ascribe it in any sense to just a sort of political thing. And not only that, but I think he truly believed that Nixon had fallen into some of the problems he had because of this over-centralization, because the President was not hearing enough things from enough people, that he was isolated and so forth.

HARGROVE: Was he listening to Dick Neustadt as Kennedy has listened to Dick Neustadt? Was there any orthodox political science advice coming in?

EIZENSTAT: No, not to my knowledge. I believe Dick may have sent a memo to him, which he read. I have a recollection of that, but not in any organized fashion.

YOUNG: I'm going to have a question also about the organization of the domestic policy staff and the choices made there.

EIZENSTAT: Remind me to talk about my discussion with Jim Cannon, which had something to do with the organization of the domestic policy staff.

YOUNG: OK.

THOMPSON: This is a loaded question which you will recognize, and it may be based on—

EIZENSTAT: I've had many of them before, so go ahead.

THOMPSON: Underlying conceptions may be dead wrong, but when one reads the memoirs of other incoming Presidents—Kennedy in particular, but Johnson too, and [Franklin D.] Roosevelt in an earlier period—they did call in, fairly early on, things like task forces. The old wise men—I'm talking about the foreign policy field—[Averell] Harriman and [Robert] Lovett, and [John Jay] McCloy, people of this kind. I was in a meeting yesterday in New York on ethics in nuclear weapons. A group of Kennedy-Johnson people were present, [McGeorge] Bundy and others, who now, in a way, are the equivalent of the older group. President Carter got into trouble almost

immediately in foreign policy. The [Cyrus] Vance trip to Moscow, a lot of criticisms about the statement about eliminating all nuclear weapons.

EIZENSTAT: That's another thing, by the way. Excuse me for interrupting you, but we're sort of in a stream of consciousness here anyway. I mentioned that I struck the word "Christian" out of his speeches. Another thing that I struck out of his announcement speech, every draft, was "zero nuclear weapons." I told him that was just crazy. You knew there was no way to do it. It would be viewed as unrealistic, and pie in the sky, and unilateral disarmer, and so forth. But he kept putting it back every time. So that goes back a long way.

THOMPSON: So it wouldn't have mattered if, instead of Holbrooke and people like Dick Gardner and Zbig, who had worked in the Humphrey campaign and had their aspirations, you had gotten a group of old wise men, whoever they were—maybe they didn't exist at that time—to come in and talk about some of the crucial issues of foreign policy.

EIZENSTAT: We did. We had the group that spent a day with him in Plains, the Nitze-Warnke group.

THOMPSON: But they were antagonists from the beginning.

EIZENSTAT: But we didn't structure it so it was a debate between the two. I have somewhere in my files a list of all the participants in all of those sessions, and there were probably 15 people in that particular session. You had a lot of older and younger men and women in that session. It ended up—because of the force of their own personalities—turning into somewhat of a two-person debate. He did get advice from task forces like that during the transition period. The problem is that that didn't carry over into the administration.

I wrote him a memo at the end of his first year in office, 1977, in which my prime recommendation to him—which was a repetition of what I had told him either in memos or orally throughout the first year—was that it was extremely important for him to meet with a group of wise men on a regular basis quietly in the White House to find out what they thought about a variety of national and international events, what people were saying in Washington and so forth. I felt that he was not taking advantage of the opportunities that he should to discuss and talk about these issues with people who had been around—Clark Clifford, and Sol Linowitz, and so forth. I talked to Hamilton God knows how many times about setting such a group up. The President approved that recommendation on my memo and asked Hamilton to set it up, and I dare say it was probably another six months before it was done. I think he had one and maybe two meetings with that group and didn't meet with them again. It was just not a natural part of his makeup to do that.

STRONG: Should someone interested in the Carter Presidency spend any time looking at the 1970 gubernatorial campaign? Would you find there themes, style, issues that were later important to his term in the White House?

EIZENSTAT: I wouldn't spend a lot of time with it because I think that the issues were more or less state and local oriented. I guess actually that would be an exaggeration. I think it would be

useful in the sense that he did make state reorganization a major part both of his campaign and his gubernatorial term. And that then carried over into the whole reorganization of the federal government. So in that sense I think there would be an important theme there. And he did say some things that were sort of unique for Georgia gubernatorial candidates to say about urban issues and the arts and things like that, which were important. So I suppose actually it would be of some interest.

MOSHER: On the same line, would it be of any interest to look at how he organized the Governor's office?

EIZENSTAT: It probably would, but I frankly couldn't tell you a blasted thing about that, except that he did have a Chief of Staff. He had Hamilton and then Frank Moore, and why he had a Chief of Staff and didn't want to have one in the White House you'll have to ask him.

There was one other thing now in terms of the gubernatorial campaign. He ran a very conservative gubernatorial campaign in many respects. He ran to the right of Carl Sanders and positioned Sanders as a liberal. And there was an allegation by Sanders that the Carter campaign leafleted throughout south Georgia with what they alleged were racist intentions, a brochure or a picture with Carl Sanders—who was a part owner of the Atlanta Hawks at that point—having his arm around some black basketball players. I don't know whether that was, in fact, a campaign. There was no evidence that I ever saw that it was a campaign-oriented or campaign-developed set of materials. But there was always this suspicion that elements of the campaign were playing on the racial issue. Certainly in terms of the image that was created, the image was Carter the grass roots farmer, and they called his opponent "cufflink Carl."

This can only happen in Georgia—the sort of buttoned-down Atlanta lawyer. That part, there is no question but that Carter was certainly a part of and participated in and reinforced. I would like to think that the racial parts were something he did not, and I have no reason to think that he did participate in. But the point is he did run a very conservative campaign, and just as he ran to the right of his Democratic challengers for the Democratic nomination in '76, he ran to the right of Carl Sanders fiscally and in terms of government and so forth for the '70 campaign. And I think it was therefore somewhat of a surprise when, in his inaugural speech as Governor, the whole theme was civil rights and equal rights. You will remember that *Time* magazine had a cover picture of him. I think that was somewhat of a surprise to some of the people who voted for him.

THOMPSON: Could I just follow up? One last question on the task forces. When Paul Nitze was here he quoted the President during the campaign.

YOUNG: Excuse me. He wasn't here for this project. He was here in another program.

THOMPSON: No. But he made the comment that the President had said during the campaign that his two principal foreign policy advisors were Nitze and Warnke. And there is some evidence of bracketing on some of these choices. Not on economics in quite the same way. This came out, I think, with both of the people who have been here to talk about economics. I just jotted down a list as you were—

EIZENSTAT: If he said it, I don't know why, because his chief advisors in foreign policy were really Holbrooke—who did sort of the organization—and Dick Gardner, who did most of the creative work. Zbig did a little.

THOMPSON: There is a tendency to bracket with Vance and Brzezinski. I just wondered whether any of these people were present. [Dean] Rusk, [George F.] Kennan, Bundy, [Clark] Clifford, [Hans] Morgenthau.

EIZENSTAT: Wait a minute now. You mean Ruth Morgenthau?

THOMPSON: No. Hans Morgenthau.

EIZENSTAT: No.

THOMPSON: It does seem to me (and I'll drop it) that you spotted the premier figures in the economic field with Larry Kline and others, but there were an awful lot of gaps in terms of the people that foreign policy specialists would have thought of. I wonder whether that went back to the statement Hamilton made during the campaign that if Brzezinski and Vance came in, you'd be a failure, the Woody Woodpecker thing. We've had several others who said foreign policy advisors always talk in a non-domestic political context, and therefore aren't too much help. I'm trying to get at it in terms of what is to happen in the next four years—whether you did, in contrast to Kennedy and Johnson, draw on the more experienced foreign policy community a little bit less. You hit *Foreign Policy* magazine, you hit other places, new faces.

EIZENSTAT: I can't make that comparison very well because it's difficult for me to know precisely the extent to which the Kennedy people actually did rely on him. But we certainly relied on a different group of people now. Dick Gardner was a quite experienced foreign policy person. Dick Cooper was in the international economics area, Henry Owen in the national economics, Zbig, Dick Holbrooke—who took a leave of absence from being editor of *Foreign Affairs* magazine—Bob Hunter—who had been Kennedy's chief—they were the people who could come to my mind as—

THOMPSON: You wouldn't think of them as old wise men in the field, would you?

EIZENSTAT: No, I think that's fair to say.

YOUNG: You asked me to remind you about your discussion with Jim Cannon. One of the questions about setting up the domestic policy staff was how you and the President saw that as being set up to do things or set up in a different way from some of the earlier models of domestic policy staff. It's not a terribly ancient institution in the Presidency.

EIZENSTAT: I talked to Ted Sorenson about how he had organized his operation. I really was indirectly a participant in [Joseph A.] Califano's—I was not on Califano's staff, but I worked with Bob Hardesty, who was one of Johnson's chief speechwriters, and did work with Califano's group. We used to draft a lot of the messages that his people helped to coordinate, and of course

I talked with Joe. I had some lengthy sessions with Jim Cannon, and I did some reading. I read some of [Stephen] Hess's material and so forth.

It was clear to me first of all that it was important to have, whatever one called it, something like a domestic council. But that domestic council had utterly and completely failed as a council—that is to say, as an organization in which the principals met, discussed, and made decisions. The reason was that—unlike the National Security Council, where you have a limited number of principals, essentially the head of the CIA, Secretary of Defense, Secretary of State, National Security Advisor—for a domestic council, you had to have every agency of government except the ones I have just mentioned. And to some extent, because things like trade had an international impact, you'd have to have them as well.

So it was simply unwieldy to try to have the council function as a council, and, indeed, [John] Ehrlichman had given that up not long after he started it. We looked at some of the [Roy] Ash material from the Ash report. I decided that what the domestic council ought to be is a repository for a staff, which would be a coordinating mechanism for domestic policy rather than a place in which principals would come together and meet. It would, in fact, be a place where one's staff work had been done; principals on a case-by-case basis could be either at the Cabinet level or the sub-Cabinet level. But its principal function wouldn't be just to hold meetings and circulate paper.

Now Jim Cannon labored under two liabilities which I did not have, and which I intended not to have. The first liability was that he was never really close to Ford. He was always viewed as a [Nelson] Rockefeller man; therefore, things went around him sometimes, and he just didn't have the sort of close personal relationship that one would want to have between a domestic advisor and a President. That was not a problem that I had because of my relationship with Carter.

Second, Cannon labored under the disability of Ford being a President who was essentially not interested in innovating, not interested in proposing legislation, but trying to stop the flow of legislation and vetoing legislation to Congress. He vetoed more legislation than any President in the history of the country in a two-year period. He viewed himself as a dam to keep back the floodtide of liberal spending legislation which a Democratic Congress was passing. Therefore, the domestic policy staff was more in the role of analyzing things that a Democratic Congress initiated rather than initiating new ideas. That's obviously not to say that there weren't some initiatives, but by and large that was the role that they saw themselves in, and it was not the role that Carter saw himself in. He saw himself as being an activist and aggressive President.

In fact, one little interesting vignette was that we were having a meeting at the old Smithsonian Castle building during the transition with the Republican and Democratic leadership on foreign policy issues. Even though it wasn't directly in my bailiwick, I sat in. I think at that point Vance had already been designated. Zbig had been designated. And I had, the day before, had a Godfrey Sperling breakfast, and I was asked a question about whether I thought President Carter was going to be an activist President. I said I thought that we were going to try to go slow in terms of legislation and concentrate on the economic recovery program, and that we would proceed with moderation thereafter.

During one of the breaks in that foreign policy session the next morning, this article appeared reporting on us in the *New York Times*. Carter pulled me aside and—for what was, I think, the single, almost the only, time since I had known him—and, in retrospect, I think the only time thereafter—there may have been one or two others, but I don't remember them very clearly—he really seemed to be angry. He said, "You know, you shouldn't have said that. I'm going to be an activist President, and I'm going to propose a lot of legislation. You know we're going to get things done, get things moving."

So that was both a blessing and a curse at the same time, but in terms of the organization of the domestic policy staff, it was clear that it was going to be a more central and important institution than it was under a President who essentially was not interested in being an activist President. So, again, I decided that it should be a repository for the staff and not simply a place for meetings to occur.

The greatest disability under which I labored in the early months of the administration was the President's repeated emphasis on Cabinet government. This gave a signal to the Cabinet officers that this meant that the White House staff was less important, and that they could go directly to him on things, and that they could coordinate their own efforts. There was no better example of—well, there are two examples of that that were particularly interesting. One was the urban policy initiative, which Pat Harris as Secretary of HUD [Housing and Urban Development] was asked to develop. She chaired an interagency group of principals. After six fruitless months of trying to get the other agencies together, she finally came to me and said, "Look, you've got to take this thing over. I can't get the other agencies to listen to us in terms of deadlines and so forth."

And the second—and in the long run much more important—was the energy policy that was developed. There was no energy department, so [James] Schlesinger—who was, in effect, Energy Secretary-designate waiting for a department to be created for him—got people out of FEA [Federal Environmental Agency] and ERDA [Energy Research and Development Association] and so forth and collected a little group around him. Although he was nominally in the White House—because he had no other place to sit—he was not in the flow of the domestic policy staff at that point. And while my staff person was to some extent involved, we weren't coordinating and running the show. That proved to be an utter and tragic catastrophe, one with the gravest implications for the future of the Carter Presidency, and if I had to pick one mistake that had the longest range impact, it was that.

Because as a result of the way it was developed, number one, the President put that group under an inordinate time demand of coming up within 90 days with a comprehensive energy policy. I don't think he appreciated the degree of difficulty that would impose. Number two, our chief focus in the campaign had, after all, been on the economy. That was what the whole election was fought over. It was fought over the recession, not over energy. Energy was an extremely minor issue in the campaign. And here we were putting together on a crash basis something that was going to become a centerpiece of Carter's domestic policy, and a centerpiece of his Presidency, when it had not reached the level of public attention as even being an issue.

Third, because the White House staff was not either on the political side or substantive side deeply involved in it. And fourth and last, because the President insisted on utter and complete secrecy of Jim [Schlesinger] and his group and not wanting it to leak out and therefore not sharing any of it until the last few weeks with either the White House staff or any of the other departments involved. Treasury, for example, was critically involved because many of the recommendations involved tax credits and tax proposals. CEA [Council of Economic Advisors] was critically interested because it had obvious inflationary and macroeconomic impacts in terms of energy prices. OMB [Office of Management and Budget] was not involved, although it had obvious budget implications.

You'll have to talk to Jim in more detail about this and to the President, but it was kept very, very close to his vest. In fact, I remember getting back from him maybe seventy, sixty days or so into this process, the black book that Schlesinger had forwarded to him with a summary of his recommendations in each area. The President had read it and made some notations and sent it to me with a note that said, "Do not share with anyone including your own staff." I breached that directive to let my energy person, Kitty Schirmer, see it. I just thought it was absolutely and totally out of the question for my own energy person not to see it.

But we were under great restrictions in terms of with whom to share it, and I didn't have the directive at that point—again, because of the broad devolution of policy to the agencies, and because of the secrecy with which he wanted to keep the energy policy—to coordinate, to do what I thought a domestic policy advisor was supposed to do, which was to assure that every agency with an interest in any issue has a chance for full input and full involvement and to air their views to give them, in effect, due process. That way, ultimately, when the President gets a memorandum, it reflects the views of all interested agencies, and you don't have a disorganized process in which agencies through leaks and newspaper articles find out what another agency is doing and then come in with last minute memos.

I would have to go back and look at notes and memoranda to tell you when exactly was the first time that other agencies were allowed to see this document, but I don't think it could have been much more than maybe two weeks or three weeks before the 90-day deadline, which Carter insisted on keeping despite our saying that this needed more time. And I don't even remember whether this black book was ever distributed or whether a summary was distributed. But I do remember at least two meetings in the Cabinet room at which Schlesinger explained his recommendations to the President. That was the first occasion that agencies really had a chance to get involved. I'm talking about only at the Cabinet level, not at the working level of agencies where you really have to grind out the details of the thing. There was some congressional consultation. Jim did as much as he could. In fairness to Jim, he was working without a department, with a small group of people under an order of secrecy and under tremendous time demands.

And it's not as if this was the only thing he was doing. We had a natural gas crisis that winter. Jim had to develop legislation for that. He had to worry about developing the legislation for the department which was going up at the same time, the whole organization of it. And he had as great a burden as any Cabinet officer in any time in my memory—certainly in the Carter administration—ever had during that 90-day period. The burdens on him were really

phenomenal. I did a little congressional relations, but again, it wasn't as if I could say, "Here are our recommendations. What do you think about them?" It was more or less "What do you think ought to be in it?"

I was particularly interested in natural gas because this was going to be, it appeared, a key political stumbling block. I had drafted, in the waning days of the '76 campaign with Kitty Schirmer, a famous letter (or infamous, as the case may be) to four or five southwest Democratic Governors on the issue of natural gas deregulation. David Boren—and there may have been only two, I think it was David Boren and [Dolph] Brisco. There may have been others who got carbon copies, but they were the two who got copies, and they obviously said, "This is an important issue in terms of carrying our state."

The President had no history of the position of natural gas. It was not an issue in Georgia. Georgia's a consuming state. He had no particular predilections about it one way or the other. If there was a mainstream position in the Democratic Party on natural gas pricing, it was probably to keep controls on—because the basic strength of the Democratic Party was in consuming industrial states rather than western producing states—with the exception of Texas which is of course traditionally Democratic.

And this became a very difficult issue for us. It's interesting because I suppose it shows the extent that energy wasn't an issue in the '76 campaign. The darn thing never came up, really, until the very end of the campaign, or if it came up, it was not something anybody really pressed on. We drafted this letter and sent it to him on the campaign plane, and I think I talked to him on the phone once. The position we ultimately took as expressed in this letter was that there should be a five-year phase out of controls. This would be done—and I think the language of the letter made it clear—as a sort of experiment, and he reserved the right to re-impose controls if it didn't work. But the clear thrust of the letter was to deregulate. Deregulation had almost passed the House in 1976 despite heavy Democratic majorities—only lost by, I think, two or three votes, four votes, five votes, something in that range. And it was obviously a divisive issue in the Congress as well.

Now here is Schlesinger developing this program out of his own hip pocket—again, not because he necessarily wanted to, but because he was told to. And I see in the proposal that we are to keep controls on natural gas. We had, by the way, distributed—this is a little bit of an aside, but it certainly relates to energy. I had distributed to each Cabinet officer-designee, at the President's request, copies of major speeches and positions that he had taken that we had compiled in the campaign so they would know where he stood. I talked with each of them. We talked through his campaign positions and so forth, so that they would be at least in general aware of the major positions that he had taken. Certainly Jim and his people were more than aware of Carter's position on deregulation.

In any event, it was contrary to this, and I remember talking it out in one of these two Cabinet-level meetings that we had in the Cabinet room on the energy program. We went around the room on deregulation. I was supposed to be, in a sense, the keeper for the campaign promises—or at least the recollector of them. Nobody strongly came out for deregulation in that room. Charlie Schultze, for example—who basically believed in the free market, in terms of energy—

was concerned about the inflationary implications of doing it. We were in the middle of a natural gas shortage, and it might be a bad time to remind people of the fact that you were going to substantially raise prices.

Schlesinger—who one would have thought would have been a devotee of deregulation—was the strongest advocate against it for reasons which I only much later pieced together. I think there were two reasons. One, the chairman of the House and Senate Energy Committee and subcommittee— [John] Dingle on the House side subcommittee on energy, and [Henry/Scoop] Jackson on the Senate side—were violent opponents of deregulation, and influenced Schlesinger to believe that if Carter proposed deregulation it would hurt the entire energy package and destroy Carter's image as a mainstream Democrat and so forth.

Second, for whatever reason, some of the people whom Jim got around him—like Les Goldman, from [Adlai E. III] Stevenson's staff, and Dave Freeman, who had been working on the Ford energy study, and even Jack O'Leary, who had come from the department of the interior—were all regulatory; they all believed in regulation. And I must say that in retrospect I wish I had put up a much stronger and more vigorous fight, because I think if I had, I might have just embarrassed the President into complying with his campaign promises. I was certainly reminding him of them and reminding him of how important it was to Brisco and others. But I guess my feeling was that if there were any campaign promises to be broken, this was certainly one that was not as central to his campaign as others. I felt particularly uncomfortable having drafted the letter, and you know that was certainly stated and mentioned, and the President was more than reminded of it.

YOUNG: But this letter, he had approved your general outline of the five-year?

EIZENSTAT: Right. It wasn't a religion with him. It wasn't something he felt he had campaigned on for years. And in light of the lukewarm attitude of those who would naturally have supported—and the outright opposition of Schlesinger, who, after all, had more government experience than practically any two or three people in the room (and one can debate whether that was a plus or minus, too, but that's another story). You know, here was the most experienced governmental official saying that we shouldn't deregulate, that it would hurt us on the Hill, it wasn't necessary for production. If we raised natural gas prices to $1.75, that would get all—or almost all—the production incentive that you would get for full deregulation without any of the downsides. The President decided to do that.

I dwell on natural gas for a couple of reasons. First, it is symbolic of what happens when you try to put things together too quickly and without the type of consultation that's necessary. Second, had Carter agreed to deregulate, he would, I think, have had a good shot at still being President today because it's that natural gas fight on which we turned out to be on the wrong side. We did not realize the currents were changing in Congress. Remember, the Senate deregulated. The House in August of '77 passed our entire energy bill. The crude oil equalization tax kept controls on by a motion to recommit of—I don't know, three to four votes, with Carter at the height of his popularity, putting everything he had behind it. He got Jim Wright—who was obviously naturally for deregulation—to agree to be on our side, and carried several Texas people with him, several conservative Democrats.

We would have won by 25 to 30 votes if we had taken the other position on deregulation. The House and the Senate would have both been for deregulation, the energy bill would have passed by the end of the first session of Congress, Carter would have gotten his entire economic plan, and his entire energy plan, including the crude oil tax, intact. He would have been a person viewed as having magic powers with Congress as a doer, as somebody who was competent with the Congress.

Instead, the natural gas fight delayed the entire energy package for 18 months, and what came out was maybe 65% of what we wanted, but was viewed as a limp excuse for what we had sent up. And on something he had called the "moral equivalent of war" he had not been able to move the Congress in 18 months, all because of the way it was put together and because of the decision that was made on natural gas prices. Absolutely tragic error, and one from which we never recovered in terms of public perception of him as a President who, in fact, did do a lot with Congress and got a lot accomplished—a lot more than anybody ever seemed to give us credit for. But he never overcame that taint that occurred largely because of the energy package.

If one compares [Ronald] Reagan's presidency for example, Reagan didn't get any more of his economic program through than we got of ours. We got everything except the $50 rebate. We got the tax cuts, we got all the jobs programs, we got the public works programs—all through within three and a half months, four months. If that had been our first year, he would have been viewed as tremendously successful. Or contrariwise, if he had done the energy thing in addition, but in a somewhat orderly, more coordinated, internal way—and even having made the mistake in terms of the 90 days, if he had made a different decision on natural gas—it would have been successful.

He would have avoided what ultimately became a tremendously difficult political decision in 1979—which lost a lot of the liberal wing of the party—and that is crude oil decontrol. The crude oil equalization tax was a brilliantly conceived concept by Schlesinger, in which he went to the world market price for crude oil. But you capture 100% of the difference between the base price and the world price—not just a portion of it as in the windfall tax—you have 100% of it for the Treasury and recycle it. We got the consumer groups to agree to it, the liberals agreed to it, and it was natural gas that held that up. I'm convinced that we could have gotten the energy companies to back off. It was a nice trade to give them deregulation on natural gas—to, in effect, give them world prices on energy, but tax it back. It was just a beautifully balanced package for producers as well as consumers, and I think the history of the administration would have been markedly different but for that series of circumstances.

YOUNG: And this relates back, in a sense, to the discussion earlier—this train of thought in bringing up the energy, and then the first-year problems, and the ultimate consequences—all traces back to an example that started out about Cabinet government. Here was the case, apparently, where the President devolved or delegated various substantial authority under close deadlines and under strictures of secrecy to one person. The domestic policy staff, the other relevant White House staffs and departments, were out of it until very late in the game. I take that what you're saying is that during the first year, either because of the nature of the issues or the way they were handled, energy being the primary example, there were substantial settling in

problems about what the relationship of your staff and yourself would be to the development of these major initiatives. Is that correct?

EIZENSTAT: Yes. I think it became clearer with each passing day from the first day on, except again for the energy, which was a 90-day wonder. It became clearer and clearer that materials had to flow through my office, in part because Carter was good at insisting that Cabinet officers do it, in part because Cabinet officers knew that I knew his thinking, and they respected the competence of our staff. It's not as if we were out of the picture in any way. It's not as if we didn't know what was happening. But what did happen day by day and week by week and month by month is that gradually it became clearer and clearer, even to some of the Cabinet officers like Pat Harris, that you simply couldn't run a major study on a major issue out of Cabinet departments.

Unfortunately, a lot of things were done in that first year very quickly. We had the urban policy, the energy policy, we had the economic policy, we had the welfare policy. If any of you have read Jim Lynn's very excellent case note on our welfare policy, it says everything I could possibly say. It's an excellent example of what happens when the White House doesn't coordinate policy, but only participates in agency-run interagency activities. That is that agencies can't agree among themselves. They need a neutral arbitrator. They need a central director.

Carter ended up getting a decision memorandum on welfare, which was some 60 single-spaced typewritten pages, utterly incomprehensible, in which the Department of Labor and the Department of HEW [Health, Education, and Welfare] could not even agree on the language to be used in various sections because each felt that the other agency was not accurately stating its arguments on certain options. That's what a White House staff is there for. It's a non turf-interested presidentially oriented, neutral arbiter, and when it's not allowed to serve that function—which it was in part not allowed to do because of some of the signals that were sent up by Cabinet government—then you get a policy muddle. I think it became increasingly clear that that couldn't continue, and largely toward the end of the first year, it didn't. There was more central direction and with the first Camp David reorganization, that certainly—

YOUNG: I think this sets a nice stage because then there was a review, in some sense, of these problems.

EIZENSTAT: When was that?

HARGROVE: April of '78, wasn't it?

EIZENSTAT: April of '78, right.

YOUNG: Just one little question on this first year. You're pointing out some of the problems of the first few months. One of the interpretations the press made of the first-year problems was that the administration tried to do too much.

EIZENSTAT: Right.

YOUNG: That is, they were overloading the circuits.

EIZENSTAT: Right.

YOUNG: Are you, by the citation of these specific examples, suggesting that that really wasn't the nature of the problem? There was something else here?

EIZENSTAT: No. I'm not suggesting that wasn't part of the problem. I'm suggesting there were other problems as well. You see, one of the problems I think with this criticism from the press—which was an accurate one, and which the President himself has admitted publicly in retrospect was a mistake—was this sort of "spokes on the wheel" theory, because there was no central organizing staff for the White House, which is itself a bureaucracy. The White House is a mini-bureaucracy, which has its own interests and is promoting its own agendas. You've got to have somebody who can pull all those things together and prioritize things for the President. He simply cannot do it himself. He's too overloaded. He's got too many other things to do.

That is where the failing of not having a Chief of Staff or his equivalent was so fatal in those early days. There was no one to say, "Well, look now, we can't send up hospital cost containment, welfare reform, tax reform, economic stimulus package, energy" and so forth—all of which were going to go to the same committees at the same time. And, "We've just got to tell each group that's saying they want theirs first that they'll just have to damn well wait."

You've got to have somebody who enforces those priorities and who looks at the foreign side and says, "Well, this is going to be a major foreign initiative, so let's hold this domestic initiative up." Somebody's got to do that, but the President was so interested in getting everything up at once and being a great reformer—and I think in some respects that's a plus for him. He was interested in solving problems, he felt deeply about the problems, he felt—not without some validity—that a President's popularity is a very ephemeral thing, and that you better make hay while the sun shines. That first year is when you really do get things done. Every President wants to repeat the first hundred days. If [Franklin] Roosevelt could do it, why can't they? I think what happened, in part, is a lack of internal organization.

In part, it's a lack of prioritizing. But in an important way it gets back to another theme that I talked about earlier in terms of the campaign. That is that his general election had a different thrust than his primary campaign. What was happening now is that the chickens were coming home to roost. On the promises made in the general election—the specifics which were developed in the general election—he was now being pressed by the groups that said, "Well, it was a close election, and if it weren't for us, you would have lost." It's like a close baseball game. You win one to nothing, and everybody says, "Well, if it weren't for my outstanding play, we would have lost."

It's all true, to an extent. They began putting demands on us to come up with this and with that. In fact, what was happening on the Hill was quite different. The Hill wasn't interested any more—this was a '78 issue, but the Hill wasn't interested in traditional tax reform. They took our tax reform proposal and made a capital gains deduction out of it. They took our welfare reform proposal and sat on it. A lot of the people thought that Carter's election in '76 was another

clarion call for a return to the Great Society to take up where it left off, but, in fact, that was not what the ’76 election was about. That was not the sentiment in the Congress. And all of these initiatives came up in a climate that was not conducive.

In other words, FDR [Franklin Delano Roosevelt] could do so many things because it was a crisis atmosphere, because people wanted to do something, and whatever he proposed they were willing to do. It was different. That was not the atmosphere for the reception of our major programs. The constituencies which had pushed us for some of these things did not have the kind of control over the Congress they thought they had—in particular, the labor constituency, which had waned in power unbeknownst to us (and to them). So the receptivity of these programs simply wasn’t there. If there had been a climate like that, then nobody would have said we overloaded the circuits. They would have said, “Well, my God, here’s a man who’s done more in a year than any President since FDR.”

HARGROVE: But why didn’t the President see that?

EIZENSTAT: First of all, I think he didn’t see it because it wasn’t clear that this was the mood of Congress until after the fact. It was 20-20 hindsight that they didn’t do all these wonderful things we had campaigned on. After all, we didn’t lose the election, we won it. So, presumably, there must have been some support for the things we were talking about. In fact, I think we found that the support did exist among some of the constituency groups. But those constituency groups simply didn’t have the power and authority that we thought they had, and that wasn’t plain until after the fact.

HARGROVE: Well, to some extent, he was acting against his own strong preferences. He was more conservative than some of the constituency groups. Why didn’t he respond to his own?

EIZENSTAT: Because I think he wanted both things. He wanted a balanced budget—which he thought he would get out of the growth that would occur from his stimulus package—and he wanted these legislative reforms as well. Of course, on welfare reform he tried to come up with a zero budget option and so forth. It’s not as if he totally ignored that. He always wanted to do these, but at no cost.

YOUNG: I think maybe a good way to pull some of these many threads together and the factors at work here after lunch would be to talk about the first Camp David review, with presumably the sense of some of the problems on a discussion agenda.

EIZENSTAT: We probably ought to talk about the water projects, too. Because I think again they are indicative of what happened in the early months of the administration in terms of the lack of outreach.

YOUNG: Water projects, energy, and urban policy.

EIZENSTAT: Yes, and I’d like to talk also—although I was not directly involved in it—the SALT [Strategic Arms Limitation Talks] situation in the sense that I think there was immediate parallel between the energy package and the SALT package. The President had the concept—

comprehensive was a word that he loved to use, this comprehensive reform of the tax code, comprehensive energy program, comprehensive strategic arms discussions—and I think we ought to at least touch on the SALT situation.

YOUNG: We have just about five minutes before lunch. Would you prefer to ask now or right after?

THOMPSON: I've got a seminar, so I won't be here. Carter's signals regarding Cabinet government, that's the point of the question. When Griffin Bell was here in another connection, he lamented the abandonment of Cabinet government, as he put it. Do you think trying to reconcile those two positions— Do you think that if the actors, Cabinet officers, had been people like Bell or [G. William] Miller or [Moon] Landrieu, the problems you mentioned that seemed to come up with Schlesinger, Califano, Blumenthal, Harris, et al., would have come up in the same way, and the issue between Cabinet government and coordinating the role of the White House would have been as serious a matter as you've suggested it was?

EIZENSTAT: Absolutely. Not a damn thing to do with personality. It's institutional, it's built into the way in which the executive branch is organized. You won't talk to many Cabinet officers who don't think that they should have had more authority. And you won't talk to many White House staff people who think they should have more authority. They are irreconcilable differences, and it's up to a President to reconcile which he wants. I think what ultimately happened in our administration is there was a recognition that more had to be centralized in the White House. But it's an institutional difference. It doesn't have a darn thing to do—and, in fact, the department which was least cooperative and least involved and least willing to share their positions with other agencies and with the White House and with the President was the Justice Department.

THOMPSON: And this applies across the board? The need also applies with reference to NSC?

EIZENSTAT: Oh, absolutely.

THOMPSON: Including the public role?

EIZENSTAT: No. I felt that what Franklin Roosevelt said about the key qualification for a White House staff person was a guiding force and that was a passion for anonymity. I think when White House staff people become public persons themselves—which is to some extent obviously unavoidable, because there is so much attention given to them—when they view themselves as independent spokesmen, or having the equivalent rank of Cabinet officers in terms of making pronouncements, you get into serious trouble. I viewed myself—when I did go on television—as an enunciator of policy. I didn't solicit press interviews or television interviews. I enunciated what I thought the policy was, and I think that White House staff people ought to have invisible roles to the extent humanly possible. When they go public, you get into problems.

MOSHER: I just wanted to go back, one little question about the energy business. This may be a gap in my memory, but how did Schlesinger get involved in this in the first place? How did Carter happen to pick Schlesinger?

EIZENSTAT: That's an interesting question. Schlesinger was fired by Ford. This was, I guess, not during the general election campaign—certainly shortly before, but somewhere in that period. It was an obvious embarrassment to him, and I think the political people and the President saw this as a wonderful opportunity. Here was a Secretary of Defense who was leaving the administration under strained circumstances. Schlesinger got word to the President—to the then-Governor, then candidate—that he was going to make a trip to China during the presidential campaign, and that he would like upon his return to brief the President on what he found out.

There were a number of people in the campaign—I'm not sure, I think Hamilton was one—who strongly urged Carter not to do that on symbolic grounds. The reason that Schlesinger had left Defense, from his standpoint, was that Ford wasn't hawkish enough and didn't want to build up the defense budget enough. Here was Carter talking about five to seven billion dollar reductions in defense, and he was going to have a private chat with Schlesinger. Some of the political people thought that would send conflicting signals. But the President, nevertheless, for his own good and sufficient reasons, decided to meet with Schlesinger.

I was not a participant. I was told that Schlesinger and he immediately hit it off. Both are very bright and very analytic. He was very impressed with Jim's presentation and determined that he wanted to have him in the administration. I was not involved almost at all in the selection of Cabinet officers or sub-Cabinet officers, but my piecing of things together is that Carter may have wanted to have him as Secretary of Defense—but clearly couldn't because of the history involved—and that he, Carter, decided energy was to be an important issue. He had promised a Cabinet level department. And it seemed to be a position that Schlesinger would also qualify for, since he had been chairman of the Atomic Energy Commission.

YOUNG: It is possible that this explains why the comprehensive energy bill came up?

EIZENSTAT: I don't understand your question.

YOUNG: Whether Schlesinger might have persuaded the President? As you say, it wasn't a campaign issue.

EIZENSTAT: That's a good question. It's a good question, and I can't answer that. You'll have to ask Schlesinger or the President.

YOUNG: I'm just curious how it got identified as such a major initiative.

EIZENSTAT: I don't know who convinced whom. All I know is it was surprising to me that it was such a major initiative and that the 90-day deadline was set. My thinking is that it's just something that developed between the two of them. I know Jim was deeply concerned about the long-term energy programs. I know that Jim did not want to have a 90-day deadline put on him. But it may have been he that said, "Look, we've really got to do something. This is a quiet crisis, but it's going to ultimately erupt."

HARGROVE: It was the President's style at that point to give the lead to a Cabinet officer, as in welfare reform, and put a deadline on these policies?

EIZENSTAT: Yes. And his urban policy.

HARGROVE: He just used that style.

EIZENSTAT: That was his style of setting deadlines from his perspective. I gave the downside. The upside is that the bureaucracy does work very slowly, you lose your popularity month by month in your first year, and I think he felt this was so important that he wanted to motivate the bureaucracy by putting a deadline on them. He wanted to make sure that when this was proposed and fought for, he would be at the height of his popularity. Not an unreasonable position, from his perspective.

YOUNG: Quite consistent with other observations.

HARGROVE: It leaves you in limbo, which I think I'd like to come back to.

MOSHER: One other question. You said OMB was not involved in this, but at that time OMB had its big reorganization business going.

EIZENSTAT: Let me not exaggerate. When I say they weren't involved, it's not as if my staff person and OMB's never sat in on sessions. They did. It's that they didn't have a sense of how the whole was fitting in. They might have sat in on a session on natural gas and a session on utility rate reform.

MOSHER: Part of this deal was that there would be a Department of Energy, and presumably Schlesinger was going to head it up. Didn't the OMB have a task force on reorganization and the Department of Energy?

EIZENSTAT: Yes, they worked with him. But the reorganization project was not fully off the ground in those early days. It was later appointed under Harrison Welford, and I really don't remember the degree to which Harrison was involved in the creation of the Energy Department. I think he was to some extent, but the reorganization project was not as full blown as it was somewhat a little later in that year. In fact, reorganization plan number one was reorganization for the White House staff. I think that actually Energy was called "reorganization plan number two," if I'm not mistaken. But that's just a faint recollection. In any event, yes, they were involved, but my recollection is that they weren't as much of an actor in reorganization as they became later that year.

MOSHER: But the basic plan for the Energy Department was introduced by Schlesinger and his group, and not OMB.

EIZENSTAT: Well, that's the point I'm making—the OMB reorganization project was not that fully developed at that time. Jim was the one who really put it together. So Jim was dealing with

the natural gas crisis that winter, he was putting his own department together, and he was trying to come up with comprehensive energy package, which was an enormous load.

YOUNG: It's about time to break for lunch, which we have served out here. Cliff, you had a question.

MCCLESKEY: I just wanted to follow up on this point about the anonymity of the staff. I think—

EIZENSTAT: I didn't say it was anonymous. I said it should be anonymous.

MCCLESKEY: I'm talking about that principle. The thing that I'm mulling over is—given what I would think would be the obvious advantages of following that principle, and some of the disadvantages of not following it—why would a President allow people to escape?

EIZENSTAT: You'll have to ask him.

MCCLESKEY: I just wondered. You don't have any feelings on that?

YOUNG: There weren't strictures placed on you?

EIZENSTAT: I think that there weren't. I mean, I'm by nature somewhat reticent, and if I got a press request—you know, for a TV interview—I always checked with Jody Powell. Indeed, I think the record will show that it wasn't until fairly late in the first year that I even had one. Thereafter I started to do more, because people felt that I presented myself well, and the President seemed to like it. But I always checked, and, again, I tried not to be an independent enunciator of news, but rather someone who simply articulated what it was we were doing. I think the answer to your question from my perspective was that he just didn't come down hard enough on people. And I think that he suffered for that, either because of his personal relationships with them or his friendship with them or whatever.

YOUNG: Let's get back to the discussion. A few pickup questions we might talk about. After the first year, what then? After the first year or the first few months, and the first retreat and how things might have changed. I believe you said a little while back that you were not involved in the sub-Cabinet appointments. These are assistant secretaries and so on with whom you would, it would seem, have to be working fairly closely to perform the domestic policy advisor's job. Was the giving of a free hand, more or less, to the Secretaries—the Cabinet appointees—by the President part of his idea of how Cabinet government ought to function?

EIZENSTAT: Yes. Again, I think that while there are some obvious advantages in that, there are more disadvantages than advantages, because you clearly have to have assistant secretaries and deputy secretaries and undersecretaries who can work with the Cabinet official. You can't just foist somebody on a Cabinet officer with whom he cannot work. A Cabinet officer or Cabinet officer-designate has to have some veto authority, perhaps. But at the same time, if the White House—not my office, but the personnel office and the political people—aren't the ones who directly make the decisions as to who will fill those positions, then you run the risk of

having people who are loyal to the permanent bureaucracies and the Cabinet Secretaries rather than to the President. They are less likely to carry out your policies. And you're likely to have a less responsive government.

So I certainly would like to have seen—and I think most of my colleagues on the White House staff would have preferred to see—in operation a White House staff personnel office which would have been given much clearer authority by the President to name and designate appointees, subject again, perhaps, to some sort of a veto—if there were good and sufficient reasons—by a Cabinet Secretary. I think you begin to lose control over your own administration when you don't take a major hand in the naming of your own sub-Cabinet officials.

YOUNG: That's consistent with what most of your colleagues here talked about. They've also talked about how they would have liked to see that change over time.

EIZENSTAT: I'm sure you'll get a different perception if you talk to Cabinet people.

KETTL: Well, one question getting back to the domestic policy staff itself. We had left the tale this morning moving from the campaign organization, which is relatively small, to a much larger organization in the White House itself. I was wondering if you would speak for a bit more about the recruitment of the new staff members who were added on, and then how that new domestic policy staff was organized in the first year.

EIZENSTAT: The additional staff people were recruited in significant part—recruited for my interviewing—by Bert Carp, who was one of my two deputies. He had worked on the Hill for several years with Mondale and had a very extensive network of people whom he knew and had worked with in Democratic Party circles. Of course, we got a lot of people who simply wrote in and asked. It's an attractive position to have. I interviewed a whole series of people we were interested in, in addition, to have experience and quality—to have some reasonable mix of women and minorities because of the President's strongly held views on affirmative action. That process took some weeks of interviewing and trying to select the right people. There was certainly no dearth of candidates.

KETTL: You described the people on the pre-election domestic policy group or the policy planning group as being predominately from a Capitol Hill background. Was that true as well of the people in the White House who were added on?

EIZENSTAT: Yes, although there were perhaps some people who had been in agencies. But I think, almost without exception—there may have been one or two—but there were almost no persons on the staff who did not have some prior governmental or political experience.

MOSHER: Any from the career services?

EIZENSTAT: Yes. Jim Mongan—who came on later, about halfway into the administration—was from the Public Health Service. He did our health work from the third year on. There may have been one or two others, but by and large not from the career of civil service.

MOSHER: Any holdover at all from previous administrations?

EIZENSTAT: No.

MOSHER: Are there any holdovers now in the Reagan administration?

EIZENSTAT: Not even the secretaries. We did hold over the secretaries, because I felt that they were professionally competent, and I didn't particularly care that they had worked for Nixon and Ford. Every one of the secretaries—some 30, who were really career people—were summarily fired by the Reagan people, which I urged them not to do, not only from a humanitarian standpoint, but because they were actually apolitical and could be very helpful. They knew their way around. They knew how to type memos in the right form and knew whom to call in agencies for information.

One of the things that I've had some thinking about is this lack of continuity. Our system of government is almost unique among democracies—perhaps is completely unique among democracies—in the lack of any historical follow-through, any historical memory, from one White House to another. There's just no institutional memory at all on either. To some extent, on the National Security Council staff there may be a few who hold out for a while, but generally there's an absolute mass exodus and entry. To some extent that's understandable.

We don't have a Cabinet system of government in the British sense, where you have permanent secretaries and people who staff the Prime Minister's office. But I think that there ought to be some permanent secretariat of people who essentially function as cataloguers, people who help with the internal organization, someone who perhaps could be something like an executive director to the NSC, or an executive director to something—more than simply a paper-pusher, but not *per se* a policymaker. It would be someone who has some historical knowledge, some historical continuity to what the previous administration did, and what's already been studied, and what somebody else did or tried to do. That's a real gap in our system of government. Everybody thinks they can reinvent the wheel to begin with.

HARGROVE: I want to start a theme of questioning about the domestic policy staff. April '78, when you went up to Camp David and the Cabinet got a talking-to and so on, was the decision made at that time to strengthen your authority and the authority of that staff to coordinate?

EIZENSTAT: Yes.

YOUNG: I'd like to go over what the agenda was, what the perceived problems of the first year were, and how those came out. What changed?

EIZENSTAT: Well, Carter had begun to slip in the polls. There was a sense that there was not enough cohesion; that agencies were going off on their own; that the White House was insufficiently involved in the coordination of policy; that the President was getting too much reading material from too many different sources. And at least one of the decisions made was that there should be a stronger coordinative role for our staff. I frankly think that by that time it was really more a ratification of what was already happening than it was some brand new

departure. As I indicated, each month that coordinative role sort of grew, and I think that, therefore, it was not a dramatic departure, but at least it did put a clear presidential imprint on what was evolving, or what had already evolved by that time.

HARGROVE: Were the congressional problems part of the discussion, or the liaison staff's relationship to all of this?

EIZENSTAT: Not largely.

HARGROVE: It was the internal, the disjointed nature of the internal administration?

EIZENSTAT: Refresh my recollection now. Was it the first Camp David where the Chief of Staff was named?

YOUNG: No. That was the second time.

EIZENSTAT: Yes, that's what I thought. In a sense, while it was not unimportant—the first Camp David was important—it was sort of our way of saying, "Well, the White House needs to be more involved in this thing." It didn't deal with some fundamental problems in the administration, like the lack of internal White House cohesion. After all, if the White House is supposed to be more involved with respect to their relationships to the agencies, certainly the White House itself should be more organized. But that was largely not dealt with, nor were congressional relations, to my recollection, largely dealt with. Again, I've got extensive notes on this Camp David session, but going from memory, that is my recollection.

YOUNG: Was the review suggested by the President? Was it his sense of something wrong, or was it the staff's feeling that it would be a good idea to sit down?

EIZENSTAT: Both. I think Hamilton, in particular, felt something needed to be done, but I think the President realized that as well. People were going off and saying things. I think he particularly felt the Secretary of the Treasury was doing that too much.

HARGROVE: All right now. You've used the word "coordinate" to characterize your staff, not "initiate."

EIZENSTAT: Well, we would only initiate to the extent that if the President sent me a note and said, "Stu, I'd like an agency to develop the following," we would send a note to the agency.

HARGROVE: Still, the lead would be out.

EIZENSTAT: The lead would be elsewhere.

HARGROVE: What is this coordinating role? Can you take us through this and how it actually worked?

EIZENSTAT: First you have to realize that I'm talking about a staff of professionals of roughly 30. We had people who were detailees, and the drug staff—if you had the drug staff when Boren left. Somewhere between 25 and 30. The policy staff for the Department of Commerce, one of our least important agencies, had 300 people. So we didn't have the numbers, and we had no computer capability. OMB had some, and CEA, but we had no computer capability. We just didn't have the resources to initiate and fully develop the data for a domestic policy initiative.

But what we did have, we had very bright people who were substantively knowledgeable in their areas, who were acutely aware of the President's priorities and the political ramifications. They had substantive knowledge in their area. And they were hopefully viewed as being honest and objective with respect to their dealings among and between agencies. Therefore, they could insist on establishing timetables for agency review of information and assimilation of information, and could bring other agencies in when there were interagency disputes. Ultimately, they could have the incredibly important function of drafting the ultimate decision memorandum when the mediation among and between agencies to try to iron out differences was unsuccessful.

HARGROVE: Is that what a PRM [Presidential Review Memorandum] is?

EIZENSTAT: No. Those were just decision memoranda. PRM is a different process, which I will be glad to discuss with you if you want.

HARGROVE: Okay. You can hold that. Could your people do actual analytic work? I mean, here you've suddenly got Arnie Parker saying public job, Henry Owen saying no. And could your people, smart as they were, deal with that issue analytically, as social scientists, as policy analysts?

EIZENSTAT: Yes, they could deal with that issue analytically. But we we're always dependent on the information provided by their agencies for that analysis. For example, we had a really excellent agricultural economist, Lynn Daft, who is just first rate, knows foreign programs and all the technical details upward and backward, in a highly technical, almost arcane area. We would have to make decisions from time to time about agricultural set-asides, wheat and so forth. Now, in terms of deciding whether to have an agricultural set-aside, the farmers generally wanted it because they saw it as a way to keep their income up. CEA generally didn't want it, because they wanted to keep prices down. And when one had to make a decision on whether to have an agricultural set-aside, you had to look at what the inflationary impact would be, what the crop projections were going to be, and so forth.

Well, CEA had one set of data, which would always show that the impact would be enormous, and agriculture had another set of data, which showed that the impact would be minimal. It used to drive the President buggy to see these conflicting pieces of information, and of course we didn't have our own computer capability. So to answer your question, Lynn, in that case, would have the analytic capability of knowing what the issue was and how to look at it and what data to ask for, but you can only make judgments based on the data that's presented. That data was always presented by the agencies, and what you had to do in those instances is try to get everybody together and say, "Look, you're saying this, and you're saying this, now let's talk it

through. What are the variables that have caused you to come out with different recommendations?"

HARGROVE: So you would try to get a memo that had options in it, would you, that were commensurate anyway?

EIZENSTAT: I would try to get a memo that didn't have options in it.

HARGROVE: None at all?

EIZENSTAT: Because that would mean that I had been able to successfully mediate the differences and avoid the President having to make very difficult decisions. In any issue worth its salt, we might have been partially successful in eliminating some differences and getting some common agreement on at least the questions to be asked and the data to be used. But where there were differences in options, it was our job to present those differences in a coherent, digestible form. That's what, as the result of this first Camp David process, I came more clearly to be asked to do, so that the President didn't have to read separate memoranda from two departments and try to make the two fit. So he'd have one memorandum which accurately and objectively summarized the views of each agency, told them what the variables were, what the downside risks were, what the political implications were, what the budget impact was going to be. Then he could make a decision, having one piece of paper in front of him with as much information of political, economic, budget, and social impacts as he would want. That way, we were coordinators because we were coordinating the input of material. We were mediating where possible, and ultimately we were putting things into a decision-making form.

HARGROVE: It was more than just laying your memo on a pile of conflicting memos. You tried to achieve a synthesis agreement as best you could?

EIZENSTAT: Yes. Now the President also always asked me for my personal opinion. This gets to an interesting question in terms of the role of the domestic advisor, or for that matter, a foreign policy advisor. That is, to what extent can one give personal advice to a President and at the same time serve as an honest broker and a neutral party from an agency's point of view? It's almost an inherent conflict to say that you're neutral and you try to mediate between agencies, you try to objectively write a decision memorandum outlining differences between agencies, on the one hand. Then, at the end of the process, you take that hat off, and you say, "Well now, Mr. President, between option A and option B, I think you should take option A for the following reasons." There you are becoming an advocate, not simply a neutral observer. That's why, if you have an unscrupulous domestic advisor—one who doesn't see his role as being a neutral observer, who sees his role as winning as many as he can for himself—the process utterly breaks down, the agencies distrust the process, won't use it, vehemently distrust it, and dislike the domestic advisor.

Because that supervisor is right there. He can go in at ten o'clock at night and say, "Mr. President, you really don't have to read this 40-page memo. Here's what I think you should do." Or, "You can read it, but, you know, I want to emphasize the reasons I think it would be a mistake not to follow my advice." I tried wherever possible not to exercise that opportunity, to

let agencies know where I stood at the end of the process. And while I might have, and frequently did, put very personal things in there—about the fact that "If you do this, Senator so and so is going to have you for breakfast tomorrow"—that I would not want circulated, I did always let the agencies know where I was coming out. And I tried to ask the President to have meetings where I felt the decision memorandum didn't get the guts of what needed to be said, or where agencies felt they wanted to get, to give them an opportunity orally to present their arguments. And I tried not to back-door the process by being a special pleader for my own views unless it was in an open meeting with everybody else there.

YOUNG: Certainly I think the reputation you have among students and other people in Washington is that you managed those two hats extraordinarily well.

EIZENSTAT: Well, I certainly tried. But I'm just pointing out that in a sense there is an almost inherent underlying conflict that you have to recognize at the outset, and you have to develop ways to deal with. I remember one time sending a memorandum in without my opinion. I just said, "Here is what this agency wants, and here's what that agency wants, and here are the reasons, and here are their arguments pro, and here are the other arguments con." He either sent it back or called me up and said, "You know, I'm paying you to give me your advice." So he clearly wanted that advice.

HARGROVE: Your advice was often based on staff work that your staff had done as well as your own views?

EIZENSTAT: Oh, yes.

HARGROVE: Now the President is often quoted as saying, "If you want to know what I think, ask Stu."

EIZENSTAT: Yes.

HARGROVE: Did that give you an authority with Cabinet officers?

EIZENSTAT: Yes, that was terribly important. You remember I talked about one of the liabilities that Jim Cannon labored under. This was an enormous asset, because, having worked with him for as long as I did, I had a basic sense of where he was likely to come out, or whether he had already taken a position, or whether he expressed to me privately a particular position. I was able to say in discussions—and this is the way I would usually put it—I would say, "Look, if you want to present this to the President, I'm not going to stop you. I don't have the right to prevent a Cabinet officer from sending any damn thing he wants into the President. But I can tell you that if you do, you've got about a snowball's chance in hell of ever getting it approved." Or if there were differences between agencies on something, I would perhaps say, "Look, I think the President is likely to take this view," and that might help alleviate a particular dispute.

There were very few instances in which I actually was an arbitrator as opposed to a mediator. That's where I was actually given by the agencies the right to make a decision as opposed to influence it. Those were usually on—I wouldn't say unimportant—but they were on issues where

our policy was clear, and there were simply differences of degree. One example that comes to mind was when we were doing our 1979 energy program, and someone might bring up the question later of how development of that differed from development of our '77 program. It's important in terms of how the internal operations of the White House matured, at least from my viewpoint. But the question was the level at which a solar tax credit should be given. Energy wanted it at 20%, and Treasury wanted it 10%, and Treasury wanted to spend as little money as possible and didn't like tax credits to begin with. Energy wanted it as high as possible to get the biggest bang that they could out of it.

I said, "Look, it's absolutely silly, with all the President's got to do, to make him decide. How is he supposed to know whether 10 or 20 is the right level?" And they said, "All right, why don't you just make the decision, and we'll abide by it?" Using great Solomonic judgment, I came out at 15%.

HARGROVE: Could you and your staff have functioned as initiators in the sense that you could have asked agencies to prepare papers and kept on top of the problems? I gather to some extent Califano and certainly Ehrlichman functioned that way.

EIZENSTAT: We did do that.

HARGROVE: You did do that?

EIZENSTAT: Yes. And in particular we did it—and this gets into the question about the PRMs—we in particular did it with the so called "PRM" process. The PRM process was a process that I developed after studying the NSC's PRM process, which was a long-established process going back at least to Kennedy, maybe earlier, in which an issue is picked which does not require an answer yesterday—where there is at least some time for review, which is important, which will involve more than one agency. And, again, which has got some overriding importance. The theory is to develop a database to do serious work on it, to have a real percolation process. We even had public hearings with some of our PRM processes. Indeed, with some, we actually circulated to interested groups and organizations drafts of the PRM before the President made a final decision.

HARGROVE: Kind of an itinerary process—goes back and forth.

EIZENSTAT: Right. Goes back and forth among and between the agencies. I'm sorry I don't have the paper with me. I had a list of all of those PRMs. We did a PRM on solar energy, we did a PRM on youth employment, we did a PRM on Vietnam veterans, we did a PRM on non-fuel minerals, we had a couple of others. I suppose one of the most successful was the one we did on youth employment, which I'm really particularly proud of. I think we came up with a tremendously important initiative, which, of course, has gotten nowhere now.

HARGROVE: Legislative initiative?

EIZENSTAT: A legislative initiative. And solar energy I'm particularly proud of. That came out with a decision that 20% of our energy uses by year 2000 would be solar, and had a major

impact on the budget funding on the development of special tax credits and so forth. But the way the PRM process worked—and, you know, at some point I will be glad if I can locate it to give you a memorandum that shows how it started. We would sit down with the lead agency or agencies involved simply to define what questions we wanted answered, what we really wanted to know.

For example, with youth employment, we wanted to know some of the data—how many kids were really involved, what were their demographic characteristics, what programs worked, and what hadn't worked in the past, and so forth. We would sit down and draft the questions to be asked. We would then submit a memorandum to the President with those questions and get him to approve the questions and a timetable for their answer and the agencies who would be assigned to answer each particular question. Then our staff was always given the lead as the coordinator for each, not the substantive lead in doing the staffing, but the lead in terms of coordinating it, making sure things were flowing on time and so forth.

Then we would have a meeting with the agencies. We would give out the paper with the questions. We would talk through the procedure, and we would enforce the timetables. The drafting would generally be done by the agencies with our review. We would sometimes even hold public hearings—as we did on youth employment around the country. With the solar PRM, we actually released the draft report well before—several weeks, months, in fact—before the final product to get input back and forth. We sacrificed secretiveness or surprise for what we thought would be a better final product. There's a great degree to which Presidents love to have surprises. The '77 energy program was, of course, meant to fall into that category. Somehow it seems bolder and more dramatic if no one knows about it. But the great risk of doing that—which I think far outweighs any conceivable benefit, unless there's some national security implication dealing with some matter that has to be highly classified—is that you lose the enormous benefit of venting issues among and between agencies, interest groups, the Hill—which is really what makes the policy process work—letting the newspapers chew it up. Certainly you lose a lot of surprise, but it still will go a lot farther when you do it, and it has a lot more support ultimately, and you can help build that support for passing it and then implementing it.

So the PRM process was used for this purpose. I ought to say that after the questions were answered, we would do a second document, which was putting all of this into a decision memorandum in legislative form. How do we now translate this into something useable? That was the second step. I would say that the average PRM would last from six to nine months. I think they were very useful processes. They involved the Cabinet in high-level ways. The Cabinet always did the staffing out and the computer work, and the President got a first quality piece of material back. You could not do this for every issue because by and large most issues have such short time fuses on them that you just can't. You don't have the luxury of that. I'm really proud of the process, and I think it worked very well.

YOUNG: I noticed that earlier you had said that among the people you talked to were Jim Cannon and Ted Sorenson. And I'm wondering whether the part of the process you were just describing defines a legislative drafting and legislative program development aspect? Is that what

you were really doing? After asking the questions and getting answers, were you also then moving to translate it into legislative language?

EIZENSTAT: Yes we were. But we rarely drafted the legislation *per se*, again because we had such a small staff and because the drafting of legislation is such a technical matter. The legislation was almost always drafted in the agency to comport with the policy we agreed on and then sent through the OMB legislative clearance process. OMB has a bevy of legislative experts who can check out legislation in terms of whether it comports with what the President wanted. We worked with OMB in that regard, but we rarely got involved with the details of actually drafting.

YOUNG: What you were really doing was drafting the substance of the legislative initiative.

EIZENSTAT: The substance of the legislation.

HARGROVE: You wrote the messages?

EIZENSTAT: We wrote the messages. We wrote the presidential messages that accompanied the legislation, and we did that with the speechwriters. We would usually give the speechwriters a draft, or give them an outline of what the President decided and let them do a draft, and we'd work with them in sending the messages out.

MOSHER: How did you go about selecting your subjects?

EIZENSTAT: The subjects were usually selected from a variety of different vehicles. One would be the President. For example, he might have a particular interest—national health insurance was also done through this process. You know, something that the President had as a burning issue. It might have been something that politically became very important—like solar energy, when the whole energy crisis continued to deepen, and the President had a lot of the environmental groups and others came to him and raised the level of visibility about it.

Sometimes it was something an agency wanted to do. I remember in one instance where we didn't do a PRM. Commerce came to us. As a matter of fact, what we used to do at the beginning of each year after the first year is we would send the memorandum around asking each Cabinet Secretary to designate for us issues on which they would like to have a PRM. There were always more candidates than we could take, because a Cabinet Secretary knew that if a particular issue they wanted got a PRM process, it was going to receive a lot of attention, and ultimately something was going to be done. So there was a lot of competition.

Commerce, for example, wanted to do a PRM on oceans policy. And we ultimately decided we just couldn't. We didn't want to do it. There was too much conflict, it was not a high-burner issue. We put that down. But there were always more candidates than there were spots to do it. So sometimes it came not only from the President, not only from an interest group, but it would come from a department which wanted to have the PRM process used.

One thing that I would be remiss not to mention also—it's slightly unrelated, but I think if I don't mention it here, I'll have to mention it sometime soon anyway. That is the whole question of the development of legislative priorities. Now we talked about the rather disorderly ordering of priorities in the first year, which everybody in retrospect by the middle to the end of the first year realized was a dramatic mistake. To the President's credit, he realized the problem, and he appointed the Vice President to develop a legislative priorities group that would work at the beginning of each year. I must say it was done, I think, after the first year in a very professional way.

Here's how we would do it. We divided legislative issues usually into three or four—I guess four categories. First category was high presidential involvement. The second category was presidential involvement but a lesser commitment of time. Third category was high Cabinet Secretary involvement. And the fourth category was departmental involvement but lesser Cabinet Secretary involvement, meaning it would be handled at the assistant secretary or deputy assistant secretary level. What we would do is, Mondale working with me and with Zbig on the foreign policy side. We would send around a memorandum around November of each year. I guess we started in maybe November of '77. The memorandum would explain the process. Of course, it had been explained, I think, at a Cabinet meeting—maybe it was even in this April meeting, I don't know. I think it started in the end of '77, if I'm not mistaken.

We would explain the categories, and we would ask the Secretaries to give us back within a certain number of days—with their own ranking—those issues for the next legislative year starting the next January. That would occur, and we would take it. We would make our own formulation out of it and shift things around. We would take it to the President, telling him what the Cabinet Secretaries wanted, and what alterations we thought of. We would ask him to try to select—certainly in the highest President category, only a few issues on which he really was going to spend his time. That would be done through a sorting out process, and the results would then be conveyed back to the agency that would have a chance, in effect, to appeal if they felt that they really wanted to go back on something.

We ended up with a process that— Again, the perception of a lack of priorities got so set in that first year that it's sort of like a bad student who does poorly in his freshman year and never quite overcomes that, regardless of how good his grades are after that. That really was the problem with us. I think that process under Mondale worked very well. There was real Cabinet involvement in setting the priorities, and they were basically adhered to. Now, you know, when an Afghanistan occurs, all priorities get changed. But by and large those priorities were followed, and it was a very, very nice process, which was helpful to everybody in terms of how much time and energy was going to be expended.

YOUNG: On that question, in this development of legislative substance with the Cabinet, the priorities, procedures, and arrangements, was there any consistent pattern in this process of looking to the congressional response liabilities? How was that done?

EIZENSTAT: Yes. As part of this—I'll tell you again, because this is an interesting change from our first year and certainly from the transition, where a lot of people didn't know the Cannon Building from the Longworth Building. That is, starting, I think, at the end of the first

year, I used to rather laboriously—and in an incredibly time-consuming manner—call up the chief counsels of every committee on the House and Senate side who had a domestic jurisdiction. I would meet with them and their top assistant to find out what their priorities were, what they were going to do, to tell them what I thought we were likely to propose, to find out where they were likely to come out, where their principles were coming up, so that we were working in sync as much as possible. Now, whether that should have been done by the congressional relations staff of the White House is for somebody else to decide. But I ultimately decided that it was important for me to do it, And I think it resulted in exceptionally close and cordial staff-to-staff relationships.

YOUNG: I want to press this point with you, because one of the outside criticisms one hears about the Carter administration is complaints of no consultation with Congress, springing things on them. Now one can understand how that might happen in some of the first-year problems.

EIZENSTAT: Yes. Well, as I say, what happens is you get an image in an administration very early on that becomes the common credo of the press. And it's damn difficult to ever erase that initial impression. But certainly after the first year there was really quite extensive—almost laborious—consultation. I'd often have them to the White House, or I would go up there to the Hill. And these were substantive meetings lasting several hours. We would go over what our agenda was. We'd go over the committee agendas. And it was, in fact, very real consultation.

YOUNG: That's a very important piece of the story of the policy development. Was there another piece also? The congressional consultation with the councils as you took as main people in that—the Cabinet, the priorities group—setting process under Mondale. Were you involved in consultation with outside groups during this process—labor, business, and so on?

EIZENSTAT: Yes. You know, one would have to almost look at my schedule to believe the number of meetings I had with outside groups. But I really decided to sort of formalize it. I had regular meetings with the AFL-CIO, usually on the average of once every six weeks. Tom Donahue, Ken Young, Rudy Oswald would come to my office on a regular basis. Second, I had regular meetings with a coalition of business groups representing the top staff people from the NAM [National Association of Manufacturers], Chamber of Commerce, and Business Roundtable. Again, we would meet maybe once every month and a half, once every two months. Because there were more people, we would meet either in room 208 of the old Executive Office Building or in the Roosevelt Room. I would be very frank with them about what our legislative agenda was looking like. I asked for their views and so forth. Third, a friend of mine on Wall Street, John Bowles—who is with Kidder, Peabody—and Milt Batten—who was the President of the New York Stock Exchange—would about once every four or five weeks bring down a different group of chief executive officers with whom I would meet. I had regular meetings with black leaders, Spanish leaders, consumer groups, Jewish groups, you name it.

YOUNG: And these were all around the evolution of policy initiatives?

EIZENSTAT: Yes.

YOUNG: Were they grievance-registering sessions for some of the people?

EIZENSTAT: They were grievance registering—you know, if we had a PRM process, we would never have a PRM process without a chance for the group most interested in that PRM to have its two cents worth of input directly to me. They would have already worked with the staffs.

YOUNG: I don't think there's anything remotely like a precedent with this.

EIZENSTAT: Well, there isn't. I will tell you that. You can ask—we even had a small business group, but the small business group didn't like to meet with the big business group. So I used to meet with Mike McKevitt and the small business crowd separately and—I had gotten this indirectly, but from several people. You can talk to Mike McKevitt today, and Mike will tell you that even though they have a clearly pro-business administration in the White House today, he has nothing like the access and involvement that he had in our administration. And he told Lyn Nofziger that very same thing. Marty Anderson doesn't give them access. It's extraordinarily time consuming, but I found it richly rewarding in terms of letting me know what was happening out there, and in terms of impacting on the policy process.

HARGROVE: Did your staffs engage in these meetings too, on the Hill with you?

EIZENSTAT: Yes, I always bring my staff. I always bring the relevant staff person along. As I said, I always had a—when I first worked with Humphrey in the Humphrey campaign of '68, I was a fairly young kid at that point. I remember drafting memoranda, only to find that my superior—who did not last long—took my name off of it, put his in, and sent the memo. I determined that it would never happen if I had a chance to be in his position. So I had a principle—which had for the staff mixed blessings, because there were some memos they prefer not to have their name on. But I always had my staff member co-sign the thing because a) it was accountability for them; and b) I wanted the President to know who they were, and that they had had some involvement. There were real people behind it.

HARGROVE: Could I just follow that up? It may seem unimportant to you, but if your staff members had been more technically what one would call analysts—say Mike Barth types, Urban Institute types—would they have been of less use to you, given this need to reach out and synthesize?

EIZENSTAT: Yes.

HARGROVE: You see what I'm getting at?

EIZENSTAT: Mike Barth is a—and it's a good example of maybe contrasting my staff with what ought to be in the agencies. Mike Barth is a wonderfully richly talented person who is a wizard on welfare reform. He knows all the numbers cold, and he's got the computer capability. If you're putting together a welfare piece, you want Mike Barth or his counterpart in any administration. Mike Barth and I spent hours and hours together with my staff in developing our first and second welfare proposals. But with all deference to Mike, Mike's skills would not be fully used if he were on the White House staff, because what you want on the domestic policy staff at the White House is someone who can synthesize politics and policy. It's not that Mike

was not cognizant of the political impact, but Mike is a numbers and analytical person, and I don't think that's what you want in a White House.

Now look, if somebody could have told me I could double the size of my staff, I would have been glad in each instance to have my staff person and an analytical staff person. Yes, that would have made things better. But if you're going to limit me to 25 people, I want someone who, when he sees an issue, has red flags going up. You know, "This agency is not going to like it, and I'd better talk to them about it." Or "This guy on the Hill is not going to like it," or "This interest group is not going to like it." Someone who understands the issues substantively, certainly, but who also understands the political implications of it in the broadest sense of the terms. So if you gave me a 60-person staff, 60 professional staff, I would certainly want a Mike Barth. But if you only give me 30, I would rather have the kind of people I had who knew welfare. For example, Bert Carp worked extensively on welfare with Bill Spring on youth employment and is really a recognized expert on it.

HARGROVE: He had been on the Hill for a long time?

EIZENSTAT: Yes. Worked for Gaylord Nelson. But I want somebody who is broad-gauged and has very sensitive political antennae.

HARGROVE: Could your people turn to CEA staffers or presidential science advisor staffers for particular pieces of help?

EIZENSTAT: Oh, always.

HARGROVE: So they could reinforce themselves that way?

EIZENSTAT: Oh, sure. That's what we did. We would rely on that technical staff, and we worked very well together. You know, another instance of this would be in the regulation area, which Peter Petkas is working on. Si Lazarus was our regulatory policy head. He had a couple of people working under him, Mary Schuman—who's a richly talented person—did the airline deregulation. Steven Simon and Rick Neustadt did trucking and communications deregulation. They worked and lived with people on the Hill. They knew the details of the legislation. They didn't draft it, but they really knew the subject deeply. They worked with the agency people, and they pushed it. If it hadn't been for Mary Schuman, there wouldn't be airline deregulation, because the Transportation Department was very lukewarm on it. It was only her pushing and the President's that led to it. Those are the kinds of people you want to have, people who can work with the Hill, people who know the details.

In the regulatory area, we would get into enormously complex details—for example, with benzene regulation, or cotton dust regulation, or new-source performance standards—just unbelievably complicated in terms of what their economic impacts were, what their costs were. We had no capability whatsoever to be able to question when EPA said that their new-source performance standards were going to cost x number of dollars. But what we were able to do is, we developed this regulatory review group under Charlie Schultze. We were able to call CEA in and say, "You tell us how much." And we were able to call the industry in and say, "You tell us

how much it's going to cost." Of course we knew the industry was going to inflate the figure, but it gave you some sense of what the ranges were. We would call [American Federation of Labor] and say, "How important is this cotton dust thing to you? Is it a life or death issue to you?" So we'd have some idea of what the parameters were and how much we could push EPA.

Of course, one would write literally books about whether the President should be involved at all in regulatory policy, whether, constitutionally, he should be involved, and whether the statutes were written—when they say, "The EPA administrator shall promulgate regulations," that meant that the President shouldn't promulgate them. That's absolutely another story. But the point I'm trying to make is that we had access to the experts in other places. If it were up to EPA, they for damn sure weren't going to call CEA and industry and question the data. But we felt that we had an obligation to protect the President and give him the conflicting information and try as much as we could to synthesize it. So we did call on and extensively use experts in the agencies.

HARGROVE: Jim, would this be a good point to tell the story of how the economic policy group evolved?

YOUNG: Let's defer that for a moment. Cliff, I think, had a question. Bob Strong has a question, too.

MCCLESKEY: I wanted to follow up on a couple of things. One is the point you were making about the consultation, particularly with the outside groups. How did Anne Wexler's operation work?

EIZENSTAT: Anne was an enormous asset to the White House. Again, if Anne had been in that White House from day one, and if Anne had been involved in the development of the energy initiative from day one—and a lot of others, welfare and so forth from day one—we would have had much more success in getting our stuff passed. Because what Anne was excellent at is finding for us who the right people were and bringing them in so I didn't have to worry about who the business leaders were going to be. Our staffs used to be in an almost symbiotic relationship in terms of what we were developing. They always knew what the next thing on the burner was from our staff.

Anne would say, "Well, look. You need to have Irving Shapiro and Reg Jones" and so forth. And I would say, "Look, whoever you think I ought to see, I'll see." Anne was responsible for a lot of this. Now, some of the meetings, like the AFL meeting, the regular Chamber meeting, were things I did myself. But in addition to those regular structured meetings, she would bring in principals from business from labor and so forth who had particular things. She was our outreach person.

MCCLESKEY: Would she or her staff sit in on your meetings as well?

EIZENSTAT: Yes. Also I might add—again, it's not I'm throwing things out in the stream of consciousness, but it's worth mentioning—the relationship between the Mondale staff and the Carter domestic policy staff was unique. I had served, as I mentioned, in a fairly low level with Johnson, but enough of a level to know that the White House staff and the Vice President's staff

barely talked. The White House staff rarely let, if at all, the Vice President's staff in on anything important. And that was totally different with us, due to President Carter. He deserves complete credit for this. The paper flow on any paper from our staff always went through Mondale and through Mondale's issues people. And we had regular staff meetings every Friday where all my staff would get together. Mondale's staff was always invited to come. They didn't always participate, but they certainly were invited, and they participated a number of times. Any time we had a legislative meeting, a meeting on a particular piece of legislation, or testimony, or a bill initiated from the Hill, the Mondale people would always know about it. We'd usually have the agency involved, we'd have OMB, we'd have CEA, we'd have the Mondale people, and I think I'd be remiss not to mention their involvement.

YOUNG: Dick Moe and Michael Berman were here and talked about that at some length and about the President's leadership in setting the thing up so that it would work this way. We're getting quite a clear picture of this, and it's another kind of unique feature of the Carter administration. You have some follow up?

MCCLESKEY: Yes, I wanted to go back to the discussion before you got onto the PRMs and the policy process there. What happened after the President got your synthesis, and if necessary, your recommendations?

EIZENSTAT: Well, I think oftentimes he would decide from the decision memorandum, check the box "option one," or "option two," or "yes," or "no," or however the question was presented to him. It would then come back to me, and I and my staff would directly communicate the results to the agencies. We would usually sit down if it was anything complicated to make sure that we talked about how we wanted to release the decision, as if something the President would himself say, in which case we would get the press office involved: "Is this something the Cabinet Secretary will do? Is this simply guidance in terms of further drafting of legislation?" And we would make a decision about how this was to be announced, and who on the Hill had to get advance notice, and so forth. If it was a situation like that, we would get the congressional relations people in and tell them about the decision.

Sometimes the PRM or the regular decision memo—depending on what the issue was—involved an issue sufficiently difficult and complex so that the decision would not be made simply on paper, but the paper would be almost like a briefing paper. And we would then schedule. I'd ask the President to allow us to schedule a meeting, and we'd have a meeting. He'd have the memo in front of him. He'd know what the issues were, and then we would discuss those memos verbally. I would generally—"chair" the meeting would be too formal—but I would sort of lead through the agenda, make it clear what issues we still had outstanding. The Cabinet Secretaries or sub-Cabinet officers would then come in, and we would discuss the particular issues involved.

STRONG: In the PRM process and the legislative prioritizing process, was it your responsibility or someone else's in the White House to oversee these procedures in terms of setting broad political strategy, or the establishment of rhetorical themes that would govern a particular year?

EIZENSTAT: Yes. I mean that, in a sense, was developed in the initial questions, the initial direction it was sent. We were very much involved in drafting those with the lead agencies so

that we weren't going off into some direction in outer space where we would have to pull ourselves back from. There's no point in getting into a process if it's going to lead you into trouble.

YOUNG: I want to press you on that point a bit because here's this situation where we get different pictures from different perspectives. Let me describe to you another picture we get from other perspectives, which is that here is the President who has fairly mastered the substance of an issue, has a fairly clear instinct on an issue about where he wants to stand, and what he wants to commit himself to, all the staff work done. And then, as the thing gets nearer and nearer to legislative action, here we see the President getting pulled back, pulled and hauled at, nit-picked to death. Is that unreal?

EIZENSTAT: Well, I think that it's not unreal. It didn't happen as much in the latter part as in the earlier part of the administration, but it still happened too much. Broad decisions would be made, and then there would be an inability to make a specific decision. I think the answer to that is first of all, people knew that Carter was insisting on making every last decision. And so if that's the case, you can hold out 'til the end and go to the President, take everything to him. What should have happened is the President should have said, "Look, here is the PRM. You've given me the basic issues. Here are my decisions. Now you go settle the damn thing, and if you can't settle it, let Eizenstat settle it or [James] McIntyre or somebody. It should have been me, but whoever, let somebody settle it, and don't come back to see me. You know, if you've really got a problem, tell it to Stu or whoever, and we'll talk it through. Or if it's an absolute emergency, you can come see me."

Even after the first Camp David thing, that never really quite existed, because he just loved to hold onto making those last minute decisions. And as much as he complained about them, he kept making them. So people in the agencies knew that there was always another reprieve and another chance.

YOUNG: In other words, it was not the President' s way of working to say after all this had been done, and point x had been reached, he signed off on it and said, "Now that's it."

EIZENSTAT: He would sign off and say that was it, but it never was. I shouldn't say never. It sometimes was not it. Oftentimes it was, but sometimes it wasn't.

YOUNG: I find this rather interesting because it's been a revelation to me. I knew some of it, but not the whole picture of this very extensive consultative process—base touching, involvement within permanent government, the secretarial level. You would think somehow that, with all that being done, something would gel and stick. One tries to explain how it comes about that there is so much of a problem after this extensive amount of staff work and vetting before hand. Maybe that's one of the explanations for it. People feel they have to get that last crack at the President.

HARGROVE: It wasn't just people in the administration. It was also Congress, wasn't it?

EIZENSTAT: Oh, sure.

HARGROVE: What does this tell us about the President? Why this insistence on holding on?

EIZENSTAT: I think that you know, as I indicated, he is a man who wanted to be his own Chief of Staff to begin with. That was his instinct. Who wanted to have a sense of conquering the office in its every manifestation. Who had a great confidence in his own considerable intellectual capabilities. Who felt he could make decisions as well as anybody could. And that was simply his style of operation.

YOUNG: Can I ask you another question about this? When you were talking about the President also asking you for your view of the matter, I believe one of the illustrations you said you gave was "I could tell him (or would) that Senator so and so is going to have you for breakfast, so to speak, if you do this" and having a fairly clear sense of what the President's mind was, having worked with him a long time. Two questions, I guess.

EIZENSTAT: I don't want to overemphasize the number of times this sort of last appeal occurred. I mean it's not as if it was an everyday occurrence. It did occur from time to time, but it didn't occur in the vast majority of instances. Usually a decision was made, and that was it. I'm sorry, go ahead.

YOUNG: All right, that's important. But it's a question that naturally arises when one discovers the immense amount of careful preparatory work that was done prior to a presidential decision. That's all I meant. Some people have felt that it was a very difficult matter to raise political questions with the President around the substance of a policy issue. How much attention, when we hear that, should we pay to it?

EIZENSTAT: A lot. The Presidency is ultimately a political job. And it's narrowest in its broadest sense. In its narrowest sense, of course, the will to survive and get reelected, which is not an uncompelling requirement for a politician. But you don't think about your reelection every minute. It's something that comes more to the fore in the last year, but it's not always a key issue in your first two, two and a half, three years. But what is a daily, daily requirement is to recognize the political ramifications of the job in the broadest sense. That is, politicians, Presidents in particular, have to govern. And in order to govern, you need political coalitions. And to the extent that you have some type of on-going permanent coalition, you can implement your policies to the extent that you either have no on-going coalitions, or you have difficulty forming *ad hoc* coalitions, which is what we seemed to always be in the process of having to do. It complicates enormously the process of governing. You've got to have the right interest groups, you've got to have the right Congressmen, you've got to have the right galaxy of people inside and outside the government in order to effectively govern.

And that means that you have to be, in the broadest sense of the term, a political person every day of the week. Political, meaning not that you sell out your ideals for some crass payoff. Quite the contrary. That's not what I'm talking about. That doesn't happen, it just doesn't happen. At least I haven't seen it. What I mean is accommodating, compromising, being willing to give at the margin in order to keep the bulk. Because you know that by giving at the margin, you incorporate somebody into your coalition that you're going to need. Being willing to give on a

project for a Congressman that amounts to nickels and dimes if he or she can be a key person in carrying forward a major initiative. The sort of give and take, the wooing of people, the wooing of Congress and of the press. That's the essence of what the Presidency is all about—all with the intention of supporting your basic policy thrusts.

We used to always joke that the worst way to convince the President to go along with your position was to say that this would help you politically, because I think this arose out of a deep-seated feeling that was very much a part of the campaign, which we've discussed in some detail. He wanted to be a different type of President. He was elected somehow to be a different type of President. He was manning against the system of inside deals and so forth. He saw himself above that system. He did not enjoy politics *per se* in the same sense that a Humphrey and a Johnson did. I mean, they reveled in the ability to be political in the broadest sense of the term. And President Carter—I can't psychoanalyze him, but I mean to my observation—didn't really enjoy the political process. It's not something that came naturally to him. He liked to make a decision on the merits, and check the decision box that seemed to him the best direction for the nation to go, and that is his strength.

That was an enormous strength, and has an enormous amount of intellectual integrity. It was also, however, a liability at times, because you can't always simply check the right box. You've got to make compromises sometimes so that overall you're able to move forward even though it appears it's one step backwards to go two steps forward. And so political considerations in that sense—rather than in the last year, in an electoral sense—political consideration in that sense not only would they not move him, they often might have the reverse effect. He seemed to like sometimes going against the political grain to do what was right. This was viewed as being firm and tough and so forth.

And, of course, to some extent it was, and one had to admire that. I'm not suggesting that a President would be a great President if you bowed to every wind that blew along. You've got to have some degree of steadfastness. But what you most have to have in order to effectively govern is you've got to have a coalition of groups and people who are willing to march to your tune come hell or high water when the going gets rough or you're in tough shape.

HARGROVE: That was not present. The Democratic coalition was not unified in that sense.

EIZENSTAT: The Democratic coalition was not unified in any sense.

YOUNG: I'm struck by three things. This approach that you describe by the President, connected with the idea of being a different sort of President, the really rather intense and certainly not unprecedented—but certainly intense—outreach coalition-building, base-touching consultation around the development of policy, of the Wexler operation, the things you were doing and so forth. The development of this task force idea. And third, the absence of coherent apparently Democratic Party-supported coalition.

EIZENSTAT: Let's take the first of those three. There was a real difference between what he ran on and what people elected him for and what they then expected when he assumed the office. For example, they liked the fact that he was not a traditional politician. And yet when he was in

office, he was criticized ultimately because he wasn't enough of a politician. They liked the fact that he carried his own bag and sort of abhorred the pomp, and yet when he was in office, they abhorred the fact that he didn't have more pomp and that he wasn't more presidential in the old traditional style. I think what happened is that he had some very deeply felt attitudes that guided his campaign that got him there. And he saw himself carrying those through as President. But the demands of the political system—and maybe, ultimately, the demands of public opinion—were for something different than that which they had elected the man for.

YOUNG: It's almost as though he's consistent, but his public is not.

HARGROVE: Did he see a vast non-political constituency out there to whom he might appeal? Was there any thought in his mind of creating a new kind of coalition?

EIZENSTAT: Well, I think this gets to the last of the three points—that is, the Democratic Party point. I mean, what clearly has happened during the course of the 1970s is that there is another force out there. And that force is your better educated, suburbanite, independent sort, not affiliated with either political party, likes to think that he's making decisions, likes to think he or she is making decisions based on the merits. The old-style Chicago political game is something that they've moved away from. It's sort of the "Common Cause-ites" of the world. And I say that, having my wife as a member of, and a former president of Common Cause as a close friend.

But the sense somehow that the political system is crass and denigrating, and that if we only had government in the sunshine, and if we only put the right processes in, and if we can only remove the influence of these groups and money and organization and so forth, politicians would make the right decisions. They would check the right boxes, and we would have a government as good as its people. One has to question whether we want a government as good as its people. That's another story. I think that the President was very much a part of that view. That was at least a strain.

I mean, you know the man was an elected official, he knew what had to be done to be elected, and I'm not suggesting that he threw politics to the wind. In fact, certainly in his last year he was criticized for just the opposite. But there was a strain of that in the campaign—the good government man and not business as usual, and so forth and so on. And, look, you know, one can't be condescending toward that. I think it's what largely got the man elected. So, yes, I think there is a constituency out there for him. Whether he was consciously aiming for it, I don't know. But I think there is that kind of a constituency. It's the sort of non-bread-and-butter quality-of-life type people of whom there are a growing number.

And Lord knows that the old Democratic coalition that I wrote about in my little *Newsweek* piece—and I've given a longer speech on it that I will provide to you if you want to suffer through it—that the old coalition is simply not big enough to govern. It's probably not big enough to elect anybody anymore, and the reason is that the union members who formed one of the key legs of the stool have now become middle class taxpayers who are worried much more about how they're being taxed than about being the recipients of government programs. They take their right to collectively bargain for granted, and they're worried about where they're going

to send their kid to college, and the cost of tuition, and the sort of more basic middle class issues which have made the country more conservative.

Ethnic groups, which were opposed to coalition, have been assimilated into society to an enormous degree. Jews and Catholics and so forth don't feel that they're outside the mainstream the way they did in the '30s and '40s, and perhaps even in the '50s. Farmers, who were a key part of the coalition and really elected [Harry] Truman. What, 3% of the population farms now? They've all left the farm, and those farmers who are left are essentially corporate farmers, so they're gone. The only ones who are still part of the coalition—and indeed, the only ones who still vote over 85% Democratic—are the ones who are still largely outside the mainstream and still view the government as essential to bring them in. That's the minorities. And there's just not much left to that coalition.

You do have a middle class country, a nonaligned country, a non-coalition country, which makes it enormously difficult to fashion coalitions for governing, let alone for being elected. I think the President sensed this. I think that they were important to his '76 election. I think that the problem was that these groups and organizations are much more influential in Washington than they are in the nation as a whole. And the people that I mentioned that I met with were not necessarily reflective of the people out there in the countryside. They were pressing Carter for national health insurance, and they were pressing Carter for welfare reform and hospital cost containment, and this and that, a consumer protection agency. And that mass of increasingly well-educated independents couldn't care less about all those issues.

YOUNG: The total is not the sum of the parts.

EIZENSTAT: No, sir.

HARGROVE: You gave the President a fair amount of advice in the memos you wrote him, political advice. Which coalition was that directed to? The in-town coalitions? Were you dealing primarily with Washington politics in your political advice? The groups outside the White House, but organized in Washington? Were you pretty much in thinking in terms of those?

EIZENSTAT: More so. Yes.

YOUNG: That would be natural, wouldn't it, for a policy development person?

EIZENSTAT: Since a) you live with them every day, and b) in terms of actually passing legislation, you're not going to get somebody to fly in from Main Line Philadelphia to help you lobby to get a bill passed. You're going to have to depend on the organized forces in Washington to mobilize their people in terms of the legislative process. That's what I was most concerned with. I think that I was also concerned with the President's standing in the Democratic Party because—although these groups and organizations that I've mentioned have certainly had less influence in electing people—it's awful tough to get elected without them. They may not be able to elect you, but, by God, if they're not on your side—certainly in the Democratic Party—you're going to have a hell of a time, as was shown during the '80 campaign, where a lot of these

groups were against him. They will make life miserable for you. They will be so publicly critical that they end up tearing down your image among the independent group.

One of the great problems of Democratic Presidents in the last few years—and I think it's going to be a continuing problem throughout the next ten, fifteen, twenty years—is how does a party that is philosophically based on government assistance to various groups and interests—a government party that has a particular interest in low income and disadvantaged people—how does it govern when those people are a smaller and smaller percentage of the population? How does it pull in the rest of the group, the unorganized people, without abandoning the sort of worker bees out there who will both get you nominated and ultimately make you effective in terms of getting your legislation passed?

That's a very, very tough act, a very tough tightrope, and I think in many respects Carter was the first Democratic President of the twentieth century who really had to concern himself with that. I think that a lot of the political problems he had had utterly nothing to do with himself. They had to do with this inherent conflict, which he sensed better than we did. I think he had a truer sense of the need to move away from the coalition than perhaps I did. In retrospect I feel that—more toward that middle group, less toward the Washington interest groups. I think that the problem was how to do that without totally undercutting your support from these groups and letting them just absolutely brutalize you publicly, which they did.

I take no satisfaction from it, because of what I think is happening to the country. But the sorts of criticisms that were leveled at Carter by the civil rights community—for a President who had a magnificent civil rights record—from the minority community, who never were satisfied. He just always failed to do enough—this jobs program was good, but it wasn't enough. From the labor community, from the consumers, from the environmentalists. I mean, here was a President who was, I think, the greatest environmental President since, and maybe even including Theodore Roosevelt. Who supported labor law reform on the labor side, onsite picketing. But it was never enough for the interest groups. They ended up tearing him to pieces publicly. It's tough, a very tough balancing act.

MCCLESKEY: It strikes me that maybe this is more than a question of just what has happened in the Democratic Party. Can't you see some of the same things happening to Reagan, and doesn't it suggest that it's not?

EIZENSTAT: No. Let me tell you why. Obviously, Reagan's got his right wing and the social issues people. I don't know how he deals with that. That's his problem. But the Republican Party has long had a much easier, intellectually easier, job of fashioning policies and programs because they drew their basis of support from a narrower strata of the population—basically upper-income, well-educated, business oriented people.

And the sort of philosophical struggles and divisions which the Democratic Party has had for 30 or 40 years because of its diverse nature and the type of coalitions it was putting together—of rural southerners and urban workers and blacks and so forth—made the job of an intellectual coherence much more difficult for Democrats. Now what has happened is that Republicans had difficulties getting elected because they always seemed to be appealing to a narrow stratum, but

that was nevertheless their base of operation. What's happened is that narrow strata has grown and grown as the economy has expanded, and some of our programs have pushed people into the middle class and given them security. There are now more and more people who view themselves as upper middle class, who have those values, and Reagan doesn't have the same job.

I'm not saying that in any sense he's totally insensitive to blacks, but I mean he certainly doesn't have to particularly worry about what happens when he abolishes CETA [Comprehensive Employment and Training Act]. My God, when we tried to cut CETA 15%, we were lucky not to be lynched. Reagan has totally abolished the thing for all practical purposes. But they're not part of his coalition. What does he care? And have you heard? Where are Vernon Jordan and Ben Hooks? Have they been as vehement of his total abolition of the program as they were about our 15% cut? No, because they have no expectations that he will support it.

STRONG: How did this broad change in the character of the electorate affect the Congress, or at least the Democratic members of the Congress?

EIZENSTAT: It made the Congress in odd ways more conservative than the administration. You know, nobody would believe this if I said it, because of the image of Tip O'Neill and people like that, and Carter being a supposedly conservative Democrat. In fact, for God's sake, you know Carter proposed liberal labor laws, he proposed a consumer agency, he proposed major social welfare legislation, national health insurance, welfare reform, child welfare legislation, and so forth. And repeatedly the initiatives we sent up to heavily Democratic majorities didn't get the reception—the tax reform didn't get the reception—that one would think, because the Congress was reflecting the basic conservatism, which I think Carter sensed when he ran in the primaries in '73, which was perhaps his basic instinct, but which was contrary to the vocal, visible, established interests in the Democratic Party. The Congress—in particular, the House—having its ear to the ground and being very sensitive to public opinion, I think sensed this. I think you had a situation in which the sort of traditional Democratic initiatives just didn't have the kind of appeal that they did.

STRONG: Do you think that was more important than the frequently discussed changes in congressional organization and the power of the leadership?

EIZENSTAT: No. I think that's one factor. A second factor is the one that you're alluding to, which is the speaker and the leadership utterly lost their authority through the reforms of the 1970s to have the influence on legislation that they used to. Committee chairmen no longer controlled their committees. In Johnson's day, if you wanted a tax bill, you sat down with Wilbur Mills, and you negotiated it, and that was it. Now the chairman of the Ways and Means Committee is certainly more than just one among equals, but you know he can't have the authority that a committee chairman could have in the past.

And so the reforms in the Congress have certainly made the ability to legislate more difficult. The proliferation of subcommittees—when I see a member of Congress in the halls, and his name may have slipped my mind, the most certain thing that I can do to be accurate is to say, "How are you, Mr. Chairman?" because there are something like a 150 subcommittee chairmen. The odds are fairly strongly in your favor that he's one.

YOUNG: I've made a little list of things that cropped up out of earlier discussions today, and here's the list. You had indicated earlier today that it might be worthwhile talking a bit about SALT, and maybe you want to say something about the water projects, too—maybe in connection with first-year problems. It occurs to me that when we were getting the picture of the setting up of the domestic policy staff at the beginning, there's a piece of this that we don't have. That is the relationship between that and OMB functions.

Fourth, a little discussion on the deferred question of your role in the economic policy area. You've already said something about that. And also I think you said the first Camp David review more or less ratified some changes already on-going. One of the problems that wasn't solved was cohesion of coordination, or something like that, inside the White House unit itself. We might come back to that and maybe think about Camp David II for a while. Do you want to say a few words?

EIZENSTAT: Start with SALT?

YOUNG: Yes, if you'd like to.

STRONG: When SALT came up in the discussion, the implication was that it was an analog to the first energy plan in the sense that it was done with a deadline as a comprehensive new proposal, etc.

EIZENSTAT: Yes, I did bring it up in that context. I don't want to try to force it into a mold in which it shouldn't fit too much. I was not directly involved in the SALT process—in fact, really not even indirectly involved. But it seems to me that that process demonstrates a lot about the first year, and has some similarities with what happened on energy and some of the other first-year issues. I think that the two great first-year mistakes of the administration were first—as I've described in some detail—the method by which the energy plan was put together, and the substance of the decision on natural gas on the one hand, and on the second SALT—which was the foreign policy analog in terms of a mistake. The view I'm about to give you is more or less a sort of informed outsider rather than an informed insider, so that there certainly may be much more to it than I even know, not having been privy to all the discussions.

One had a Vladivostok Agreement negotiated in 1974 by Ford and [Henry] Kissinger, on which Howard Baker and other important Republicans had, in a sense, agreed. Negotiations between that time and the time of the '76 election were on-going. And there is good reason to think—from, again, my sort of outside perspective—that a few more months of negotiation along that track would have produced a SALT II treaty fairly early in the first year of the Carter administration. It would have been a treaty that President Ford, and Kissinger and Baker would have almost certainly endorsed, because it would have essentially been simply a continuation of what they were already doing. It would have almost certainly passed the Senate before the first year of the administration. It would have been a major victory for the President even though Ford would have gotten some justified credit.

Instead, Vance went to Moscow with at least two alternative plans. I mean, my understanding is that he went with a deep-cut plan, in essence, "If you didn't like this, we'll go back to the other." But somehow the Russians—who are terribly inflexible in terms of negotiations, and who have a bureaucracy that is incredibly entrenched—had difficulties adjusting to this new bargaining tack. It threw them completely off base. And then a succession of events from that time on, including the recognition of China—which set the process back further—and the Cuban brigade much later, all led to a situation in which SALT got caught up in the 1980 political election when it should have been over and done with in '77 with SALT III being negotiated.

I think that that's a great tragedy. I think to some extent it is a recognition of the desire to do something dramatic like we did on energy, and therefore have dramatic real reductions in arms, which was the March package—the recognition that somehow you could fundamentally change things early on. I think, again, it led to the result that I've indicated. Instead of having both an energy bill and a SALT package done in the first year, it took two years to do energy, and we never did SALT.

STRONG: Commentaries on this subject often mention the conflict between human rights and SALT as another problem with Vance's trip to Moscow.

EIZENSTAT: I don't think so. I remember getting a call in—let's see, when did we recognize China? December 15 of 1978. For some reason I was in Atlanta at that time, don't remember exactly why, but I remember being at a relative's house. I had left my number with the White House press office, and Hamilton called me a couple of hours before the speech and said the President was going on—I think at nine o'clock that night—and was going to announce the recognition of China. And I said, "Why the hell is he going to do that?" And Ham said, "Well, you know, it's an important initiative, and something that we ought to do." And I said, "'Well, it's certainly something we ought to do, but why ought we to do it when SALT is hanging in the balance? Certainly it's going to drive the Soviets absolutely up a tree, and it'll set SALT back further," which, in fact, it did.

I think that somehow those sorts of factors didn't often get taken into account. Again, I wasn't part of the process, so I'm not sure why. It's a question of priorities. It was important to recognize Red China and to normalize relations with them. But it was more important first to get SALT under your belt and then to recognize China. If China wasn't recognized until a year later, the world wouldn't come to an end. They'd waited long enough.

MOSHER: Are you saying this was a series of mistakes, or it was a basic mistake—Vance going to Russia?

EIZENSTAT: It was a series of mistakes, the first one of which set the course for all the others. Because the others would never have happened had we just gone ahead and negotiated Vladivostok. Again, this may be an overly simplistic view from someone who was not involved in the process, but that's at least the way I see it.

YOUNG: Water projects. Is this a catalogue of miseries?

EIZENSTAT: Water projects, well, yes. I mean, it adds to the catalogue of those things that didn't go through a centralized venting, coordinated process. We had to come up with—this is one of the things Presidents shouldn't have to come up with, but every President coming in has to come up with his amendments to the budget that the outgoing President has presented in January. It's just a peculiarity of our budget cycle. And it places an unfair burden on any President, because it means that during the transition, he has in effect got to develop an alternate budget, if he wants to have any impact on the first year and a half of his administration.

I mean, he comes in in January of '77. Ford is already working on—you're living with the fiscal year that started in October of '76, which is going to go to October '77. If you don't submit your budget revisions then, from October of '77 'til October of '78, you're living under the budget that Ford just set up. So you're sitting there for two years under somebody else's budget. So you've got to send a budget revision up. But you've got to develop the budget revision while you're still appointing people. You don't have assistant secretaries and the departments on board and able to give their input, which, by the way, is why [David] Stockman was able to do what he did. I mean, there was nobody to argue with. You know, he just did it.

So, from his standpoint that was an advantage. But when you're putting together an alternate budget, you don't have any program people that you can talk with except the permanent bureaucracy. It's an enormously difficult thing to do in a transition period. And by usually February 8 or 10, you're expected to come up with an alternative budget.

Well, the President—so far as I'm aware, on his own initiative—asked for some alternatives in terms of saving money. And OMB has long had a view that water projects are not cost effective—at least a lot of them aren't—and I think that in some briefing paper they gave it to him. He fixed on it because he is and was a strong environmentalist, and viewed many of these things as boondoggles, the kind of waste that he had run against in the campaign, and as not environmentally sound in many instances, all of which was true. In the rush to have to get up this alternate budget, the so-called "hit list" was prepared without time for consultation, without time to check, without time to discuss what the implications were. And far from this being something the President was pushed to do by the staff, this was really his baby.

Then a terrible mistake was made. Later, having gone through all the pain and suffering of doing it, we didn't just veto the legislation when we had gotten 194 votes in the House supporting our position. That convinced people that he was not willing to stick to tough positions. The President recognized that he, in retrospect, had made a mistake—told us many times he wished he'd vetoed that. That decision was made in a telephone conversation when the Speaker called him up and said, "Mr. President, we've agreed with nine, now you go us halfway and keep these other nine in." And without any inter-staff decision, he agreed on the telephone to approve it. Of course, they really hadn't taken it out. They hadn't de-authorized them; they just didn't appropriate for that year. Some of the more significantly egregious projects were kept in, and that certainly didn't add to our credibility.

MOSHER: Did you staff get involved in this at all?

EIZENSTAT: Yes. The environmental person on my staff, Kathy Fletcher, got involved. And she was more than happy to see the projects go by the wayside. She had come from one of the public interest groups, environmental groups.

YOUNG: Did you have a question about policy, or do you want to talk about OMB a little bit now? Don, did you have a question?

KETTL: I have a set of questions—one on urban policy, if we'd like to pursue that now, or we want to foreclose that.

YOUNG: We should be talking about specific policy areas.

KETTL: Let me move on to urban policy in a second, because I think in some ways that may be a mere image of some things that were talked, at least in terms of the kind of central White House coordination that took place on it. I was wondering if you could sketch out a process by which the urban policy evolved in the whole White House mechanism, because it illustrates well, I think, the problem with central coordination you're talking about as well as the connection with Cabinet government.

EIZENSTAT: Well, urban policy had been, a number of you know, if not major, at least a significant part of the campaign—the whole speech in New York, and the negotiation with the mayors and so forth. The President wanted a "comprehensive" urban policy, and he asked Pat Harris to develop it. We participated in some interagency meetings that she held, and there were subcommittees set up to study this and that and the other. Really, everybody was just spinning their wheels. Agencies weren't complying with deadlines. Pat got justifiably concerned about the fact that things were not moving, and agencies weren't responding and not staffing out things she had asked them to staff out. HUD [Housing & Urban Development] was doing all the work.

So she came to me, essentially, and said, "Look, you've got to really get involved in this thing and coordinate it and take it over from us," which is what we ultimately did. It was still a messy process, because comprehensive meant everything. It meant people programs, it meant area programs, it meant Sun Belt versus Snow Belt. It meant direct grant programs and housing programs, I mean everything is urban, you know, practically, except foreign price supports. We damn near considered everything except foreign price supports. It was unwieldy—the topic was unwieldy, we didn't have the PRM process then when we defined what questions we wanted answered, and we sort of focused and homed in on it.

But the process at least got done, because we got into it and began to push agencies and set deadlines. I think the policy that came out was a good one. It was roundly approved by the major interest groups, the Conference of Mayors, and so forth, the League of Cities. And interestingly the NACO, National Association of County Organizations, initially disapproved of it because we had used the word cities instead of urban areas, not because of the content. Well, they were concerned that somehow the programs only went to cities as cities rather than urban areas. Once we assured them that wasn't the case, then they came around. Most of the legislation we sent up—I think we sent up something like 19 pieces of legislation that went along with that program. I think 13 or 14 passed. UDAG [Urban Development Action Grant] and programs like that came

out of it. I think, by and large, it was ultimately successful—although messy and difficult to handle, because it was so broad, and because initially there was not enough White House coordination.

KETTL: One of the problems originally and one of the things that made it messy as well was the fact that all these programs began initially as programs that would be fairly closely targeted to specific areas of need, which had the advantage of both helping the comprehensive kind of approach and also keeping the dollar total of the programs down. In some way does this show the problems of trying to work with the groups?

EIZENSTAT: Well, in part. I mean, everybody wants their piece, but what happens, you see, is that when you target by area in particular, you don't have a majority of the House and Senate whose districts benefit by the programs because you target things only to those areas of distress, and there are not enough areas of distress in the country to make up a majority. So you end up getting your funding formulas diluted by the Congress, and what is supposed to be a targeted program ends up being a program for which 80% of the country is eligible.

KETTL: Did you rely on the folks at OMB as you were developing this?

EIZENSTAT: Oh yes. Absolutely.

KETTL: In what way, which kinds of people?

EIZENSTAT: The budget, the assistant budget examiners, the assistant budget directors were involved in every program we ever developed and every meeting we ever sat in on of any consequence. We never tried to develop a program without knowing its budget impact. We didn't send memos into the President without knowing the budget impact. They were involved in every possible way.

KETTL: You talked earlier in fact about the problem trying to seize on some kind of institutional memory.

EIZENSTAT: Yes, OMB does have an institutional memory. Their so-called PADs [Program Associated Directors] are permanent bureaucrats and—

MOSHER: PADs?

EIZENSTAT: Yes. It's an acronym for something or other, but they are essentially the budget examiners for the different agencies. The assistant directors are the political appointees—people like Elliot Cutler, and people at that level. Sue Woolsey. But the PADs were the permanent budget examiners, and they do have an institutional memory and a good computer capability, too.

MOSHER: Did you utilize the career people, or just the political people?

EIZENSTAT: No, both.

KETTL: Was that an independent check on the kinds of information you were getting from the agencies?

EIZENSTAT: Yes. They perform in some respects the role that Professor Hargrove was talking about in terms of Mike Barth. You get the equivalence of Mike Barth in OMB—highly analytic computer-oriented people who do give you a check. They're absolutely essential in the policy process because they have the advantage of the institutional memory; they have the advantage of the computer capability. What they don't have, they don't necessarily identify with a particular President. I mean, they're the institutional bureaucracy in the executive office of the President, and that's both good and bad.

It's fine to have them, but you need somebody else. They also are not there to take into account the political factors, and the congressional reaction, and so forth. They're analytic people. And last, they've got a particular mission to carry out, which is an important, but limited, mission. And that is, not to spend money. That is their mandate, not to spend money. And that's a fine mandate, but somebody else has a mandate to do other things, and that's what the President ultimately gets paid for—to resolve those differences. This again is why you need a Chief of Staff. Because, as I said, the White House is itself a bureaucracy with different interests, each reflecting their own agendas and their own statutory responsibilities. And you've got to have somebody to pull that bureaucracy together.

HARGROVE: It's often written by people like me that too little attention is given to questions of implementation feasibility at the time the policy is formulated because incentives just don't run that way, congressional or presidential. Is there any validity to that statement?

EIZENSTAT: Yes, I think so. You know, when you develop a policy, it looks good on paper, but how it's going to actually look when it's on the ground running is something very hard to measure. The types of people who develop policy really oftentimes have difficulty telling you that. You do try to meet with outside groups who can give you some assistance—you know, mayors and people who are going to be on the delivery end of it. But it's not a factor that is taken into account to the extent that it should be.

HARGROVE: Do these program folks in OMB have any special insights into that as part of their institutional memory? Did they ever make such a claim?

EIZENSTAT: Very little. No.

HARGROVE: They're more like the Mike Barths. They are the cost benefit—

EIZENSTAT: They're cost benefit people, and they're the people who say it's going to cost x billion dollars and we can't afford x billion dollars.

HARGROVE: For example, Barry White was opposed to public service employment, not for administrative meetings, as I talked to him, but because of the cost.

EIZENSTAT: But I think in part he was concerned about how much substitution there would be.

HARGROVE: Yes. All those economists' issues.

EIZENSTAT: Macro issues.

HARGROVE: Yes. But the institutional knowledge that I would want to see there, as a political scientist, isn't there. And I'm not sure where it is, if anywhere.

EIZENSTAT: Well, it's out in the field there with your local directors, who are trying to put it on the ground, and they're not in Washington.

YOUNG: When the domestic policy staff was being set up, was there any particular issue raised concerning overlap or distinction between what the domestic policy staff would do and what role the OMB? I guess Bert Lance was then identified as the director of that. But in terms of actual functioning, was there any?

EIZENSTAT: Oh, absolutely. There are a number of areas of overlap. First, we worked out a very useful relationship in terms of the development of the budget, in which we were allowed to sit in on the sessions—the early sessions, even back to the spring budget reviews—of sessions between OMB and the agencies in the development of the initial marks. And we basically—and there was some pulling and tugging, and sometimes they didn't want us involved. They wanted just to deal with the agency directly, because OMB saw us as often being advocates for the agency officials, which was not entirely incorrect.

But they did involve us in most of the meetings between themselves and the agency. We were involved, at least at the margins of the whole budget process. I say "at the margins" because they set the budget marks, and once those budget marks are set, everything else becomes a decision at the margin. We would have maybe in an average fiscal year, three to five billion dollars of difference at the end of the process between the domestic staff and OMB. But we were involved, in any event, in that process. That's one area of overlap.

Second, in the policy development, as I indicated, almost never did I hold a meeting of any consequence on a policy issue without having the appropriate OMB assistant director or his or her designee at that meeting. They lived in my office. All the OMB people spent an enormous amount of time in my office, an absolutely enormous amount of time. And working with my staff.

A third area of overlap is in reviewing testimony. All testimony to be given by any member of the administration—Secretary, undersecretary, assistant secretary, deputies and so forth—is supposed to be cleared through OMB, which has a legislative review process to make sure that the testimony comports with budget requirements and with the administration's policy. We had a very close working relationship on that review of testimony, and as soon as testimony was received by OMB, a copy went to the relevant person on my staff working in that area so that we reviewed that testimony for the same purposes.

That is a critically important control that the White House has over agencies. No testimony can be given until it's cleared by OMB. We worked very closely with them on that. And the last, at the end of the process—when legislation was passed, and it was a question of whether it should be signed or vetoed—it goes through their legislative review process and through ours, and we would send separate memos in, theirs and ours, their basic memo and our view. But we worked very closely. We knew where they were, and they knew where we were. Since there weren't that many contested issues, by and large we agreed. We obviously had some differences.

YOUNG: What about development of legislative program itself? You've described your considerable involvement in that in terms of priorities, in terms of the—well, I won't go over all that you've described in that. What about overlap in there?

EIZENSTAT: Yes. There were a lot of meetings like the meetings I had with the AFL, or with the business groups, where I would do it myself. But in terms of the actual decisions on legislation—the ultimate decisions and the early decisions and those in between—they were always at the meetings. My staff was under instructions to always include them when they met with the agencies, just as we hoped to be included when they met with the agencies.

YOUNG: But it's fair to say, isn't it, that by this time in history—and particularly in the Carter administration—the real source of major initiative for legislative program or policy development rested with the domestic policy staff, not with the old BOB [Bureau of the Budget].

EIZENSTAT: Yes. And I think that what's happened in the Reagan administration is that you've seen a reversion back to the pre-domestic council days, in which now budget drives policy much more than policy drives budget. Obviously, we never developed a policy without considering its budget implications, and they could never develop a budget initiative without considering the policy implications. Now what you have is an administration making decisions almost solely for budget reasons, and the policy implications become rather the vehicle for the budget decision.

YOUNG: I would imagine these two different missions, as you put it. Many of the budget people have the mandate not to spend. When that point was reached in the Carter administration, and where a major anti-inflation initiative has to be launched, those positions came into confrontation.

EIZENSTAT: Yes, they certainly did. Certainly toward the middle to latter part of the administration, those issues came more and more to the fore. And, in fact, domestic spending in the Carter administration went up less than it did in the Nixon administration. It went up, I think, like a half percent above the inflation rate. It was essentially static.

YOUNG: I think tomorrow we might want to get into the problem of how to cope with inflation and economic policy. You had a follow-up question?

MOSHER: You described before the leadership of the Vice President in the development of policy programs, and the priorities. And after that you indicated that these proposals came back

to your shop. Now it used to be, years and years ago, OMB played a prominent role in soliciting project or urban policy and legislative proposals. Did OMB play any part at that stage of the game?

EIZENSTAT: They were certainly involved. They knew what was coming back, but we were the initiating factor there.

MOSHER: They would comment on budgetary implications.

HARGROVE: Well, the economic policy board was abolished in favor of economic policy group, and maybe you'd like to talk about why that happened. But eventually in time you became, willy-nilly, the President's coordinator for microeconomic policy. How did that come about in relation to the fact of the economic policy group?

EIZENSTAT: Well, Ford had two economic groups. One was called CIEP, the Council on International Economic Policy, which was chaired by Bill Simon. We had talked to a number of people in the Ford administration during the transition, and they all agreed that it was an utter and complete disaster—in part because of the personalities involved with Kissinger and Simon—but that it served no useful function. They had an economic policy board, and our most significant change to it was to change the word "board" to "group."

It functioned in essentially the same way, which was chaired by the Secretary of Treasury. The difference was that by abolishing CIEP, we included the international economic programs within the purview of the economic policy group. Now I think the importance of the economic policy group is this. Here you had—in much the same model as the Reagan Cabinet councils are now operating—the only Cabinet-level regularly functioning on-going entity. You did not have central White House coordination and direction. And that had pluses and minuses, I think. For one thing, I think that there probably should be an economic coordinator in the White House other than the domestic advisor, who's got more than enough things to do.

HARGROVE: That was the issue. Why didn't the President have it, and didn't want to use the staff or director of the EPG [Economic Policy Group]. For that purpose he turned to you. Why was that?

EIZENSTAT: That was because he felt, with some justification, that the old problem which has occurred—which I've stated several times here—when you have a Cabinet-level group headed by a Cabinet of getting duplicative memoranda, agencies not willing to turn over to other agencies the right to write a decision memorandum. He just kept getting duplicate pieces of paper, and Ray Marshall would send his memo in, and Juanita Kreps would send her memo in, and EPG would send its memo in. He just got very tired of the duplicate sets of paper, and the last minute appeals, and the end-running of the process. So he felt that there ought to be someone he could turn to to give him the kind of synthesis that he was getting from me on the domestic non-economic front.

There was no other area of policy in which you had an on-going Cabinet-level group, other than Economic Policy, and there were constant arguments, in particular by Labor and Commerce, that

they were not included in most of the meetings. Because what ultimately happened to prevent the group from being unwieldy is an executive committee of the EPG would meet, which consisted of the Secretary of the Treasury, the head of CEA, the head of OMB, the Vice President—if he was available—myself, and Henry Owen, who was the international economic person on Zbig's staff—and from time to time Dick Cooper.

And then Labor, Agriculture, and Commerce would come in on maybe a monthly basis. They always felt they were not included, not involved enough, and there was sort of a constant strain about when they should be included and what they should be included on. Also there's a question of what was economic policy for purposes of the EPG. I talked to Joe Califano at some length about this, and Joe said that when he had my position and Art Okun had the CEA position, their equivalent of the Economic Policy Group essentially only looked at the broadest macroeconomic issues—where is the economy going, should we have a stimulative budget or a destimulative budget? Or, what was the forecast likely to be, what revisions? Whereas we included within the EPG, foreign price supports, a lot of micro decisions. They weren't unimportant, but one could question whether they should have gone through the EPG process.

HARGROVE: But you willy-nilly had to coordinate those in some way. You were given that responsibility.

EIZENSTAT: Well, I was and I wasn't. I mean, I was not the economic coordinator. I did not have the authority to tell the Secretary of the Treasury that he should include the following people in a meeting. I didn't call the meetings, and we didn't staff it. It was staffed out of the Treasury Department by a few people who served as personal assistants to the Secretary of the Treasury. So the staffing was done by the Treasury, not by the White House. I was an ex-officio member.

HARGROVE: It would have to have been a Bill Simon there on the White House staff.

EIZENSTAT: Exactly. That's what we needed.

HARGROVE: Carter didn't want that?

EIZENSTAT: He didn't seem to, since he went four years without one.

HARGROVE: But you did get some of that responsibility, because he would turn to you.

EIZENSTAT: Yes, but without the capability to do it, or the staff to do it, and without the sort of clear mandate to do it. It was just sort of "Help!" you know. "Help me! Let's somehow get this thing working better," but without the directive that Bill Simon would have and without the staff capacity. And with, indeed, the staff capacity in Treasury, they continued to do the papers. My job was to try to convince the other agencies to let them do the paperwork.

HARGROVE: So you wouldn't pronounce this a very successful process?

EIZENSTAT: I think it could have been improved. I don't think it was—one way or the other, the issues got vetted. And people did end up having their debate. But it was too messy, much more messy than it should have been.

YOUNG: Could we pick up on something you said this morning? I presume it goes beyond, but maybe not—the question of the need for a Chief of Staff. You've talked about the first Camp David review, and I think you said one of the problems that it really didn't address was the cohesion coordination or cohesion of the White House bureaucracy and staff itself, which had some attribute of bureaucracy. I wonder if you could elaborate on that, and perhaps contrast the first Camp David with the '79 one, in which at least the formal position of Chief of Staff emerged. There's probably a whole other set of questions about that second Camp David meeting.

EIZENSTAT: Let's see now, the second Camp David was…?

YOUNG: April '79. That was the one where he cancelled the energy speech after coming back from Tokyo.

EIZENSTAT: No, that was July.

YOUNG: I'm sorry, July. And then there ensued the Cabinet changes.

EIZENSTAT: All right, let's talk about that whole Camp David thing. We had the fall of the Shah [Muhammad Reza Pahlavi], which from both the domestic and foreign policy perspective was the watershed event of the Carter administration, in the sense that that Iranian hostage crisis was to bedevil the President for the rest of his term, to change his whole campaign strategy. It led to the gasoline line crisis, and to a 120% increase in world prices between February of '79 and February of '80, which was another shock to the economy similar to the one it received in 1973-74 with the first Arab oil embargo. All of this was occurring with a backdrop of frantic efforts to try to get our allies to cooperate with us through the International Energy Agency with some common stockpiling policy, some allocation procedures, so that we didn't keep bidding up the price in the spot market. That was the backdrop of the Tokyo summit.

I had begun—I don't remember quite when, whether it was January or February—to work on what became the '79 energy bill. We met at five o'clock every day of the week in room 208 of the Executive Office Building for a meeting that I chaired to develop another energy policy. In part this was a reaction to the gas crisis. In part it was a reaction to the fact that the Hill was beginning to take the initiative away from us with this Synthetic Fuels Program that was moving through the House. In part it was simply a perceived long-term need, and that we had not done everything we wanted to. And remember, we signed the legislation in November of '78, so it was natural to go on to the next cycle—having gotten one energy bill behind us, to go into the next cycle.

Now contrast that process with the first energy process. Here we had every single agency around a table twice as big as this room, attended on the average of 15 to 20 people every single bloody afternoon for weeks and weeks and weeks and weeks. EPA, Treasury, OMB, CEA, Department

of Transportation on transportation initiatives, everybody and his brother. It was a very open, very involved process, very consultative process. We did a lot of work on the Hill, talked to Jim Wright, talked to Scoop [Henry M. Jackson], talked to the people who were moving the synthetic bill in the House, former Congressman from Pennsylvania Bill Moorhead, had the agencies involved, and we were clearly handling it. This wasn't done through a formal PRM process, but it might as well have been. It just wasn't designated as such.

But it was handled about the same way in a more telescoped time frame: interest group discussions and extensive discussions with the business community, because the business community was key to getting the Synthetic Fuels Corporation passed. They had a distrust of it as a government entity and government takeover of oil. We had to show them that the private sector was running the thing, and Synthetic Fuels Corporation was only to act like an investment banker extending incentives to the private sector for the development of synthetic fuel. I had meeting after meeting with the chief executive officers of the major corporations, and we finally got them, including the oil companies, to come around, which was very important in ultimately getting it passed.

A good example of how Anne worked in getting those people in: We had lunches on a regular basis. Golly, I spent three months or four months—just an almost ungodly amount of time on this issue. Almost every night I chaired this five o'clock meeting. When I couldn't, which was rare, Kitty Schirmer did. But I was there almost every night. The meetings usually lasted an hour and a half or two hours, and it was done, literally, on a daily basis. You talk about data, conflicting data, and that's what this meeting was to do—was to go over it and somehow synthesize it and make sense out of it.

And, by God, when we got through with that process, we had a really first-rate decision memorandum for the President, and we had a policy which passed—every single item passed, except the energy mobilization board. And it passed the Senate and the House, passed the conference committee, passed the Senate on the conference—and was defeated unexpectedly in the House at the last minute because all the Republicans tried to embarrass us during the election campaign. It's the only reason it was defeated on the conference report on the way back. But the Synthetic Fuels Corporation, which was the centerpiece, was passed, additional conservation initiatives.

Just, I think frankly, a first-rate effort, and a considerable improvement over the '77 process. There was a lot of talk about energy being now moved to the White House, and the Energy Department had lost the initiative and so forth. That was baloney. We were not initiators. We were coordinators, we were pushing, we were mediating, we were arbitrating, we were getting agencies together. But the substantive work was done by the energy experts in each of the agencies involved.

All right, now we by and large have our program done. I can't remember whether before or after the President went to Tokyo he had approved it, but I think he might have, and maybe it was waiting from him when he came back. I can't really remember. I think he had approved it. I was supposed to work on the speech that would announce the policy that we had been working on

over the last three or four months, which was to be given in July. I worked with the speechwriters, and we had the speech essentially done.

Now let's see, when did we decontrol energy prices? OK. I think that that was part of this process that we went through. You talk about a difficult, complex, political and substantive issue. Here's a Democrat who had pledged in the '76 campaign—and it was written into the platform—no oil decontrol, who had to make a decision as to whether—as part of this effort to get our allies involved, who were saying, "Well, you guys want to come and have stockpile policy, and you won't even decontrol." And the political wins. Here we're already less than a year before the New Hampshire primary, on an issue in which there were passionate views within the party.

We met with the labor people, and they said, "You know, this is a *sine qua non*," and Kennedy was already stirring. The forces surrounding this issue were unbelievable. There was no question, I think, in very few people's minds on the policy side—either within the White House or in the agencies—that it was the right thing to do. But how to structure it? And whether to call for a windfall? Then the liberals said, "All right, if you're going to do it, get the tax first, and then decontrol; otherwise, you'll decontrol and they'll all laugh at you. They'll say, 'Well now, you've decontrolled. We're not going to give you the tax.'" How to structure the tax? How to provide some incentives for new oil? Just an unbelievable set of circumstances. All of this came with the Synthetic Fuels Corporation, with the Energy Mobilization Board.

So the President approves this whole set of procedures. In energy, we went up, and we had a meeting at Camp David. But I don't think it was this one—no, it couldn't have been—where we discussed the question of oil decontrol. We went up to Camp David to discuss, the whole Cabinet. I remember very well trying to convince Charlie Schultze—who almost agreed with it—that we would decontrol, but we would put a $16 cap on oil. When it reached $16, we would re-impose controls. Charlie thought that was a pretty good compromise but ultimately decided not to do it. Of course, at that point, oil was about $12 a barrel.

So we're working on the speech, and it's in its final stages. I was over at a friend's house on a Sunday. I think the bloody speech was supposed to be given that night. I think the speech had all been essentially agreed to. And I get a call from Hamilton through the White House operator—I left my number—saying that the President had cancelled the speech. I said, "What do you mean he's cancelled the speech? The thing's been announced. This is not some private agreement. It has been announced that the President will address the nation at nine o'clock. This is the first time in the history of the United States of America that a President has cancelled a speech to the nation."

"He didn't like the speech, he didn't think. It's not that he didn't like the speech, but it wasn't what he really wanted to say. He feels that the gravity of the situation requires something far more, and he's made the decision." Well, I still couldn't believe it. I asked him if it would help to call the President, and he said he'd made the decision, and the cancellation had been announced. So I figured to myself, *Well, maybe it will be worse if I call him and get him to reverse it, then he would have twice reversed himself in the same day. Better to only have him reverse himself once.* So a day or so after that—I guess maybe the next Monday—we were told that the President wanted us to come up to Camp David and talk about the situation. [Patrick] Caddell and [Gerald]

Rafshoon, Hamilton, Jody, me. I think the speechwriter, Rick [Hendrik] Hertzberg, was there, but I don't think he was there for the first session. I think he came in later. The President felt that he had to do something really dramatic, and Caddell had written him an extensive memo. [redacted]

And I didn't see the memo 'til afterward, but evidently this was at least part of the initiating factor in Caddell's mind. I still don't know for sure to this day whether the speech was cancelled on impulse or whether it was scheduled and cancelled for dramatic purposes. I just don't know. But in any event, when we got up there, Pat was there. We talked to the President for a while about what he wanted to do and so forth and so on. Pat, I think, had a draft of the speech that he wanted to give, which had utterly nothing on energy. It may have been mentioned in passing, but that was about it.

It was a speech about what was wrong with America, and the "me generation," and so forth. We were in that big conference room in Laurel, Camp David, and there ensued the most acrimonious debate by far that occurred in the four years of the administration—in which I participated, at least. With Mondale and myself on the one side, and the other people on the other side, Mondale and I arguing that, as I put it, I think, for a President with roaring inflation, gas lines, a slackening economy, to get up and talk to the American people as if these problems were their fault and due to their malaise and their lack of interest in the broader community—rather than the fault of the President, or the fault of the government, or the fault of governing institutions—was to miss the point.

People were not angry at themselves. They were angry at the government. And what people were angry at was that prices were high, gas was unavailable, and what had to be addressed were those issues. Not these other issues. Well, I made that argument to them, and I made the argument to the President unsuccessfully. And so did the Vice President. And the speechwriter—I think Rick then took the draft that Caddell had done and put it into some form. It was, at least, presentable for speech purposes.

Then we had another session. I don't remember whether it was the same day. I think it may have been the next day. And I just repeated again that this was a *non sequitur*. It did not address the issue for which the speech had been scheduled. The speech had been cancelled. It was supposed to be an energy speech, and it was nothing on energy. So I said that it was obvious that I had lost my argument on the concept of the malaise speech, and I would not continue to argue on that, but at least we ought to pull energy in. The way we should pull it in was to tie it to the issue of malaise. That is, if there was a malaise in the land, perhaps what was necessary was for there to be a unifying rallying point, which would be energy independence and energy security.

And this new program with the Synthetic Fuels Corporation, Energy Mobilization Board, would be the vehicle to rouse people out of the malaise I did not believe they had. But if everybody else did, at least for consistency purposes, this would be the vehicle. And that would at least allow us

to talk about energy and somehow get the energy program out and up and into the Congress. Everyone thought that was a good idea, and I dictated—off the top of my head, as I remember it—what became the energy section of that speech.

HARGROVE: That's the memo that hit the newspapers?

EIZENSTAT: No. That memo came during the Tokyo summit. This was simply a substantive statement of what we had decided. And that was agreed, the speech was done, the President was prepared to make the speech. Now I knew at the time that he was also interested in a Cabinet shake-up. This was supposed to be a cathartic event for the administration, the speech and the shake-up and so forth.

The President asked me for my views on the different Cabinet Secretaries, and how well I thought they were performing. After all, I really worked with them more than anybody in the White House did by far. I was, at least on the domestic side, the one who came in contact with them on a regular basis rather than the political people. I gave my assessment, and the President said that—this was after, I guess—this was not at Camp David. I think he was already back in Washington. Yes, because he gave the malaise speech on the 15th, so he would have already come back.

It was between the 15th and the 19th that this business was going on. He said that he wanted to get rid of Blumenthal and Califano. That was his current thinking. What did I think? I strongly objected in each instance. I said with respect to Secretary Blumenthal, that I felt that, while he had certainly gotten off to a rocky start, he in fact had gotten into his job very well, that he had come up with the dollar rescue program—which must have been sometime in October or so, or November, I guess, of '78. I think that's about when it was. He had gotten great international acclaim for that, and I really thought he was a useful member of the administration. He had a somewhat prickly personality, but I felt like I got along with him well, and I thought he was settling into his job nicely. [redacted]

Now there were a couple of ramifications from all this: first, showing my lack of political acumen, the malaise speech—which I thought was an utter and complete disaster—turned out to be a public relations smash. For whatever reason, it caught people. Some of the sharper language in the earlier drafts—sort of what I thought pointed a finger at the public—was smoothed out a little bit. There was a certain humility to the speech. It went over spectacularly well.

What the Cabinet shake-up did is step on our good headlines. And whatever good will came from the malaise—and there was considerable—was lost within four or five days as a result of the Cabinet shake-up.

Second, releasing Secretary Blumenthal set in motion—at the time when there were still dollar concerns and so forth—a very difficult situation, because you needed a Cabinet Secretary in the most important domestic Cabinet area. And it was not easy to find somebody on the spot. The job was offered to a number of people, who for good and sufficient reasons from their viewpoint, turned it down.

Ultimately it was decided that Bill Miller, who was at the Fed, would do it. Well, that then caused other complications, because if he was appointed, then you had to appoint somebody at the Fed. And since the dollar markets, Wall Street was very shaky about Blumenthal leaving because he was now the conservative voice in economic policy. He had not been such early, but he was now clearly taking a much more conservative line. There was a fear that the policy would become much more liberal.

And so the emphasis turned out to satisfy the markets, and if Miller was leaving the Fed, you ought to get a person who would ease the concerns in the dollar markets. That's how [Paul] Volcker came along, which ended up having long term impacts, because Volcker soon thereafter put in a more monetary policy which focused less on fixing interest rates than on looking at the money supply and letting interest rates fluctuate, which turned out to be, from my standpoint, a mistake. So we had to live with that for the rest of the term.

Then in terms of public relations, the third implication from the Cabinet shake-up was that it gave a sense of a lack of sophistication and control—the way the resignations were handled, the fact that it again seemed to be a *non sequitur*. If you ask people what was wrong with the Carter administration, their initial reaction would be "the White House staff." You know, "Get those bums out of there, the guys who don't know what they're doing, and the inexperienced Georgians and so forth." Not the Cabinet. By dealing with the Cabinet, it was as if he was dealing with the wrong problem.

I remember the morning that the decision was made, or announced, to ask for the mass resignations. The staff was sitting in—the whole senior White House staff—was sitting in the Roosevelt Room. The President came in, talked about some things, and then as he was leaving, almost in passing, said something like, "I'm going to ask for the resignations of the Cabinet."

I talked to Anne Wexler afterward, and she debated about whether to say, "You know, this is going to be a big mistake." But nobody said anything. It was sort of as he was about to get up and depart. You know, the continent thought that this meant that the government was falling, since that's when Cabinets resigned, and parliamentary democracies. You know, the whole thing was just— They say that's when Kennedy decided to run. Whatever good came out of the malaise speech, which seemed to be—to my surprise again—considerable, it was totally evaporated and lost by the Cabinet shake-up.

YOUNG: There's one other piece of fallout from the Camp David, and that is the decision to have a Chief of Staff.

EIZENSTAT: Right.

YOUNG: Was that decision made in principle, but—because of other factors—not really ever carried out?

EIZENSTAT: No, no. It was made, and it was carried out. We had a situation in which a Chief of Staff was essential. Carter didn't want it, number one, and Hamilton—who was the logical candidate because of his closeness to the staff, and the power and influence he had, and the deference with which he was treated by other members of staff, and who was therefore the logical candidate for it—didn't want it either. Probably because he realized that administration was not his forte.

So you had the unfortunate situation of having the person who was the logical candidate not wanting it, but nobody else could have it either, as long as he was there. So he was eventually named and persuaded to take this job, when the President was persuaded it was necessary. I remember arguing, again, long and hard for the need—as I had from almost the outset of the administration. He went along with it, and Hamilton, to his credit, got Al [Alonzo] McDonald, realizing he needed an administrative person. Al, as a practical matter, served as Chief of Staff in the sense of coordinating—keeping things going and so forth—until Jack took over later. Jack kept Al. Jack was more involved in the day-to-day things than Hamilton had been.

STRONG: The press reports about the presidential decision to cancel the speech often give you the credit or blame for that, based on the memo that was printed describing the energy situation.

EIZENSTAT: No. I don't know why the speech was cancelled, and I, having helped write it, was absolutely shocked that it was.

STRONG: Evidently, in these reports, the President read your memo about the political situation following the gas lines, and reportedly reached a conclusion that another speech and another set of policy initiatives wasn't enough.

EIZENSTAT: I think that is correct, because I remember him saying, at least on one occasion, that he just didn't think the policy initiatives we had given him were dramatic enough to meet the problem at hand. Well, we had already— When you say "call for oil decontrol," do you mean that he called for it on April 5?—I think that is when he announced it, right?—rather than some group or something calling for it? So he had already decontrolled, which was the biggest bombshell.

You know, it's a hard act to follow. I felt that the Synfuels Corporation—in which we were talking about something on the order of $88 billion—was a relatively big item. But somehow he felt it didn't meet the gravity of the situation. What I don't know—and the connection I can't make—is whether he felt the need to cancel it because of the memo I had written back in Tokyo, which was several days before the Sunday speech. I continued to work on the speech and send him drafts and got comments back, and I just— Whether there's any relation between that, or whether it was Caddell's doing— I suspect it was more that, with the memo he had written, and the whole notion of malaise and narcissism, and so forth. But I certainly didn't recommend that he cancel the speech, and was one of the last to know, and one of the most surprised.

MCCLESKEY: Did I understand you to say that none of you— When the President made that passing observation that he was going to ask for the resignation of Cabinet, did I understand you to say that none of you attempted to dissuade him then or later?

EIZENSTAT: That is correct. And the later, of course, occurred immediately. He went right from there into the Cabinet room. I was not a part of this, unfortunately, but there were evidently many sessions, or at least some sessions, with Rafshoon, Caddell, Hamilton, Jody, and the President on this issue of mass resignations. Because I think what Gerry wanted—and I think this was really his doing—Gerry wanted to continue to highlight a President really shaking things up, following the dramatic malaise speech with another dramatic action.

And I'm told—in talking to some of the participants after the fact—that the President was really quite reluctant about this, but was persuaded by these people to do it. And that he was announcing his decision when he came in. So it's not as if Hamilton, Jody, the real actors, didn't know about it. I mean, they had been the initiators of it.

MCCLESKEY: But the rest of the senior staff?

EIZENSTAT: The rest of the senior staff was hearing it for the first time. He went right in there. Evidently he had had some arrangement with Vance where Vance would suggest it. And why Vance went along with it, I don't know. But that's something that you'll have to ask him. You've interviewed the other people except for Caddell, presumably, in this process. I assume that they've shed some light on this.

YOUNG: Well, everybody sheds additional light.

EIZENSTAT: Well, I can't, unfortunately, shed any, because I really didn't know about it.

MOSHER: Actually yours is the most light I've seen on the thing.

EIZENSTAT: Well, that's not saying a lot.

YOUNG: But your second proposal—having lost the first argument about the crisis of confidence speech altogether—was taken as you read the speech. It does make that energy proposal.

EIZENSTAT: Yes, it was taken. As I said, I dictated the thing, and I'm the one who suggested the tie-in. At least it was a way to get the thing announced, and get the bill up there, get the legislation up there.

THOMPSON: This has all been answered, I'm sure. I'm a little like Rip Van Winkle. When I left, you were saying something to the effect that you thought it was a mistake to make energy the centerpiece. When I came back, you were making the argument for the energy speech. I suppose the answer is, "So much had happened."

EIZENSTAT: Hell, it's two years later. We had the fall of the Shah, we had four million and a half barrels of production less than we had had in December of '78. In January and February, the spot market was going absolutely crazy, we had gas lines. I must say there's nothing— You know, we talked about not feeling the impact of implementation. Well, I felt the impact because I couldn't get any damn gas for my car, and that was a real crisis. I mean, I couldn't get to work to chair my five o'clock energy meetings. So you know the world had certainly changed.

YOUNG: You mentioned that the President had called you in and indicated the people in the Cabinet he would like to put out. Did he go through a fairly systematic process like this, do you think, on the staff—asking each individual person?

I don't know about that.

HARGROVE: Well, there were the report cards.

EIZENSTAT: This was before the decision had been made. He called me in, presumably among others.

MOSHER: He had apparently decided who he was going to fire.

EIZENSTAT: Yes, it was quite clear that he had. He put it in a form of asking my recommendation, but it was clear that he had zeroed in on them, and I think the shake-up became a self-fulfilling prophesy. That is, once having asked everybody to submit their resignations, what was the purpose of then turning down all the resignations and saying you were going to go forward with the same people?

And the people—whoever convinced the President to call for the mass resignations—then put him in the box of having to accept some. Now I can't tell you whether he had already decided when he asked for them to accept them, but certainly Califano got his antenna up pretty well in Washington, and he didn't think he was a candidate when those resignations were requested, and neither did I.

YOUNG: Was Mr. Kirbo part of the group at Camp David?

EIZENSTAT: Yes, I believe he was.

KETTL: Do you have any suggestions that either some members of the White House staff resigned or that some were selectively fired as part of the process?

EIZENSTAT: I told Hamilton that I felt that if there was going to be a Cabinet shake-up, there ought to be a White House shakeup. And I gave him a few specifics, which I will not mention here. I even suggested that as far as I was concerned, every one of us ought to just leave. I thought that if the situation was this perilous and this grave, by shaking up the Cabinet rather than the White House staff, people would really think we were off our rockers, and we ought to just all leave. "Let's just all walk out and let the President appoint some other White House staff people." That did not have strong support within the White House.

HARGROVE: [Lloyd] Cutler and [Hedley] Donovan came in at this time, is that right?

EIZENSTAT: Cutler and Donovan came in slightly after that.

HARGROVE: But was this part of the feeling of infusion of new blood or wise-men?

EIZENSTAT: Yes. Either new blood or old blood, as the case may be.

YOUNG: What were the changes then made after that, both in—?

EIZENSTAT: Well Lipshutz left and—

YOUNG: McDonald came in at that time.

EIZENSTAT: No, McDonald was already— Well, McDonald came in, yes, that's right. McDonald came in when Hamilton was appointed Chief of Staff. Lloyd came in to replace Lipshutz. Donovan came in to replace nobody, and you'll have to ask him how he spent his time there. But there were other changes that were not made that would have been perhaps more important.

YOUNG: Besides the question of the personnel, would you like to have seen any larger changes in the devolution of responsibility?

EIZENSTAT: I suppose I would like to have seen a little more, but that wasn't the basic problem. You know, government—when you come right down to it—is an administration of people. It's nothing more than people. People make an administration, or people break an administration. You can put all the charts and all the reorganizations and all the boxes and all the flow charts, and when you come right down to it, if you've got competent people, you're going to have a good administration. If you don't, you're going to have trouble.

And I don't care how you draw the charts, and how you develop the process, and what the flow is, and how much delegation there is. That's what it comes right down to. It's all a question of people. The way they react, the inter-reaction with other people, how sensitive and sensible they are—that's what an administration is all about, and that's what this government is all about. It's the government of people, and that's the beginning, the middle, and the end of it.

YOUNG: Would you say that the working group after the shakedown, the working group in terms of people in the White House—aside from some weak spots, which you won't name that you might have seen going—was, on the whole, a good working group, and served the President?

EIZENSTAT: They worked well with each other. And it worked in the sense that there were no major turf fights. Once Jack's position was established, no real internal battles. People were congenial and friendly. There was an absolute minimum of backbiting. The people were

extraordinarily pleasant to each other. They worked hard to serve the President, and they served the President in the best way they knew how.

YOUNG: Did the Cabinet changes make any difference in your responsibilities after that?

EIZENSTAT: Not in the sense of responsibilities, no.

YOUNG: Did it change the character of the working relationship?

EIZENSTAT: Well Joe and I had—Joe Califano and I had—a very close relationship. I had, remember, worked on the White House staff in '68, and had done a little work with him then, and we sort of had similar views on a lot of issues. We used to talk God knows how many times a week—just scores of times. He was interested in issues in his department, and that was, of course, the sort of chief social policy agency of the government. That close working relationship did not exist between me and Secretary Harris. Not because of any personal animus, but because of her own working relationships, the way she ran the department.

YOUNG: Could you tell us something about the decision to make inflation fighting a major concern?

EIZENSTAT: Well, from an economic standpoint, the biggest error we made from really the outset, from the transition of '76 all the way through, was underestimating the basic strength of the economy, and underestimating the gravity of the underlying inflationary forces. It was the strength and vitality of those inflationary forces that led us to have a major stimulus package in '77 when perhaps we would have been better off with either none or a very small one. It led us to another tax cut in '78, which we didn't need. It led us to recognize the need for an anti-inflation program too late, and it ultimately led us to do too little too late with inflation.

I'm certainly not an economist, but I didn't foresee the inflationary impetus. The one who saw it earliest was Secretary Blumenthal, and that's one of the reasons I was most sad to see him go, because he recognized it, he began fighting internally for a change in policy. And I think it interrupted our efforts, to have him depart. Once I recognized the gravity of the situation, I believed that we could no longer deal in sort of half measures, and that we either had to have a complete austerity program on the one hand, or, on the other, something like wage and price controls. I was a rather persistent advocate of wage and price controls, not because I think they're a great long-term policy, but because with these enormous oil price increases that we were getting due to the Iranian situation, it was the only way I knew the avoid lapping over those oil prices onto a basic wage and price structure of the economy.

YOUNG: As it was, you did not take either the austerity or the controls path?

EIZENSTAT: Well, we sort of took a partial austerity, enough to make all the constituencies mad without accomplishing the result. On the other hand, not taking wage and price controls, but doing guideline policies and trying to get Congress to pass the tax-based incomes policy, which they didn't do.

YOUNG: If it had not been for that—for what happened with oil, and with oil prices, and with inflation—a different history of the President's relations with the Democratic Party—the traditional Democratic Party, particularly on the Hill—would have emerged?

EIZENSTAT: The Iranian crisis was the seminal event that I indicated in the Carter administration, both in terms of foreign policy and in terms of domestic policy. And were it not for that event, and the consequent enormous 120% increase in oil prices, we would have still had high inflation on a relative basis, but we would have been talking about maybe 8% or 9%, and not 12 and 13%. We wouldn't have had 20% interest rates, we wouldn't have had to cut the budget in fiscal year '80 in January. We wouldn't have had to cut it again in March, which gave the perception of indecisiveness right in the middle of a primary campaign. We would not have had the recession, which was beautifully timed to coincide with the election, and we would have had a far better chance of winning the election. Whether we would have or not, no one can say.

YOUNG: You had said earlier that it changed the plan for the campaign strategy as well.

EIZENSTAT: Yes. It led to the Rose Garden strategy. We had the debate scheduled for the Iowa caucus. Let's see, that would have been in early '80, I guess, wouldn't it? January of '80, December of '79, sometime right there. Kennedy announced November 6, and we had challenged Kennedy to a debate. He had accepted, and the time was set. I think it was set in—Because the caucus in Iowa, I think, is in January—the debate must have been scheduled in early January.

And then we had the Afghanistan business. Of course we had the embassy attack here, right? So the hostages were taken just before Kennedy announces, and we had this primary or caucus coming up, and the debate coming up. And I was not until much later asked to participate in some of the political meetings that were held in the mansion. But the issue came up during one of our regular staff meetings with the President that we had every morning—that is, we had every morning after the first year and a half or so. Didn't have any at the beginning. And it was clear that they were seriously considering canceling the debate on the grounds that it was inappropriate for the President to engage in partisan political activities while the hostages were being held.

I said to the President, "Mr. President, I'm not really involved in this whole political campaign, but I think you would be making a terrible mistake if you cancelled the debate and agreed not to, and say you won't campaign while they're held hostage for two reasons. One, from a purely political standpoint, you now have a resurgence of popularity as a result of the steps that you had taken for the hostages, and the rallying of public opinion. Kennedy will be totally off balance. You'll come in as a hero. He can't really touch you up too hard on other issues because of this. And second, who knows how long the hostages will be held? You know it will be three months or six months, and once you make the commitment not to campaign, you're going to be hounded by it, and you'll have a very difficult time ever getting out of it. So please don't do it."

Well, that obviously went for naught.

And we had this Rose Garden strategy, which I don't think was a—I can't say that in any sense it was contrived. I'm putting the best view on it. I think it was perhaps something the President felt very deeply about because I think politically, in the short run, he would have benefited by debating. But in any event, for whatever reasons, he made the decision, and then he became as much as the hostages a prisoner in that White House.

And over time, the press turned on him with a viciousness because they felt—whether rightly or wrongly, hopefully wrongly—that he was using—after a time, if not initially—this hostage crisis as a political vehicle. They pointed to the Wisconsin announcement that was made the morning of the Wisconsin primary that there was some possible breakthrough, and so forth. And that perception began to grow in the public, and so the one thing that the President still really had left at that point—which was his credibility with the public as a man of honesty and integrity—was impugned by the press. And perhaps it set it back, at least some people.

And then he had to figure a way out of the thing, so he said, "Well, we've done everything we can do, so it won't hurt to go out." Obviously, at that point his popularity was again slipping. It just had such a political aroma around it that it was, I think, very, very harmful. And ironic, because as we discussed earlier, this was a President who had abhorred the political, and in his policy judgments had not wanted to play that kind of a game in terms of governing, but who was perceived—again, I hope incorrectly—as having done so. I think it enormously affected his credibility.

YOUNG: There were those nightly reports from the White House grounds: "This is Leslie Stahl with the Carter campaign at the White House."

EIZENSTAT: They just brutalized him.

MCCLESKEY: Would it be fair to follow up this point with a question about your role in the campaign generally in 1980?

EIZENSTAT: I was disappointed, frankly, that I wasn't involved more. I felt that I had something to contribute. And it was really only in the last few months that I attended the once a week meetings or so in the mansion on the campaign. Of course I was involved in the debate, because we prepared the briefing paper.

YOUNG: What difference did the President's overriding concern about the hostages during those most intense days and months make to staff life and staff work?

EIZENSTAT: Well, it was a tremendously strained atmosphere because of the hostage crisis. Our hopes were built up each time, only to be dashed. It looked like progress was being made, only to find that the Iranians didn't have their government act together, that really the government wasn't the government, and that the students or the terrorists really were in control. Bani Sadr—even if he, from his perspective, was entering into discussions in good faith—didn't have the clout to carry forward his agreements.

And there was an enormous diversion of presidential time and attention from a whole variety of issues, just a lot of tension—the aborted rescue effort, and so forth. It was a very difficult, tense, and unhappy time. Vance's resignation, which you have in here—which, I think, had little to do with Iran, and more to do with the disavowal of the UN [United Nations] vote—which, by the way, lost us the New York primary. Had we won the New York primary, we were 20 points ahead of Kennedy, and Kennedy would have bowed out in March, and Carter would have had April, May, June, and July to get the party back together. It was a difficult time.

HARGROVE: Was there a discussion during the campaign and before about the high road-low road? About whether to present a picture of the future as opposed to attacking Reagan? Was that debated?

EIZENSTAT: Well, I'm sure it was. I certainly, by the time I got into it, urged that we begin talking about the future and more positive things. But that was, frankly, after it appeared that the initial strategy was taken. I don't think that the decision was quite as clear-cut as one would think from the press coverage. I think a lot of the things that were said by Carter—for example, implying that Reagan was a racist when he made the speech in Atlanta, and a warmonger and so forth—really were the worst sorts of exaggeration, taking things out of context. They were not in his prepared remarks. I don't think they were a conscious campaign strategy.

Obviously we wanted, as one does in every campaign, to try to show the liabilities of our opponent as well as our strong points. I think that people felt that it was an entirely negative campaign when it wasn't intended to be, and I don't think he intended it to be. The press get a story line, and then they try to fit everything into that story line. Unfortunately, enough ammunition was given to them so that they had the ability to fit it into that story line in a believable way, but I don't think that that was really a basic campaign decision. Although I'm not the one who would really have the inside information on that.

YOUNG: When was there a sense that the administration was headed for defeat? When did that develop among the top staff?

EIZENSTAT: Well, I'm a sort of natural pessimist, so I would say mine started somewhere around the beginning of 1979. The President is a great optimist, and the fact that he was President, and given the odds that he faced, were good reasons to justify his optimism. I think that they thought he was going to win the bloody thing right up to and through and after the debate. There was a drop after the debate, but then Caddell said that the polls were coming back up.

We left Washington state about midnight West Coast time—it's already Monday morning East Coast time—and Caddell called with his last poll, which showed, he said, the greatest drop he had ever seen in his polling days, and he thought in the history of polling in a 24-hour period. There was like a ten-point swing. Every undecided just moved the other direction. He attributed that to the hostage situation, and again it looked like hopes were to be dashed and so forth.

YOUNG: Was that the anniversary?

EIZENSTAT: It was the anniversary, and it was also—there was a specific proposal from the Iranians, and there was a question of how to handle it. And you remember that Carter was in Chicago or somewhere—I guess I was with him, and I don't even remember what city it was. I think it was Chicago. We flew back to Washington that Sunday and had a Cabinet meeting and so forth. There was a Cabinet meeting about how to handle the response, and I felt—again, speaking as a non-foreign policy expert—that what we ought to do is just tell [Ayatollah Ruhollah] Khomeini to go to hell, that we didn't want him manipulating our elections, and we were not going to listen to his newest request until after the election.

But the State Department felt that we had to make some response, and so it was not a totally satisfactory response, I think. But I think that had a lot to do with it. And then the anniversary came, literally, as we know, on election day, and the networks re-portrayed over that weekend the entire incident—the flag burning—and I think it just incensed people.

YOUNG: The newspapers published front page pictures of the flag being burned.

EIZENSTAT: It was as if it had just happened again. And whether he would have won or not, I cannot say. I have my doubts, because I think basically we lost because of the economy. But I think it would have been a much closer election, and certainly a less humiliating defeat, had the incredible coincidence of the hostage situation not occurred.

THOMPSON: On several matters you've mentioned losing after having advised the President to do certain things. Did you ever seek allies in support?

EIZENSTAT: Well, first I certainly don't want to give the impression of one who, "If only his advice had been followed, life would have been different." It would have been different, but the ultimate result may well have been the same. You know, my advice, I suppose, was around the margins. I certainly don't want to give the impression that I was a lone visionary against all the blind. That certainly would be incorrect. Any time I took a position on any issue, I tried to find as many allies as I could.

MOSHER: This goes way back to something you said this morning, and you mentioned again this afternoon. It's about wage and price controls. You said, as I recall this morning, that at the very beginning the administration considered asking for standby power to impose wage and price controls. Is that correct?

EIZENSTAT: Yes, sir. You see, what happened is that President Nixon was given that authority by the Congress against his will and to embarrass him so the Democrats could say, "Here is inflation at 12% in 1971 but it was I guess at 7 or 8%, and we've given him the authority to do something with it, and he just won't do it."

It was supposed to be a great political ploy. Well, he trumped that card. He used the authority that they gave him—and won the election with it, I think, since decisiveness made his popularity go up tremendously. In fact, inflation did abate until he goosed the economy up to stimulate it toward the election in '72. The Congress was so incensed by what he did to the authority that they had given him—that he used the power that they didn't think he would use—that when Ford

got in, Ford, for his own reasons, didn't want to renew the power. And Congress, for its reasons, didn't want to give him the renewal of the power. So it lapsed. The authority lapsed.

In our white paper—which was issued in Philadelphia in 1976—in addition to the stimulus package, which we outlined in general terms, there was a clear call for standby wage and price controls, a reinstitution of the lapsed authority. We made it clear that we wouldn't use it unless it was an emergency, but that we wanted it. Charlie Schultze argued very strongly—and I can't, frankly, remember being in a meeting with the President where I had a chance to put my two cents in, but maybe I was—that even to ask for standby controls would set off inflationary expectations early in the administration, and that the controls didn't work anyway, and we were better simply letting sleeping dogs lie.

Well, had we asked for them in '77, we would almost without question have gotten them, because it was part of the whole package. It was our first package. They were falling over each other to try to be helpful, and for the first time a Democrat had been in in eight years, wanted to show they could work together. But we didn't. So by the time I was talking about wage and price controls in '79, there was a stronger argument to be made against my point, because in order to get it, you couldn't just with the stroke of a pen—as Nixon had done—implement it. You had to ask for the legislation.

It would have been a bloody battle. It was already now getting to be election season. There would have been filibusters, perhaps, in the Senate, during all of which time, presumably, business and labor might be engaging in anticipatory wage and price behavior. Now you could at least theoretically deal with that by making the legislation retroactive to the date of announcement, but that wouldn't help if the bill didn't pass. So there were good and sufficient arguments against my position. I still felt that it should be done. We engaged in the guideline policy and as much jaw boning as could be done.

But by that time, the impact of 120% oil prices on an already high base was so grave that only a shock treatment could have helped. Now in retrospect—and I certainly share the responsibility for this as well as anybody—if we weren't going to do wage and price controls, and we were just going to do guidelines, that shock treatment should have been applied as early as possible. Get a recession behind us. Somehow there was a sense that we could really beat the business cycle, and that we could avoid a recession. And we kept up with policies that never quite crippled the economy.

I remember Charlie felt—and, you know, from his standpoint, with good historical precedent—certainly interest rates couldn't be 9% without a recession occurring, certainly they couldn't get to 10% without a recession, certainly they couldn't get to 12%. Well, the economy just proved to be more resilient to these interest rates than anyone expected. And so the recession didn't occur until the early- to middle-part of 1980, and there was no sense of a recovery occurring by the time of the election. That brings to mind a comment which Henry Owen told to me either just before or just after the election. Charles Walker—who was the undersecretary of the Treasury or deputy secretary of Treasury under Ford—said to him during the transition, "Henry, I'll give you one piece of advice, and that is, take your recession early."

And that is, of course, some advice which Reagan has taken. You're going to bloody have a recession in four years. There is no way to beat this business cycle. You know it's just as inevitable as the rising of the sun and moon. The question is when it's going to occur. We somehow thought we could avoid it and beat it, and it ended up beating us.

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YOUNG: We have a very good picture of the way the domestic policy staff did its work and how the process was organized.

EIZENSTAT: Now one thing that I might add, parenthetically, when we were talking about contacts with outside groups, when we would have a very specific issue—like Professor Hargrove and I were talking about this morning on the 504 handicap regulations. Because of their controversy—although they were only regulations, rather than the development of new legislation—they were so controversial, and so potentially expensive, and so many different agencies had programs involved—from transportation to education—that we got very deeply involved, and I think appropriately so.

We would always insist that both the agencies—and if we were going to get involved, the White House—meet with the groups and organizations representing the constituents who were to be the beneficiaries of the programs. So in that instance, for example, we met rather extensively with the handicap groups and organizations. I think that's rather important only in the sense that policy in the federal government is made through a whole complex mosaic of groups and organizations—public, private, congressional, executive. It's often difficult to give a general description. You have to take a case-specific instance, but there's no question but that interest groups do more than simply lobby on the Hill and put pressure on the better groups. Few of the handicap groups certainly would fit into this description.

There was one called, I think, the American Coalition for Citizens with Disabilities, which Frank Bowe headed. It was very substantive, and, you know, they could talk about cost benefit analysis and mainstreaming and so forth. Those groups do, in fact, have a significant influence on the development of policy, even down to the regulatory stage of filling in the gaps of broad legislation.

YOUNG: Could we talk a little bit about how one should view President Carter's operating style? I think in our early meeting yesterday morning I identified this as a subject of interest. It's a real challenge to try to identify the main elements of this President's operating style—much more difficult, I think, than in most Presidents we've seen in the past.

There is a question, for example, about his delegation or not delegation of authority. You can see evidence of both sides when you consider his ideas—what appear to be his ideas—about Cabinet government in the beginning, the devolution of large responsibilities on Cabinet Secretaries—and you take into account, as an example, the delegation of large responsibilities, not to a Cabinet member, but to somebody who's going to be a Cabinet member—Schlesinger on the energy program. That shows one side of the picture. Another side of the picture with reference to staff, for example, is—I believe you said—the President really had the feeling or the wish to see

most things brought to him to be— I think as you put it, he wanted to be his own Chief of Staff, which suggests an unwillingness to delegate.

Now maybe the differences between Cabinet and staff—and maybe it changed over time. Maybe there were real ambiguities; maybe they weren't. That's one element of operating style. Another has to do, for example, with the desire for—or the discomfiture at—conflicting advice on policy issues. Did he welcome that? Was he uncomfortable with that? These are just examples of what we mean by operating style, and I wonder if you might help us think through what that operating style was.

EIZENSTAT: Well, for one thing, if one looks back at the early part of the '76 campaign, you will see statements that go into considerable detail about the over centralization of authority in the White House relative to the Cabinet, the need for the Cabinet to be more independent in their functioning. And to an extent, that was implemented all the way through the administration. We never really made the kind of effort that President Nixon and his White House staff made, for example, to try to—on any day-to-day basis—operate the agencies out of the White House. The implementation of programs, which we briefly mentioned yesterday, was left to the agencies, by and large.

Jack Watson had a group that tried in specific instances to help focus interagency attention on a particular issue. But, by and large, the day-to-day operations, day-to-day decisions, were made by the Cabinet Secretaries all the way through the administration. On policy matters—as I also indicated yesterday—the President began by giving a broad delegation to the Cabinet. That was at the expense of the White House, and ultimately at the expense of coordination. I think that what happened there is that there was a confusion between the coordination of policy and development of policy.

It is very difficult for the White House staff because of the factors that I mentioned yesterday—lack of resources, the few people, the absence of computer capabilities and so forth—to really be able to develop policy in any meaningful sense. That ought to rest in the Cabinet departments, and during the Carter administration, it did. But the White House role is to ensure that that development is a) along the lines of the President's own philosophy and goals so that the Cabinet departments are not going off in their own direction, and that that direction is consonant with other things that those particular agencies may not know about but that are happening elsewhere in the government; b) that that policy is coordinated with other agencies that have an interest in that program, because what is done by one agency will have an impact on a particular agency; and c) that when there are differences of opinion between agencies that have a legitimate stake in the outcome of the decision, the President has some vehicle internally to assure that the decision he has to make among and between agencies comes to him in a coherent and comprehensive and logical way with all the factors already digested for him. He ought not to have to be in the position of defining the issues and developing the data and analyzing it. That ought to all be done for him so he can make the ultimate decision.

I think that in the first year there was a confusion between the development and the coordination. There was a sense that an agency, when it was given the lead to develop policy, would just go off on its own and develop it and announce it. Or lead an interagency task force, as on urban policy,

to do it. And what I think came to be recognized increasingly during the first year, and then ratified at the first Camp David meeting, was the recognition not that the development of policy should shift to the White House, but that the coordination had to be much more clearly focused there.

In addition, in terms of operating style, the President really throughout the administration delegated a substantial amount of authority to Cabinet Secretaries to appoint their own people to positions. I talked yesterday about the positives and negatives of that. On balance, I think too much was delegated, but nevertheless, that was consistent with the thrust of Cabinet government. But our political system is organized in such a way—with the division of responsibility, and with the fact that Cabinet members are not members of the parliament, as they are in a parliamentary system—that you're never going to have Cabinet government in the truest sense of the term, where the Cabinet functions as a committee of the whole to make decisions. There's no way the Secretary of Agriculture can have a meaningful input in a decision of what the basing mode should be for the MX missile. Nor would I particularly want the Secretary of State to make a decision on the level of price supports for any particular crop. They don't have the time, and they don't have the expertise. You do involve the Cabinet officers on a case-by-case basis, where they have some expertise and have an interest, but you certainly can't have the Cabinet meet in any sort of meaningful fashion to make decisions.

Now we used to have Cabinet meetings—I think at the beginning once every week, and then after a while it became once every two weeks, and then once a month, and then only as needed. And that is a pattern that seems as familiar as anything we've seen. It happens to every President, and the Cabinet meetings just end up being a great show-and-tell experience.

HARGROVE: Was there any kind of feeling of solidarity or comradeship that emerged out of that?

EIZENSTAT: Yes. That is why you want to have some, so that there's some recognition of what else is happening, so that President can give some pep talks and tell people what he really wants to focus on. "This month, I'm going to really do this, and I need you to drop what you're doing and help the Secretary of State make calls on this particular item." Yes, obviously, there are some reasons to continue to have them, but not on a weekly basis, and not as a colloquium for serious policy discussion or for decision.

We had done a paper really early in the primary campaign—it may have been as early as late 1974 or early 1975—on ways in which the executive branch could be more responsive to the Congress. This was done as a reaction to the Watergate experience, centralization of presidential authority. And one of the things we recommended, which we then discussed when Carter was elected, was a question period. We actually asked the Speaker of the House and the Majority Leader of the Senate if they were interested in exploring the possibility of having a question period for Cabinet officers, similar to the question period which Cabinet ministers have in the British system. On the floor of the House or the Senate, the Secretary of State would once every however often it was decided subject himself to questions from the group as a whole. The notion was, again, to build in more responsiveness and so forth. That was something that we did propose, but it was never taken up.

Now in terms of his decision-making style, he obviously liked to work from paper. He complained from time to time about there being too much paper, too much reading, and that was because oftentimes Cabinet Secretaries just had to insist on getting their two cents in even though we were doing a decision memo. But he complained about it enough so that they began to realize that they just had to rely on the ones that we were drafting. But he did like to make decisions from paper.

Obviously, there were many times when meetings were held on very serious issues—national health insurance, for example. We must have had four or five meetings with him before he finally settled on what he wanted to do, because we had to explain the whole problem to him and let people vent their spleens in terms of where they stood on the issue and so forth. So it wasn't that we tried to keep him from having meetings—and indeed I encouraged him to have more meetings than he did have. But it was not his style of decision-making to like to have meetings as the central focus for decisions, and indeed, when he did have meetings on a particular issue, his normal style was to listen, to ask questions—and, I might say, they were almost always extraordinarily penetrating, because he had an enormous analytic capability.

But once he had made his mind up, he would—at the end of the meeting, after everybody had cleared out go back—sit down and usually write a note on the decision memorandum as to what his decision was. Then I would convey it to the respective parties. I think that was more or less his method of making decisions. I've already talked about the fact that he did like to have everything channeled into him rather than going through a sort of hierarchy of leading up to one person.

YOUNG: You also worked in the Johnson White House, and certain contrasts become apparent.

EIZENSTAT: I would say that one other thing that I have not mentioned—I don't know if others have previous to my session. We had a paper flow system for decisions that was routed through Rick Hutcheson, who was called the staff secretary. Any Cabinet document, whether from a Cabinet member or an agency head—or indeed a memorandum from even me—would be routed through that central focal point in the White House. It was then Hutcheson's job to route it to others within the White House.

Now, I would presumably have already done the vetting with the agencies or departments in my process, but to make sure that the different mini-bureaucracies within the White House had their say—that the political people saw it, the congressional people saw it, Anne Wexler's operation saw it—it was Hutcheson's job to circulate—with usually a 24- to 48-hour turnaround time—the particular matter involved, so that when the President got the memorandum, it was not simply the Cabinet officers and my own recommendation, but he would have Hamilton's and—if Jody wanted to comment on it—Jody and Frank Moore from a congressional standpoint, Anne and whatever, Jack. So that was a useful system, and one that ensured that even in the absence of having a Chief of Staff, there was some mechanism by which the mini-bureaucracies within the White House staff had the opportunity to comment on important policy matters.

HARGROVE: Did they ever catch a mistake?

EIZENSTAT: Well, that would be to admit that we had made one.

YOUNG: It's off the record.

EIZENSTAT: I'm sure that they added their sensitivity from a political standpoint, sure. I mean, obviously they would have. I can't think of a sort of graphic example where there would have been an enormous foul-up absent their input, but, you know, they had differing opinions on a whole range of things with legitimate arguments, and the President often took their view. So one would have to say that they had a useful impact.

YOUNG: Two more follow-up questions on this. I'm thinking about trying to get a picture here by contrast with other Presidents. It appears that one of, for example FDR's operating styles was to consciously play one person off against another, or to delegate simultaneously to build conflict into his advisory system, and also to kind of play his cards very close to his chest, keeping people guessing about what he would finally decide. We've had some testimony here that staff people have remarked it was very hard to know what the President's mind was on something. It was very difficult. You knew the trend, but you never knew where it would finally come down. I'd like you just to respond to that, and to try to let us get a picture as to whether this business of the desire for conflicting advice was part of his operating style.

EIZENSTAT: Well, again, first just to add one element to the end of my last answer. After the first several months, when we went through the energy experience and the water project experience, and all of that damage had been done, it became obvious that before significant decisions were made, the important members of Congress—the committee chairman involved in the particular decision—needed to be heard by the President directly, and that was done on a very regular basis.

For example, when we were doing our tax reform proposal—it was submitted toward the end of '77, and was later passed, I guess, in '78—we had Al Ullman down on several occasions, Russell Long down on several occasions, to talk about whether they could go along with particular aspects that we were considering without saying we were definitely going to do it—because, in fact, we had not decided, and one of the factors was whether they were going to approve it. The tax reform issue is sort of interesting in that we did the congressional consultation, and the congressional consultation was, "For God's sake, don't send us a tax reform bill! We've just passed one in '76." As Ullman said, "We're in no mood for it. The whole reformist feeling is sort of dissipated up here."

But the President felt that he had such a strong campaign commitment to what he had called "a tax system which was a disgrace to the human race" that he felt, nevertheless, he had to send it up. And it proved to be, again, another real albatross. You know, perhaps having gotten that advice, he could have just decided that this was not the time and go onto other things, or take a smaller tax package. But, again, this was a notion of comprehensive tax reform, and at least he felt like he wanted to fill his campaign commitment to try. Now how shall we get into your question?

YOUNG: Did you feel, from your point of view—I take you didn't—that that President was sometimes holding back, keeping his options open?

EIZENSTAT: He did hold back. I don't have enormous powers of prophecy or ESP [extrasensory perception] capabilities, but I used to be able to predict with 90-some odd degree of accuracy where he was going to come out. I had just seen him operate long enough, and I thought I knew how he felt. I didn't win 90% of them, but I could guess 90% of them, and maybe more. But he did try to keep his powder dry, so to speak, and his options to the last minute.

I think that's probably a healthy development for Presidents, so long as they don't in this day and age of the media let their Cabinet officers just go off half cocked, making statements about what they think the President's going to do and what they are recommending to the President. I mean, that's inevitable to some extent. We've seen it in this last escapade of the Reagan administration, with raising excise taxes. You have to— The process was drawn out in such a way as to give the impression—which was undoubtedly an accurate one—that every one of his economic advisors wanted him to raise taxes, and that he, at one time, did as well.

You know, I don't think that the President, whoever he is, benefits by that sense of vacillation, and by not having your Cabinet officers go public. It tends to hem you in, and it tends to embarrass them in terms of their testimony if you take the contrary view. Then the logical question the press asks, or the congressional committee asks the next time, is, "Well, how come you weren't effective enough to get your views? Didn't the President make the wrong decision because you felt he should have raised taxes?"

So you need to try to keep the debate vigorous and not try in any way to limit the internal debate up to the point the President makes the decision. But you need to try to keep it as much within the family as possible, and of course, once a decision is made, everybody has to march to that tune whether they like the decision or not.

HARGROVE: Do you think he gave enough guidance to Califano on the welfare reform issue?

EIZENSTAT: Well, I think he gave guidance. The question is whether the guidance was relevant to what was possible. You know, the guidance of zero cost in some respects, up to a point, was useful, because there was in the bureaucracy the supposition that the way to solve the welfare problem was to add somewhere between ten and twenty billion dollars to it—which can solve, I must say, a lot of problems.

And what Carter really wanted is them to start from scratch and say, in effect, "Look, if you had to construct—" and this is the way he used to put it to Joe "—if you had to construct the welfare system from ground zero, how would you do it first, with no additional cost above the existing one? In other words, if you only had this much money to spend, is this the system you would use to spend that much money? If not, tell me what system you would use." And then, if he had said a little more clearly, "Then give me increments of how you would spend more."

That's what I told Joe. I said, "Look, just give him this, what you would do up to current costs, and then give him what you would do with each increment of two to five billion dollars." That, of course, sent the bureaucracy into a tizzy, because they thought that he meant that he was not going to spend any more. I think that he half hoped that that would be the case, but it was really as much a management tool to force the bureaucracy to rethink the whole structure of the system.

But I think your question about whether he gave enough guidance is a good one and a difficult one to answer. I think there were some instances—national health insurance, perhaps, being an even better example than welfare reform—where perhaps the guidance wasn't as clear as it could have been. I think the reason was that he was so relatively new on the national scene and to national issues that he didn't bring a long-standing crystal-clear notion of where he stood. You know, Reagan, for example, has been editorializing for 20 years on a variety of things. Well, it may not be with legislative detail.

He can certainly give a fair amount of guidance just because he's been thinking about—to the extent that he thinks about issues—he's been thinking about them over this period of time. Whereas I think something like national health insurance, which is so complicated, was an issue on which the President had not had, over a period of years, the opportunity to deal with legislation, or go to seminars, or write papers, or give speeches beyond the one he gave at the National Medical Association. So there were times when there wasn't adequate direction.

I think in some respects, with respect to budget issues, the same was the case. One always knew that he wanted to spend as little money as possible, and yet at the same time, he wanted welfare reform, he wanted national health insurance, he wanted an urban policy, he wanted job training programs. I think that that tended to lead to some of the internal conflicts that are obviously inevitable in any administration, but perhaps led to the public perception of an administration without the clearest of courses.

You know, the question of where are you taking the country? Well, one might not like it, but one has a fairly clear idea of where Reagan is taking it. And I think the President had often just—again, as all Presidents do—they have contradictory desires. One can certainly see those in the current administration. But at some point, you've got to take that fork in the road one way or the other. You can't keep a foot in each path without severe cost. And if the path was to have been a balanced budget path, then that's got to be clearly— That just can't be articulated as a goal. It's got to be clearly and consistently followed through, and the directive has to be clearly given.

Then people will grudgingly try to fall in line behind it. What we wanted is to cut spending, but not too much to be fiscally moderate rather than fiscally austere. In another set of circumstances, I think that would have worked fine. Again I point out that real spending on domestic programs was flat for the four years. It's not as if there was an explosion of new domestic spending. If what we were to have is a serious, sustained effort to achieve a balanced budget, it can't be achieved simply by growth. It's got to be also achieved on the expenditure side. You've got to make some—particularly for a Democrat—very, very difficult decisions, as we certainly found out in March of 1980, when we did the budget revisions.

But again, the point I'm trying to make is that clear, consistent signals have to be given and then enforced by those within the White House, to make sure that the agencies and others who may have different views go along with those. And when the signals are conflicting, or not clear, then you begin backing and filling.

STRONG: Was that a rhetorical problem, or a problem of deciding what the signals were?

EIZENSTAT: No I don't think it was a rhetorical problem. You don't have to go out and give the Gettysburg address to get your point across if you have a clear idea of which of among several priorities you want, and that can be conveyed by private meetings, by memoranda, by a strong head of OMB. I mean, for example, what Reagan has clearly done with Stockman—except with some few exceptions—is he has given him a clear directive to accomplish certain things, and has made it clear that he will back him up in almost whatever way he wants to accomplish it. That sends a very clear signal to the bureaucracy. If that is what you want to achieve, that's the way you've got to do it. This is something that, again, in different economic circumstances—if we were in the 1960s where, in fact, you had the resources and the real growth in the economy to be able to afford the luxury of new initiatives and new programs—that would have been one thing.

Again, it gets back in part not simply to Jimmy Carter as a President, but also the Democratic Party as an institution. What you had is an institution, various of whose constituent members refused to recognize the economic realities, and continued to make maximum demands on the administration. Therefore, governance became very difficult for a Democratic President at a time of high inflation and inadequate resources. Because traditional Democratic philosophy is to give to the disadvantaged, to spend government funds to help the disadvantaged.

And although Carter was a more moderately conservative Democrat than many of those against whom he ran in 1976, he was not less so a Democrat. He felt deeply about problems of poverty. He'd come from the rural South. He knew what poverty was all about. He felt deeply about his commitment to try to help people. And he felt that the federal government did have certain responsibilities. And yet, at the same time, I think he recognized that the resources weren't there to do everything we wanted, or the groups wanted, and that we had to begin exercising some fiscal discipline. And the administration was constantly besieged by the desire to move on to new agendas, to be more fiscally responsible in a period of high inflation on the one hand, and on the other, besieged by the traditional groups and organizations that make up the sort of mainstream of the Democratic Party, or at least as it had been known.

I think that is ultimately where the Democratic Party has fallen. And the reconstruction of the party is going to depend on the party's ability to reconcile the demands of its interest groups with the economic realities of the modern day. In that sense, Jimmy Carter was a transition President. I often think of him as a transition President in the sense that he was transitioned away from traditional Democratic Great Society views and attitudes and capacities to act because of the resources available in the '60s, but it wasn't clear toward what that transition was leading, and how the seemingly irreconcilable demands of the constituencies with the lack of resources was to be met. That would have been an enormous undertaking for even the most gifted political believer.

STRONG: I think I understand those institutional circumstantial factors and the philosophic problem of the Democratic Party adjusting to new times. But I wanted to ask also about Carter himself. You described the speech he would give during the campaign: I'm a Christian, I'm an engineer, I'm a farmer, I'm a small businessman—and that long list, and the elements in it, weren't exactly contradictory, but they were hard to sum up and hard to put together.

You said about him yesterday that he was someone who wanted to be an activist, but he also wanted to have a small White House staff. That he was someone who had conservative instincts, but he wanted bold comprehensive programs, that he was extraordinarily confident, but that he was somehow reluctant to discipline people. Is he a person who's harder to figure out than other Presidents?

EIZENSTAT: Well, I can't answer that because I can't tell you how hard other Presidents are to figure out. You know, all human beings have complications in their makeup, and no one can be described in a linear fashion. But certainly he is an interesting and complex person who wanted to accomplish a lot in a number of areas, some of which conflicted. And governing is ultimately having to make the very difficult choices—to be able, in effect, to say, "Well, I would like to accomplish both of these, but I can only accomplish one. Which is it that I really want to accomplish?"

I think that that's something that was not as clearly defined because of the political and economic circumstances in which he found himself. Would that have been otherwise if he were operating in a vacuum? It's not simply that these groups and organizations that make up so much of the vocal element of Democratic Party are themselves simply vocal. It's that in order to effectively govern on a broad range of issues—so that you don't have to try to develop a new set of coalitions and interests on every independent legislative matter—you've got to have some ongoing broad-based institutional support in Washington to be able to counteract the tremendous impact of interest groups who are on the other side.

On hospital cost containment, for example, you've got the hospital lobby just pouring an enormous amount of resources into blocking hospital cost containment. If you don't have some institutional forces on the other side—the AFL-CIO, for example—then you're going to have a devilishly hard time getting even to first base. Because you can talk 'til you're blue in the face, and tell the average middle class taxpayer that this bill will save him $25 a year, but that's meaningless to somebody out there. There's no effective way in which a person in Hoboken, New Jersey—even if he heard the President say he could save $25 a year, which he will not because he's focusing on other things—could effectively make his voice heard except on an issue of particularly grave national interest.

And so you've got to have some institutional forces at your disposal, and those institutional forces in the Democratic Party, I think, were pulling the President, this President, in a different direction than he philosophically would have, in a vacuum, otherwise gone.

YOUNG: If one contrasts the problem you've just defined with the situation of the Reagan administration, it seems to me that you look at the Carter White House, and one of the

noteworthy things about it is the tremendous investment—necessary investment, it seems—of effort and staff time in the building of coalitions around issues—the Wexler operation. A prime example of this is your account of the second energy bill and so forth. Whereas you look at the Republican President now, and there's not much evidence of that kind of coalition-building, and a much greater reliance on some much narrower, more unified, core of a Party.

EIZENSTAT: Well, for one thing, the current administration is trying to end things rather than create new ones, which requires a different thrust. And second, the administration got a substantial part of its tax and budget cuts through because of the very active and effective involvement of the business community. That was their lobby, and they have had them over to the White House repeatedly, and they have been very effective in carrying out the President's program. So it's not as if they're operating without them.

But when you're trying to create new things—for example, a Consumer Protection Agency—you've got to develop institutional forces within Washington who are, through their own membership and their capacity to mobilize their own membership, able to have an impact on the Congress. It's not just their Washington presence, it's what they have backing them up.

Now what's happened with labor in the last ten years, fifteen years, is that they represent a declining percentage of the American workforce. So that it was—as I mentioned, I think, to some people last night—almost a third in the early 1950s, and it's under twenty percent now. In the most heavily growing areas—the South, the West, and the Sun Belt—it's only nine percent. And even those members that it has— Public officials realize they don't effectively speak any more for their members, because their members have a different agenda than the old social agenda that the leadership still maintains. The agenda of the average working man is to get the government off his back and out of his pocket, and not to create a new social program for low income people that they won't benefit from. That's just the hard cold reality of it.

And so when the AFL goes up to help you lobby, a member of Congress knows that there's not a lot of retribution that's going to occur back home if they go against the AFL, which is why—with a two-thirds Democratic majority in both houses—you couldn't get one blasted piece of pro-labor legislation passed. You couldn't get common site picketing passed, and you couldn't get labor law reform passed.

HARGROVE: I wanted to ask about the personal role that the President played in creating support for some of these key measures. The staff work was being done, clearly, but did he get into the fray?

EIZENSTAT: Yes. Anne, who is just ingenious at this, would have East Room briefings. The East Room would be jammed on a whole range of issues—energy, whatever it was, urban policy. The standard mode of operation was that I would come in, give a half hour briefing with Q and A's on the details of the particular initiative, and the Cabinet Secretary would be there and would speak. I generally would handle the specific questions, because one found sometimes that Cabinet Secretaries knew less about the details of their own program than others did. But in any event, we would share that platform in one way or another. Oftentimes they did know more—certainly Schlesinger, for example, in energy. And then the President would come in and give his

presidential pitch. Oftentimes that was done in smaller groups in the Roosevelt Room for lunch, for breakfast with the AFL, or with the business group, or whatever.

YOUNG: Was he good at that sort of thing, did you feel, overall?

EIZENSTAT: I think he actually was, in a small group, very effective. He was articulate and earnest. He made his points well. He always absorbed his briefing material well. He answered questions well. I think he was very effective in those instances.

HARGROVE: Did he spend a lot of time on the telephone talking to Congressmen?

EIZENSTAT: Well, my view is that there are two things that will make or break a President. One is the economy, over which he has only partial control, whatever he does. It's just subject to a lot of external forces—the rain in Spain, and whether you have a drought in Kansas and whether some sheik wakes up on the right side of the bed—and a whole range of factors, some of which you can control and some of which you simply can't.

And second is your relationship with the Congress. People judge strong Presidents versus weak Presidents on the basis of whether they perceive that the President is able to get the Congress to do what he wants. And, brother, if you have the perception that you cannot, then regardless of how confident you may be, you are not going to be judged to be competent in the office. That's why I dwelled so long yesterday on the early defeats, and the way in which the delay in the passage of the energy bill obscured the considerable victory the President had on his economic program—which was faster and as dramatic—almost as dramatic—as what Reagan was able to do.

Therefore, since you can't control the rain, there really, I think, are two things on which a President should spend most of his time. The first is to work on the economy on a consistent and persistent basis. And that is to say, doing what Helmut Schmidt does: he spends almost all of his time meeting with businesses, meeting with labor, cajoling, talking, "What are your problems? When are your wage negotiations coming up?" Just involving yourself in every conceivable way that you can to try to have the greatest impact that you can over what is, at least in part, again, uncontrollable. But at least involving yourself as much as possible.

And second, and in some respects more important, is just absolutely living with the Congress, working with them, dying with them, having drinks with them, having breakfast with them, having them over on a one-to-one basis, having small groups over, playing tennis with them, having them over for small private dinners. You just have to live with them, because what you've got to be able to do—in particular, if you're a President who had no prior relationship with them, if you didn't come out of their body where you had developed a series of friends—you must develop a series of friends who will stand up for you, who will be your spokesmen through good times and bad.

And when one looks back at Lyndon Johnson in his darkest hours, with Vietnam crashing in around him, he had a whole group of people who, by God, were just going to stand up for him. And we never had that. Certainly, after Hubert Humphrey died, we never had it. Humphrey and

Carter had a unique, almost father and son relationship, which was unusual because they were so different. They had been opponents in ’76. Carter had said some slightly unkind things about him. But they had an absolutely wonderful and marvelous relationship, and Humphrey took him under his wing.

HARGROVE: Humphrey initiated that, didn’t he?

EIZENSTAT: Humphrey initiated it, and I think the history of this administration, as odd as this may sound, would have really been different had Humphrey lived. I think SALT would have passed. I can’t imagine when something like the Russian Brigade in Cuba came up, that Humphrey wouldn’t have gotten on the floor and told Dick Stone that this was the most ridiculous thing he’d ever heard in his public life. They’ve been there for twenty years, and they’re going to be there for the next twenty, and let’s get on with the business of passing SALT.

We didn’t have that kind of spokesman in the bodies. Tip was very loyal. [Robert] Byrd did his best in some instances, although there were certainly frictions between him and the President. But the point is that there weren’t a group of people who were made to feel that this was their administration, that they had a stake in its success, and that it was not simply their reelection, but that the President’s reelection meant something to them and to the country. That can only be accomplished by bringing people in, making them feel that they are part of the process, that you’ve done something for them.

And I don’t care what the state of your congressional relations staff is, whether you have Larry O’Brien at the head of it. You’ve got to have a President who is willing to invest the energy, the time, and the resources to develop those sorts of personal relationships. You can’t simply call Congressmen down when their issue comes up and ask them what their views are and then shake hands. You’ve got to have guys over at five o’clock and have no agenda, let them talk. You’ve got to have people who are willing to be honest and say, “Mr. President, here’s what they’re saying about you up there, and here’s what I think you ought to do about it.” To an extent, [Edmund] Muskie had a little bit of that relationship with him. Humphrey did. But there just weren’t many people.

And there were natural allies up there who could have done that, Sam Nunn, [Ernest] Hollings, people who were sort of moderately conservative southern Democrats who felt a considerable amount of pride in a southern President who had overcome the hurdles that Jimmy Carter had overcome to get there. But that simply was never really done on any consistent basis. I remember Frank Moore, about the middle of the administration, suggested that the President start calling the members down to play some tennis on the White House tennis courts.

Well, you know, I don’t care how long you’ve been in Congress, if a President of the United States asks you to play tennis on the White House tennis courts, you’re going to be really pleased and thrilled with it. And it had, I thought, a fairly electric effect for a while, but there was no follow through or continuity with it because it wasn’t something that came naturally, something that was enjoyed. And that’s why I get back again to the point that the job is eminently a political job. You’ve got to like dealing with politicians. You’ve got to feel that you’re a politician, and yes, you’re one step higher, and maybe one step better, but you’re all in the same profession, and

it's an honorable profession if done in a honorable way, and these are the people who are going to, by God, make or break you whether you like it or not. And you'd better get them on your side, because you're gonna sure need them during your four years. There are going to be a lot of rough spots. And that just takes enormous energy.

If I had to say one thing that a President should spend his time on, that's it. That's absolutely it. Take all the foreign travel, and all the summit meetings, and all the sessions with the press, and throw them out the window. Because if the Congress starts saying good things about you, it filters through the press. It filters through the foreign governments, the whole atmosphere of Washington, and ultimately the notion gets reflected in columns and so forth that this guy is on our side, he's working with us, we like him, he's effective. And the whole image that is created of a President is a positive one.

On the other hand, if they begin bitching and moaning that when a project was announced the Republican in the next district announced the project in my district, or the Republican Senator announced the project that was in my district—when those sorts of things begin to multiply, when there is the sense that there's not enough personal and intimate contact—again that word begins to seep out. For better or for worse, the latter is what began to seep out. And it had a devastating effect on the President's image. And it's unfortunate in the extreme. But that's, I think, what was one of the unfortunate factors in the administration.

THOMPSON: Can there ever be a surrogate for the President in this regard?

EIZENSTAT: No. Absolutely no. Now you can have, and you need to have, the most competent congressional relations people you can possible get, because the President can't answer—I would say in an average day, the head of the congressional relations staff is going to get fifty calls from members of Congress. You know he's lucky if he can even return them all. They each want a project or some little thing done, an invitation for a constituent. A President cannot possibly keep up with that. You've got to have a very competent congressional relations staff to take that sort of load off and to lobby up on the Hill when the lobbying comes. But there is no surrogate or no substitute for developing those sorts of personal relationships.

HARGROVE: Yesterday you said that Democrats were in fact more conservative than many of the constituency groups in the party. This suggests that a President with strong ties to congressional leadership might have been able to forge a program and blunt some of the demands of those constituencies, forge a program more to his own liking had he been willing to build coalitions with elected officials.

EIZENSTAT: That's possible, yes. It's certainly possible.

HARGROVE: But this private man didn't think.

YOUNG: The appearance was to the contrary. The appearance was that as Carter became more conservative, the leadership there was more—

EIZENSTAT: Certainly Tip was more liberal, no question about it. I'm not talking about Tip O'Neill. I'm talking about the bulk of the House, where the House was actually going. As liberal as Tip was, and as good a speaker as he is, and as much as he knows that House, he wasn't able to get a lot of the legislation through his own body. And it was even worse in the Senate, where you had really even the more conservative bent.

The President did, by the way, have fairly good relations with the House leadership. We used to have leadership breakfasts once a week. Those went well, but you've got to get way below that level and get into the working level of the Congress and the committee chairmen and the subcommittee chairmen, and even the ranking minority members. Howard Baker, for example, who I mentioned yesterday—I think perhaps not as an off-the-record conversation—was really, I think, an extraordinarily effective legislator. Howard is a very, very loyal, faithful public servant. He's a patriot. He wants to do the right thing for any President. And properly dealt with, Howard Baker could deliver on any given vote a lot of Republicans. I'm not saying three months before the presidential election he would have done it. But he sure would have done it in '77-'78 and a good part of '79, and did in many instances.

HARGROVE: The way Johnson worked with [Everett] Dirksen.

EIZENSTAT: Yes. I mean you've got to try to develop many of the same relationships among members of the minority party as you do among your own. Maybe spend a little less time, but you need those relationships on both sides of the aisle, because people really do want to try to help a President.

KETTL: What we've been discussing, in fact, I guess is the problem of moving from what originally started out to be a very strong broadly based electoral coalition. As the Democratic Party became more and more involved closer to the election, as we discussed yesterday, it became part of the force of the governing coalition that it took to try to get things moving. In particular, trying to build interest group support for individual issues increasingly through the administration seemed in the end possibly to cause problems. Every time a coalition had to be assembled, it had to be assembled ad hoc to some degree.

There were some members who carried over from issue to issue, but it meant having to go back and convince them why this issue was important, and why they ought to go along with you. Every time those groups became involved, they became involved in a way that meant they had to compromise their own stands. None of them ever left very happy. And in the end you created an atmosphere under which, in trying to assemble that kind of coalition, you encourage groups to think, *What have they done for me lately?* and a sense of always having to compromise. So that in the end, when it came time to try to build the next reelection coalition, interest groups—even groups such as women, minorities, civil rights groups—complained bitterly about the lack of success that they had had with the administration.

EIZENSTAT: Yes. I mean, we had the worst of all possible worlds because of the avaricious quality of many of the interest groups. They were never satisfied, because, certainly, we didn't give them everything. I have mentioned three times now that the real domestic spending was flat. Now within that, we tried to do the best we could, but, by God, we just didn't have the resources.

I gave a speech to the Women's Democratic Club, of which I am particularly proud, in January of 1979, entitled "New Realities." And I mentioned that when the Great Society began, it began with a 1.5% inflation rate, and a $1.5 billion budget deficit. We inherited a much higher inflation rate, and a $60 billion deficit. I mean, you know we just simply could not do the things that we wanted to do because of the economic circumstances. And whatever we tried to do was never enough.

The stimulus package was not big enough for the AFL. The most environmentally oriented President—I said yesterday, since Theodore Roosevelt—was never able to do enough for the environmentalists. And the same with the consumer groups, and so forth and so on. And so we had the worst of all possible worlds. We were never able to do enough to fully satisfy them, and yet we did more than if we had gone down the other fork in the road, that more conservative road. We were always caught in the middle, as I mentioned earlier today, with the winds blowing from both sides.

I want to go back for a second to this congressional relations situation because I don't know the extent to which Frank got into it. Frank would often have great difficulty getting the scheduling people to schedule a particular meeting with a group of Congressmen on a particular issue. It was always a question of feeling like you had to sort of beg and borrow the time and pry it into the schedule, when in fact, that should have been the top priority for the schedule rather than something that had to be fit in.

YOUNG: He did talk about that.

EIZENSTAT: There was always a certain quality that they had to feel like they were going hat in hand to ask him if he'd meet with them.

YOUNG: And you do get the feeling, which has been reinforced by your emphasis on what's needed these days in terms of investment of time and congressional work—living with the Congress, as you put it. You also get the feeling that they ran time and time again up against a presidential mind and a presidential style that did not define that as being of such central importance, or came very reluctantly to do that.

EIZENSTAT: Well, you can probably name on the fingers of two hands the ten people in the Congress who can make or break you. You know, you take a Russell Long, a Bob Byrd, a Howard Baker, an Ed Muskie and so forth, and you know maybe they're twenty in the House and Senate. And you've got to have developed with them a very personal sense of involvement in your administration, and make them feel that it's their administration, that they have something to gain by it. And, yes, if that means that occasionally you raise a sugar price support a nickel more than you'd like to because it's the thing on which Russell lives or dies, then, by God, you do it. Because your greater goals will be achieved, your more fundamental and important goals—a SALT vote, or whatever—will be achieved because a year from now he will remember that that's something that meant a lot.

You obviously cannot go along agreeing to everything that everybody wants, and they understand that. They understand that there are certain projects in a district which are no good, and they have to ask for them and so forth. But there are some fundamental things—one or two things in a four-year period—where they really need something from you. And you've got to be prepared to give it to them even though it may cost a little more than you want, and even though in the best of all possible worlds you wouldn't have quite done it that way, because it achieves your greater and much more fundamental and important goals.

And that's a part of the political system which I think the President didn't feel comfortable with, that sense of sort of implicit horse trading which is not really as crass as it sounds. I mean, you don't say, "Well, if you'll do this for me, I'll do this for you." It's just a web of relationships that get developed over time. And I think that that's something that this President felt particularly uncomfortable doing, maybe because of his Christian background, his strong Christian religious beliefs. Maybe because of the type of campaign he ran, where he was running against that sort of system. But it's the system, and it will bend you to it.

KETTL: Did he feel more comfortable in dealing with the groups?

EIZENSTAT: Not noticeably. In fact, when an invitation would come up to address a national convention of one of these groups, that's when Mondale's phone would ring. And he'd say, "Fritz, how about going to this carpenters' convention for me?" So he did not feel noticeably more comfortable with the groups. And again, remember he came out of a southern background. This was a southern politician in a party dominated by northern and upper midwestern interest groups.

A Mondale, a Humphrey, a Muskie, a Kennedy, came out of that whole urban, ethnic, coalition-building, horse trading style. You could count on the fingers of one hand the number of times that prior to coming to Washington Jimmy Carter had addressed B'nai Brith. Well, my God, you know Humphrey probably had gone to more meeting of the B'nai Brith than the President. And that's because it was a part of the system that he knew. The southern political system was a white versus black system. It was not an ethnic system.

There were no unions down there when he was growing up. And so these were groups and organizations which were alien to his background and to his style of governing. You didn't govern when you were Governor of Georgia by worrying about what the AFL-CIO in the state of Georgia was going to do on a particular issue. They exist, but they are not a very powerful entity. Whereas if you're Governor of the state of New York, you darn well have to deal with them. And you're used to the collective bargaining process and negotiation and so forth. So I think that his whole background as a southern politician coming out of the fifties and sixties and early seventies simply was a completely different one than what exists in Washington on the national scene, which is a very alien environment.

HARGROVE: Do you govern in Georgia by moral appeals to a diffuse constituency?

EIZENSTAT: I'm not sure how you govern in Georgia.

HARGROVE: Is it more of an appeal to moral sentiments?

EIZENSTAT: I don't think so. I think that it's giving in on little projects and so forth. I was not a part of his administration, and I think it's probably worth talking, if you haven't already, to people who were involved to find out whether he made those sorts of compromises and tradeoffs when he was Governor. If that's the way he governed. I mean, that's certainly the way I think you govern in Georgia. You know, it's where the next part of the interstate is going to go, or where the next highway goes. One would think that he was used to that part. Maybe in Georgia he didn't do it. I don't know.

HARGROVE: He tried the comprehensive approach?

YOUNG: And one thinks of another President within memory who capitalized upon the posture of being above politics, and in keeping his distance from the horse trading parts of it. That was Eisenhower. But then, he was a national hero, and he was a Republican, not an activist President.

EIZENSTAT: It depends on what you're trying to accomplish. If all you want to do is sit back, as Ford did, and veto legislation, you know all you need is a third plus one and you can govern. But if, in fact, what you're trying to do is pass legislation, if you're trying to pass new things, develop new institutions and new programs, you need something entirely different. You need coalitions that will overcome institutional barriers and get those pieces of legislation passed.

But I think one can't emphasize enough the differing qualities in governing in an essentially rural-dominated state without the sorts of interest groups that exist at the national level, and suddenly finding yourself in the midst of heading a party whose most vocal elements, at least, are really based on that sort of interest group politics. I think he had a sense—which is probably correct—that the time for that sort of old interest group politics was probably over. But again, because he was, I think, a transition President, it wasn't completely over. It was beginning to be over, but it wasn't completely over.

YOUNG: Would your comments about the interest groups be a reflection of some of the President's own thinking at the end about interest groups? I notice in his farewell speech, his last one, he singled out the problem of cohesion and the single interest groups in politics.

EIZENSTAT: I think he was not talking about that *per se*, but rather a slightly different, although perhaps somewhat related, problem, and that is the single-issue groups. You know, who have a singled minded focus. To their great credit, the AFL-CIO really is a very broad-based interest group. They deal with a lot of legislation. It doesn't immediately and directly affect their members.

But there are, as we all know, an increasing number of very narrowly focused, single-minded, hundred-percenter interest groups out there that you know you're either a hundred percent for them, or you're a hundred percent against them. And regardless of where you stand on a range of other issues, it's their one issue that matters. I think that the increasing "Balkanization" of American politics by the rise of those groups is a very serious matter, and it does make

governing more difficult because they can't be part of a broad-based coalition. They can only sort of operate within their own issue.

MCCLESKEY: Could I follow up on what you were saying a moment ago about how President Carter was not altogether comfortable dealing with some of these groups and elements that were not part of his previous experience? The thing about Lyndon Johnson, who, I think, always felt another kind of uneasiness, a kind of— I'm not sure whether he felt inferior, but I think he felt that eastern establishment types looked down on him, and I think that colored some of his actions at the time. Was there any of that with President Carter, do you think?

EIZENSTAT: No. He wasn't bothered by the Harvard crowd, which was Johnson's problem. Thank goodness he wasn't.

YOUNG: You might not have been there if he was.

EIZENSTAT: No. He was a very bright, well-read; he'd gone to the Naval Academy. It was not that kind of a hang-up. I remember very well a lunch which the President swore he would never repeat again. It was a lunch with each of the presidents of the AFL-CIO, each of the constituent unions that make up the federation. And they've got some pretty rough spots among some of the international presidents. I mean, this was still during [George] Meany's day, and Meany was bashful compared to some of these fellows in terms of their rather guttural language and so forth.

And here's a President who's a fine Christian man, coming in and saying grace before the meal and so forth, and we get into a discussion. I have in my notes, I can't remember which one of the presidents—but I certainly have it indelibly written down— One of the international presidents told some sort of coarse joke, made some coarse remark that sort of berated the President for not doing something, and they all laughed at it. And it just, you know, it turned him off. At the end of that lunch, he said he would never repeat that experience again.

I think it was an important lunch because it was face-to-face with all of the leaders of the central backbone of the Democratic Party for the last four years. They didn't seem to have the respect for him which I thought they should exercise. They didn't show the sensitivity to his background that I thought they should have, and he wasn't part of their whole framework and background. And it was painfully obvious at that point that regardless of what he might do or say, neither was going to feel terribly comfortable with the other.

Now I'll tell you the group he actually did feel comfortable with, and that's black groups. Some of the most moving moments of his Presidency involved this. He had difficulty with the black interest groups, because Vernon Jordan and Hooks and so forth were never quite satisfied with what he did. He had a good personal relationship with them, and he met with them frequently, but when he would go into a black church, there was a tremendous sense of shared background, of communication. It was really terribly moving to see, because I have always been amazed at first, the importance of church life in the black community nationwide, not just in the South. I'm talking about Chicago and Cleveland and Newark, as well as in the South. And second, the degree to which blacks having been mistreated for so long and have nevertheless clung to their faith in this country and never lost their religious conviction.

And Carter somehow sensed that intellectually and emotionally—the shared Baptist experience and so forth. And one really can't adequately describe what it was like to come into a church and hear the black choir, and then Carter would speak and sing along and so forth. There was an enormous sense of shared experience which didn't exist with these more urban based people, plumbers and carpenters and so forth. Just weren't part of his background.

YOUNG: And also he couldn't be an actor, which is part of what's required.

EIZENSTAT: Yes. Well, he certainly, in terms of black groups, never even had to be an actor. It was absolutely and totally natural and really very moving to see.

STRONG: There are a number of political scientists who say that what's important about recent Presidencies is the way Presidents are selected, and the creation of a system that makes it more likely that we'll have candidates and Presidents who do not have background in Congress, or who do not have the relationships with those interest groups. Is that something that's important?

EIZENSTAT: Yes. The reforms of the 1970s contributed to what was already happening, which was a decline in party identification, and the strength of the party organizations. At the 1980 Democratic convention, there were 45 members of the House and Senate combined, out of 3,331 voting delegates and alternates—which is a ridiculous situation because it means that the nominee will not feel in any way beholden to the members of Congress, who, of his own party, will ultimately have to implement his programs.

They, in turn, will feel no stake in his nomination. They will have had no impact on the drafting of the platform, which is supposed to be the platform that they're to implement in the Congress. You have a total and complete disconnect in the political system, which is already complicated enough with the separation of power, and a non-parliamentary system, and which is enormously aggravated by the reforms.

Therefore, what I have proposed, and what the Hunt commission is moving toward—although I wish they had gone a little bit further—is to first make members of Congress who are Democrats automatic voting delegates—uncommitted if they wish—to national conventions. And second, to make their proportion of the total number of delegates far greater than was the case in New York, or both times in '76 and in '80.

And to involve them to a greater degree in the drafting of platforms and in the nomination of Presidents. Now, I don't think it's realistic to expect that we can have a parliamentary system in this country, but we certainly can develop stronger ties between congressional Democrats and Democratic Presidents. I was asked when I gave a speech on it, and then testified later before the Hunt commission, by a member of the press, whether, in fact, under my formulation, President Carter wouldn't have had a much more difficult time getting nominated in 1976. And I said, "Yes, but he would have had a much easier time governing had he gotten the nomination."

THOMPSON: Well, this goes back a little. It has to do with these contradictions. I wondered that here maybe we could pick up the press.

EIZENSTAT: It's been such a nice day.

THOMPSON: And the things we've already heard. But one point of view that has been expressed has been that some of these contradictions actually were reinforced by the contradictions within the staff. The Vance-Brzezinski, the Eizenstat-McIntyre, in the very beginning the Nitze-Warnke. If one is to talk about the contradictions, are they within the man?

EIZENSTAT: Yes. I don't particularly like the selection process that the Reagan administration has made for its appointees. But what they have tried to rather laboriously do is, as much as possible, have their appointees throughout the government reflect the particular guiding philosophy of the President. And therefore, they do have—at least in the domestic area, if not in the foreign policy area—a sense of cohesiveness and cohesion. I think that, again, one has to simply get back to the structure of the party.

When you come fresh to Washington in 1976 and '77, and you start to look for people to appoint to positions, you're naturally going to look to those groups and organizations which were the most vocal, and which, in effect, trained people for the positions. The Joan Claybrooks, the Doug Costals—people who had come out of the community interested in those particular areas. And what one therefore had, is many people who were out of that community, out of the interest group community, within the administration. Within the White House staff it certainly would be the case that both Bert Lance and McIntyre would have had a different philosophy of government than I.

That, however, is not so unexpected, because you certainly wouldn't want to appoint a person to head the budget bureau who didn't believe in keeping spending down. That's their institutional role. I mean, John Kennedy, for example, when he looked for a Secretary of the Treasury, had Doug Dillon. And Doug Dillon certainly was more conservative than many other members of the administration, including probably the President himself.

But you look for certain people in certain positions because there are certain institutional roles they have to play. So you know you're building in a certain amount of disagreement and conflict, and that's healthy. Because only by getting those differing views—some of which are institution-based, and some of which come out of personality differences—can a President really get the full flavor of the options that he faces.

I don't know that the differences between me and the budget people were any greater than would have been the case in any other Democratic administration where you've got people in OMB, again, who are there to be the watchdogs on spending. In terms of the Vance-Brzezinski situation, there you don't have necessarily quite the same institutional differences. They were more personality differences, although there are some institutional differences, because every Secretary of State—[Al] Haig being the most recent example—tends to get to some extent caught up in the permanent bureaucracy of the State Department, which has had long-standing institutional positions.

And which they, over time, begin more and more to reflect, whereas the NSC advisor tends to reflect either the President's or his own views, and doesn't have an ongoing bureaucracy to affect his thinking. But certainly Vance and Brzezinski had an enormously different worldview, and certainly a different view of the Soviet Union. And to an extent, again, that's healthy if it gives the President the full flavor of options. But one can't one time choose one way, and one the other. You've got to pick a course that you're going to follow among those competing philosophies, both domestic and foreign.

THOMPSON: Two brief follow-ups. One, we've also gotten the impression that the President had begun to see—or at least some of the rest of you had—that at least the Vance-Brzezinski thing was counterproductive and a political liability, and if there had been a new administration, Brzezinski would not have been a member of it. The other follow-up is one thing I've never understood about—

EIZENSTAT: Let me just say there are some who said that. It was not my sort of decision to make, and I wasn't a participant in any sessions, but that's something that one heard.

THOMPSON: The other follow-up is that going back to the gubernatorial period, but especially in the primaries, Carter gave the impression that the one Christian writer on politics whom he most admired was [Reinhold] Niebuhr, and Niebuhr would have been very much at home with what you talked about, accommodation of interests. I mean, Christian realism stemmed from Niebuhr. And yet, somehow the perception of that was that Carter was, on the one hand, defended by people like June Bingham—who said she gave her Niebuhr biography to Carter, and he underlined every other page. He simply had to have understood Niebuhr in this regard.

EIZENSTAT: Oh he did that. He knew Niebuhr.

THOMPSON: But the other view was that very quickly he lapsed into a kind of fundamentalist Baptist non-Niebuhrian view, and pretty soon you got Schlesinger and everybody else who had been close to Niebuhr—Jim Burns—whether for these reasons or their own political alignments, beginning to shoot at Carter. Remember the Norman Mailer *New York Times* articles, where he went down geared to interview Carter on Niebuhr and [Soren] Kierkegaard to get his philosophy? That was a disaster. He came back the next day, and he asked him fix-it questions, and Carter was enormously impressive. He struck out on Niebuhr, but he showed an engineer's capacity to solve problems. And Mailer came back and wrote this *New York Times* piece saying he was going to vote for Carter.

EIZENSTAT: Well, of all the problems we had, I think the President's either following or not following Niebuhr would not be put at the top, I would say. But I'm not an expert on Niebuhr, and I'll leave that to others.

THOMPSON: I meant simply what you said. You've talked about this Christian thing.

EIZENSTAT: I think that the Christian thing had an effect on him, although Zbig or Vance are really in a better position to answer this. I had the sense that it had some real impact on his sense of unwillingness to use American military force, which is in some respects a positive. I mean,

certainly one doesn't want to go flashing around the world in this day and age. There was, I think, more than simply a political reluctance to do it. I sometimes thought that it was something in the whole Christian makeup of him that really made it very difficult for him to ever want to use force. He used to say time and time and time again that he was the first President who had never had a man die in combat in his term in office since—I don't know, 1920, or whatever it was.

And it was said so many times that I remember Hamilton or Jody or both on one or two occasions said, "Mr. President, this is not ending up being a plus, because it's giving the perception that you're not willing to stand up for American interests. Somehow it's being interpreted by people as being a sign of weakness rather than a sign of strength." And yet he continued to repeat it. It was something he felt very deeply about. Maybe that had a lot to do with the handling of the hostage situation. Of course, there was a rescue, but it was fairly late, a rescue attempt, and it was fairly late in the game. I think that somehow the Christian background did have an impact on his foreign policy views.

HARGROVE: Human rights, certainly.

EIZENSTAT: On human rights and on his nuclear views. He was very, very intensely concerned about proliferation of SALT and so forth. But I think this whole business about no troops dying and so forth is somehow connected, as you indicate.

THOMPSON: The part that I find so fascinating is if he had understood Niebuhr, he wouldn't have had this problem.

EIZENSTAT: That I just can't comment on because I frankly don't know.

THOMPSON: The use of force and power lies right at the center of Niebuhr.

STRONG: One of the press images of the White House staff is the one Professor Thompson was asking about, conflicting advice not always being resolved.

EIZENSTAT: I don't think— Again, I want to go back. I really think it was not a difference in quality from that which would exist in any administration. I really don't. There are differences in any administration. You've got Stockman much more conservative than some of the political people in the Reagan administration. You know, there are just certain institutional roles that your people play. I really don't think that—on the domestic side, at least—the differences were any different in nature than would be the case in any administration. I think they really were quite fundamental on the foreign policy side.

YOUNG: I think that's true, and I think you trace it back to the growth of these sort of permanent specialist roles in the institutional Presidency, and you begin to get some of the same institutional role-playing here. But continue with your question.

STRONG: In any case, another thing that was often said about the White House staff is that it was a staff in which there were no punishments—that people weren't fired either for known leaks or for poor quality work. Is that true?

EIZENSTAT: Well, first of all "known leak" is a contradictory term. I've never found a known leak.

STRONG: Did you ever fire anybody who worked for you?

EIZENSTAT: I did. I got rid of some people and moved them on to other things. There probably was not enough firing throughout the administration by the President. I think that that can sometimes have a very salutary impact, if you're not the one who's fired.

THOMPSON: The other part we've heard is that he didn't offer people rewards in quite the same way that some other Presidents have.

EIZENSTAT: Well, you know, Johnson just went to extremes on both punishments and rewards. He would in the same day scream at you at the top of his lungs for being the most incompetent fool he had ever worked with, and then later in the day effusively praise you for your enormous contributions to the good and welfare of the nation. And people like Tom Johnson and [Bill] Moyers and others were just always a vehicle for that.

But President Carter throughout the time that I worked with him—going all the way back to the campaign—was not the kind of person who would say to you, "You really did a good job on this." If he didn't say anything to you, or if he didn't give you that sort of steely look, you felt like you had done all right. The rewards were no more visible in a direct way than the punishments, but you knew if you were doing a good job indirectly.

HARGROVE: I wonder if I could just pursue one thing I'm not sure I fully understand. Just last week I read Joe Califano's oral history in the LBJ library, and he presents a picture of Johnson empowering Califano to develop an administration recommendation for domestic policy, and then to bring it—usually to the ranch with flip charts, and present it. But knock the heads together and get a recommendation. And then Johnson would begin to think about the political implications of that.

The picture I get of Carter is that he was happy to receive more than one option from more than one source with your interpretive memo added on, and that he thought he could be analyst and work it through. And somehow the politics may have gotten left out of that on the President's part. First thing Johnson did was ask about the political feasibility of that one option. Carter seemed to enjoy exploring the options. How accurate is that?

EIZENSTAT: I don't think it's entirely accurate. It's not entirely inaccurate, but certainly not entirely accurate in the sense that he certainly didn't enjoy difference of opinion. If we could give him a memo in which everybody had agreed, he would certainly be relieved not to have to make the choices. But I was not invested with that responsibility to go out and knock heads, come back with a recommendation, and let him worry about the politics. We tended to—in our

outreach and in our discussions—try to deal with the political problems during the formulation stage.

Because I wasn't quite invested with that authority to kick people around, the process was more deliberative—probably a little lengthier, because everybody felt they still could hold out and have their chance to get to the President. I mean, I wasn't the deputy President in that sense, making decisions which he would then ratify. And as a result, perhaps more options would come in to him than would have been the case where Joe had perhaps the delegative authority to actually affect, say, "This is the way I'm going to present it to the President."

HARGROVE: There may be strengths and weaknesses to each system.

EIZENSTAT: Well, there are. It just depends on the personality of the individual. I don't think there's anything inherently wrong with the process we used, as long as at least—which, again, was a problem in the early months but then corrected later—the White House staff person is at least given the clearly delegated responsibility for coordination and mediation.

HARGROVE: Carter did have self-confidence. He could handle this material.

EIZENSTAT: Oh, yes. And for good reason he could. He was a speed reader. He read an enormous amount of material and digested it. He's really extraordinarily bright. The man's got to have an extremely high IQ.

HARGROVE: Well, the point that Larry Lynn makes in the book—which may not be accurate or fair—is that Carter kept saying to Califano and others, "Don't you worry about the politics, about the reform. I'll handle it." And yet he never seemed to handle it. Is that a characterization that would apply to more than one case?

EIZENSTAT: Well, we talked yesterday about the political element. It wasn't that he was oblivious to it, but I don't think he felt comfortable with it. One would not have started one's argument to him, "You should take this position because it will be politically popular."

YOUNG: One of the sayings is that a President's staff is really like a suit of clothes. The way it works out, it has to fit him and it does fit him. Should we think of that conventional wisdom as applying to Carter's case? Was he comfortable with this?

EIZENSTAT: Yes, he was comfortable with it. I mean, you know, a suit of clothes is only as good as the tailor who fits it, and I'm not sure I would say this was a Brooks Brothers fit. But he was comfortable with it. And if he was comfortable with it, then it was the right way to organize it.

YOUNG: I believe you said yesterday that he came somewhat reluctantly to the notion that there had to be a somewhat different *modus operandi* in terms of a Chief of Staff.

EIZENSTAT: Yes, very reluctantly. He was the last to agree.

YOUNG: I'm trying to puzzle out some things here. Maybe we ought to—I guess we still have time for this. I remember what you said yesterday about the watershed of the Carter Presidency being the fall of the Shah, and the ramifications of that on oil, on the campaign, on everything else—which almost suggests, unless you assume that there's something he could have done to prevent the fall of the Shah.

EIZENSTAT: Well, that's, of course, a debate which will be joined, I'm sure, in years ahead. I'm frankly not able to testify with any real information on that. Of course, we had the [General Robert E.] Huyser mission, and what he did or didn't even recommend is itself a matter of controversy. I can't get into that.

YOUNG: But assuming for the moment that that was just a given—one of those things, like a drought, that happens—leaving aside whether it's true or not. Then, on the other hand, your exposition this morning of the utter importance of investing time with Congress. I'm trying to figure out to what extent is the Presidency nowadays just simply the victim of circumstance of these sorts that will destroy his administration in electoral terms, and what kind of difference you think all that congressional work—all that attention to process—can make in the face of such overriding events.

EIZENSTAT: It can make a big difference, because I think the American people can be made to realize that there are certain events over which you have limited control, Poland being a perfect example. Now people aren't stupid, and they know we can't simply march in. Unfortunately, some of the circumstances, however, which affect Presidents aren't as clearly visible as Poland.

The oil price rise—people couldn't quite connect the fall of the Shah and the cutting of Iranian production to that. That takes a certain two-step thinking process which most people not focused on public policy issues can't make. And then it's more difficult. But what a President has to do in order to be successful is to establish a sense that he's in control. The key word is control. And, yes, there are certainly events against which he always has to struggle, which impede his capacity to look at control. There are always forces diminishing and demeaning a President's capacity to appear in control, including the very Constitution of the United States, which set up the division of authority, which is a built-in. I mean, that's the way it was intended—that there shouldn't be too much control. And yet, in the modern day—where the President has become the visible symbol of the nation—when you have that institutional barrier, as well as external factors which diminish your control, you just have to work that much harder to continue to show that you have control.

Again, why I emphasize to the extent that I did the importance of congressional relations is that's one way you can show control. People have a sense that Reagan is in control because the Congress went along with him. Now, as soon as the Congress starts to go away from him—which inevitably and constitutionally they will start to do. They're not going to pass a reconciliation bill that lets him, in one up-and-down vote, get everything he could not have gotten by separate and more traditional means. They're just not going to cede that much permanent authority to the President, and they probably shouldn't, from their standpoint. But you've just got to struggle with what you have to show control, and one of the best ways to do it

is to show control over the Congress. That's why Johnson was viewed as a strong President. That's why Reagan is viewed as a strong President.

YOUNG: And you also indicated that if that is done—if the President succeeds in showing that sense of control, and Congress is affirmatively responsive to that—the edge of the problem with the bad press resolves itself, because good congressional relations are affirmative responses to a President's control.

EIZENSTAT: You're not likely to get as bad a press.

YOUNG: That reverses the conventional wisdom of the textbooks that we go to the people first, and then the Congress responds.

EIZENSTAT: No, I think it really happens. You know, obviously, in a democracy it's a little of both, but I think it's very much the opposite, very much the opposite. Again, when members go back for recesses, they do pick a lot of things up. But in part what they pick up is what they themselves have permeated down there. On what does the average person depend to form an opinion of a President? The average person reads the sports section, the comics, and the front page, and listens, hopefully, to some segment of the thirty-minute news program at night.

And therefore, the average person gets his impression about a President in bits and pieces, not in a concentrated way by reading the *Atlantic Monthly* or the *New Republic* or whatever. And those bits and pieces come from things that they may have heard a columnist say, or they may have picked up from a member of Congress who came to speak to their Rotary group, or whatever. And all of those things emanate from Washington.

The columns are written out of Washington, the news articles are written out of Washington, the members of Congress are coming out of Washington. And they end up reflecting their own view of the President and permeating it down to the public, which then circulates it back up and reinforces the view that they've heard. They don't have any real capacity to come to an independent view of things. That's not what they're in business for. They're worrying about themselves and their businesses and their families and so forth.

YOUNG: I'd like one question that's way off the subject, but I'd like to see if there's anything more to be said on it. This goes back to your description of your own work and role in organizing a coordinating process, and it seems to me to be a highly sophisticated and professional process of domestic policy formulation. And that is, it occurs to me, that we didn't ask you how you ran your own staff. We know the kinds of people you were looking for, and what you would have had if you had double the number, what other components you would have added. But could you tell us a bit about how you, as Chief of that Staff, ran it?

EIZENSTAT: Yes. Well, first of all, we divided our staff in functional categories rather than by agency. That is, we had the human resources cluster, and natural resources cluster, justice cluster, which would include criminal and civil matters and so forth—an urban cluster. And that's because, if we had done it on an agency basis, we wouldn't have been able to pick up the crosscurrents that occur. When you're dealing with an energy problem, it's not just the

Department of Energy you're dealing with—EPA and CEQ [Council on Environmental Quality] and so forth.

So we did it by clusters. Each cluster was headed by an associate director, and had usually at least one, and sometimes two, assistant directors. The associate director would approve memoranda coming from the assistant director, and would be in charge of that little cluster, and then report to me. In practice, it didn't work that formally, because I had almost as much contact with the assistant directors as I did with the associate directors. There's so much work to do that the assistant directors often had areas within their sphere where they really sort of had total control. But at least it tended to work quite well. And there was some oversight by the associate directors or the assistant directors.

Then I had two deputies. One was my personal deputy, Rubenstein, in the sense that he was next door to me in the West Wing, reviewed all memoranda before they came to me, gave his own personal view of where I should come out, whether I should agree with my staff's recommendation or not, put in more of the political elements. He served as a political as well as a substantive person.

And then my second deputy was located physically in the Old Executive Office with the rest of my staff, Bert Carp. Bert was out of Mondale's staff—and notice that Mondale got two of his staff people as deputy NSC director and deputy director of the policy staff. Not totally accidental, and Mondale obviously knew Washington well enough to arrange that. Bert had an enormous amount of both budget and Hill experience. He had worked on the budget committee for Mondale, and he knew the Hill very well. He was the day-to-day supervisor of the staff.

He, in turn, had a person, Nancy Dorman, who was his executive secretary, and who helped him make sure the deadlines were met, that the paper flow was moving, that the staff was facilitating rather than blocking things, moving bottlenecks. She performed that job very well. I had three secretaries working for David and me, two of whom were secretary secretaries—typing, filing and so forth—and the third, Joan Hurley, for two years, who was competent enough to have gone on to be the head of federal relations for the whole University of California system. She was an enormously talented person. And then Kathy Reed—who had worked for Douglas Cater in the White House before—after Joan left, who were my executive secretaries.

They made sure that from my standpoint that papers coming over from the staff didn't get lost in the pile, that things were logged in, that deadlines were being met, and so forth. The normal paper flow would have been from an assistant or associate director to Bert Carp; from Bert over to the West Wing to David; David to me, with David's and Bert's comments already being on it. Then I would normally sit down with my staff, with the staff person who had worked on this.

YOUNG: The substantive person?

EIZENSTAT: The substantive person on my staff, and Bert and David to make my decision. If necessary—and it almost seemed always to be—I would have OMB, CEA, and the agency person involved. If it was routine, I wouldn't, but it rarely seemed to be routine, and we talked through it to see if there were any final ways that I could intervene to solve a particular problem.

If not, I would tell them where I was going to come out, and then the paper would go in to the President. But it would be routed through Rick Hutcheson, the staff secretary, who would then route it within the White House.

HARGROVE: This is a paper in response to—?

EIZENSTAT: An initiative from the Cabinet or initiative that the President—

HARGROVE: So it's of a process?

EIZENSTAT: It's the end of the process.

YOUNG: One more small follow-up question having to do with OMB or legislative matters, and then we'd like to move to some of these larger things about the assessments of the Carter Presidency accomplishments, lessons learned, and so on.

MCCLESKEY: I just want to make sure that I had a clear understanding of the relationship between your operation and OMB's legislative clearance. Once the review process that you just described a moment ago had been completed, it has gone to the President and been circulated to everyone, it's been decided one way or another. Substantively, it goes back down to the agency or agencies involved for fleshing out and for bill drafting and what not. Was it channeled then to OMB to legislative clearance to sign off on? Or was it that they were really involved to the extent that they were involved in your process?

EIZENSTAT: No. It would be then sent for legislative clearance to OMB.

MCCLESKEY: And then they had really only a kind of housekeeping function at that stage?

EIZENSTAT: Well, it was more than housekeeping. If they thought that the legislation didn't comport with the decision, they would deal with it. If there were testimony—which there normally was—that backed up the bill, when the bill was ready to be heard they would have a major impact on how the testimony was drafted.

YOUNG: I think we want to ask you to talk about what you see as the major accomplishments of, and some of the major problems of, the Carter Presidency. How do you think it should be assessed in the long run?

EIZENSTAT: I think in terms of the major accomplishments, on the domestic sphere there was substantial progress made, more than any President up to his time had made, in fundamentally dealing with the energy problem. Whatever problems there were—which I have described in some detail, and the way in which the first energy package was put together—when one looks at the four-year record, because of the President's tenacity and persistence and determination to deal with the issue, an enormous amount of progress was made. The road was set to free market prices for oil and gas. The crude oil decontrol and the windfall tax together were a brilliant combination of achieving market prices, and yet recycling some of the excess revenues that

decontrol would result in, back for public use, and, in particular, for the development of alternative sources of energy.

In fact, that was the fund out of which the Synthetic Fuels Program was funded. We made substantial progress in devising incentives for conservation, for both business and consumers. We made very substantial progress in developing a consensus behind the Synthetic Fuels Program and creating the Synthetic Fuels Corporation. We gave a substantial push to solar energy. We began work on a coal export program, which is now being implemented, that will deepen ports and increase our coal exports.

But as important as each of those individually is, the most important is raising the level of visibility of the issue, convincing people that there was a problem. Because without people being convinced of that, there obviously can be no consensus for developing the solutions. Making people realize it wasn't just a conspiracy of oil companies, but that there were fundamental underlying problems of supply and dependence on foreign sources. That's an enormous accomplishment, and one that I must say this current administration is going to be the beneficiary of in terms of what the world oil markets and oil prices look like.

Second, the President was—as I would say, almost as much as Lyndon Johnson—an education President. He believed deeply in the importance of education. We vastly expanded the Title One elementary and secondary education program and developed a new concentrated grant program that added additional revenues to particularly impacted areas. We developed the middle income student assistance program, which not only defeated tuition tax credits, but provided access to a whole and broader range of families to loans and direct grants for college education. Of course, the creation of the Department of Education, as well as the Department of Energy, were important factors in that regard.

I think that we developed in the social service area an important child welfare and adoption initiative. We created meaningful new job training programs and developed a youth employment initiative as well as a targeted jobs tax credit, which were very important stepping-stones for job training for young people. One of my great disappointments is that the Youth Employment Program has not been really followed through on. It realty was a marvelously innovative initiative to combine school training with job training and provide incentives for kids while they're in school to develop the kinds of skills that they'll need when they get out.

There were really, I suppose, a whole range of other successes that legislatively were achieved. I guess we probably passed, according to *Congressional Quarterly* or *National Journal*—which did a survey—something around 70% of the legislation which we sent up. And I think, by and large, a lot more was done than he's given credit for.

In terms of the foreign policy area, I think the Panama Canal Treaty was important in terms of avoiding what would have been a very nasty inevitable conflict down there and improving our relations with Latin America. I think he made some very real strides in opening up trade barriers. The agreement that was negotiated by Bob Strauss and passed by the Congress was a much better and much broader trade bill, the MTN [Multilateral Trade Negotiations], than Kennedy had passed in '62. In fact, it was the most liberalized world trade agreement, I think, in the

history of the country, for which he gets very little credit, because it was so skillfully negotiated by Bob. But the President was actively involved in that, and I think that it is very important.

He had a real sense of the importance of the Third World, an identification with their aspirations, which I think the Third World understood and appreciated, and which led to much better relations with countries like Nigeria, which had been openly hostile to the United States. His human rights campaign, although it certainly had its ups and downs, I think did have an importance in moderating the excesses of a number of countries. The Middle East treaty was truly historic, and is, I suppose, the thing for which he will most be remembered. It was the first peace treaty in over two thousand years between Israel and Egypt.

I think, in addition, that in a very real sense he did help restore some of the lost trust and confidence in the integrity of the institution of the Presidency as a result of his own conduct in office, but also as a result of programs such as the ethics in government act and other post-Watergate related reforms. There will certainly be some others, I suppose— The urban policy, I think, was an important innovation. It focused attention and resources on urban areas, developed a lot of innovative programs to encourage private sector investment.

I think his Farm Bill of ’77 was a very interesting and important bill. It established in a meaningful way for the first time the concept of target prices, which is a relatively non-inflationary way of boosting farm income instead of doing it through an emphasis on loan supports, which tend to raise the consumer price. You do it by income transfers—the difference between the target price and the market price. I think that was a very important innovation in the domestic arena. Those are some things that come to mind.

YOUNG: We haven’t said much about the regulatory reform and deregulation policies.

EIZENSTAT: Yes. I’m glad you mentioned that. I’m sorry. That’s an important area. Again, I think it indicates a sort of transition nature of the President. Here was a Democrat who came in, who accomplished the deregulation of trucking, rail, airlines, the beginning of banking and communications—really a marvelous record—and yet one that was contrary, initially at least, to the grain of the party which had put those regulations in. I think that it will immeasurably strengthen each of those sectors.

Second, in the regulatory area he really was the first President who began to develop a cost analysis concept. We had a Regulatory Council chaired by Doug Costal, who did a very fine job with it. And the job of the Regulatory Council was to get the regulatory agencies to sit down together to provide both a means of communication and a system of review of regulations. Then that was supplemented by the regulatory analysis review group that Charlie Schultze headed.

It would take perhaps ten or fifteen major regulations each year and subject them to an independent objective analysis. And if Charlie felt, as he frequently did, that a particular proposed regulation was excessively costly, and that the statutory objective could be achieved through a different means, he would—after his analysis was complete—send that regulation back for more work. That again was a very important process. That process of cost analysis was

institutionalized in our Regulatory Reform Bill, most of which will be passed this year. It's really the Carter legislation.

And I think he really brought to the fore the importance of considering costs and impacts in the whole regulatory process. So not only did he achieve a substantial amount of substantive deregulation in the areas that I have described. Not only did he appoint people to regulatory bodies like the ICC [Interstate Commerce Commission] or the CAB [Civil Aeronautics Board] —much more so, I might add, than the Reagan people, who seem for odd reasons to be putting the regulatory shackles back on. These people were committed to deregulation. He also developed processes by which, for the first time, the White House—the Executive Office of the President—could have some oversight over the regulations which were spewing forth from the individual agencies without any central coordination.

The Reagan people have taken that a little further, but it's clearly something that we initiated, the President initiated, and I think he deserves a substantial amount of credit for. It's difficult to appreciate how hard it was to pass some of the deregulation proposals. Airlines, for example—the airline industry was dead set against it. In trucking, you had both the powerful union and the industry, which was located in every congressional district, against it. The President worked very hard on those initiatives. He was very much involved in the drafting of the details of those initiatives, and in lobbying for it. They really are substantial tributes to his tenacity.

This is a quality which ought not to go unrecognized. We've talked about some other attributes today, positive ones as well as ones not so positive. But certainly tenacity was one of his best qualities, as well as his considerable intellect. He was a very tenacious person who would keep plugging ahead and pushing forward once he decided that he wanted something done. And as a result, I think, again, he had considerably more success than he's given credit for.

YOUNG: I wonder what it says about—

EIZENSTAT: Let me mention one last thing, which maybe in a domestic arena with energy, ought to be his chief legacy. And that is in a very real sense bringing black Americans into the mainstream to a much greater extent that had been the case through his appointments in the executive branch and through his judicial appointments. We appointed more blacks to the judiciary than every President of the United States up to that point combined, as well as more women. And although we couldn't do as much as he would like to have done because of our limited resources in terms of enforcement of civil rights, in terms of affirmative action programs, both in the executive branch and encouraging businesses to do likewise, I think he had really a sterling record.

In many respects, this was particularly important for a southerner. I think he brought the South fully back into the union with his election, indicated that it was not a permanently stigmatized region, and bringing them in together with their black citizens is really a historically important achievement.

YOUNG: I wonder what it says about the system that, you know, you cited the 70%, and people who have studied it confirm that figure after looking at the actual box score legislative

accomplishment record. You get a picture of probably as good a success as most recent Presidents have had. And yet with all of these faults of technique, and blind spots or something concerning the manipulation or massaging of the process, it's an interesting disjunction here, I think. You've referred to his tenacity as, in part, explaining accomplishment despite lack of political finesse or concern. It's a rather interesting picture.

EIZENSTAT: Well, for one thing, he overcame some of the disabilities which I outlined by sheer tenacity and force and so forth. I think, in part, we still did have significant Democratic majorities in the Congress, although they were increasingly difficult to localize. But they were at least there. We did have a very able congressional leadership on both the Senate and the House sides that were, in general, willing to be of assistance to him. And I think those factors overcame a lot of the problem. What clouds the record in terms of his legislative achievements is that so much of what he sent up, he tried to accomplish comprehensively.

Congress has great difficulty—because of the committee system—in dealing with comprehensive legislation that goes to more than one committee. It's not an institution like the parliament that just passes a bill up or down. It's got to divide it up. Our energy bill went to something like six different committees, and yet we kept throwing these monster things up there that are not only difficult to digest, but that— So if Congress gives you 50%, you look like you failed, you know. If you'd only come up with 50%, maybe you'd have gotten all of it. Or 80 or 90% of it, and then you come back the next year, and you get the next whack. But by trying to do it all at once, you almost set yourself up for defeat because—

YOUNG: Or the appearance.

EIZENSTAT: Or the appearance of defeat, because Congress can never quite handle all that you've given to them. And if you look at the different components of our '77 energy bill, you had natural gas pricing, you had oil pricing and a crude oil tax, you had utility rate reform, conservation, and several other factors—each thrown into the same bill. Well, my God, each one is a major legislative struggle. Natural gas pricing is an issue which had been around since Harry Truman vetoed a deregulation bill, had been the most contentious issue on a Congress-by-Congress basis of probably any domestic issue. Oil pricing is an enormously emotional complex issue involving literally tens of billions of dollars with simply the change of a definition.

To expect Congress to be able to deal with all of those issues in one fell swoop simply sets you up for the image of disappointment—when, in fact, getting 65 or 70% of that done (albeit it took 18 months) was really an enormous achievement. So a lot has to do with how you present things, and what expectations you create in terms of how the public judges your success with Congress.

YOUNG: There is a piece of old conventional wisdom that says you ask for more than you expect, you don't start out with what you think you're going to get. So there may be almost a method in your approach.

EIZENSTAT: Obviously, you always ask for more than you expect. The question is how much more do you ask for? For example, in welfare reform, we came up with two welfare reform proposals, one in '77, and one in '79. If we had come up with the '79 proposal in '77, I think it

would have passed. It was a much smaller AFDC-oriented proposal, which didn't try to solve everything all at once, but would have, in fact, made a significant step forward. It wouldn't have solved the welfare problem, but it would have been, I think, a significant step forward.

Instead, we came up with the whole ball of wax. It was very expensive and very big and indigestible when Congress had so many other things going. Sure, you always try to ask for more than you get. You don't make all your compromises at the front end, or you'll have nothing left to compromise in the inevitable compromises that you'll have to make during the passage of legislation. But there's a fine line—in fact, not so fine a line, there's a pretty clear line—between asking for more so that you can have something to negotiate, and asking for so much that whatever you achieve pales in comparison to what you sent up.

YOUNG: If this had not been an activist President, and there'd been large room, if it had been a Ford-type Presidency, and the initiative had rested with Congress, do you think any significantly different public business agenda of those last four years would have emerged than that which the President was tied into— energy, these other matters you've suggested?

EIZENSTAT: I suspect so, because I think if the initiative had been left to the Congress, they certainly wouldn't have tried for tax reform, they wouldn't have tried for national health insurance, they wouldn't have tried for welfare reform, they wouldn't have tried for hospital cost containment. It's difficult to know what they would have tried for, because it's interesting and ironic that during a Republican President—Ford and then Nixon—you had a very activist Congress. It's Congress that passed the Clean Air Act, the Clean Water Act, the Resource Recovery Act, the whole range of environmental and regulatory actions which move forward with CETA and so forth. Those were all creations under Nixon. And Nixon simply—either because he didn't want to or because he didn't have the political clout at the time—couldn't completely stop them.

And here a Democrat comes into office, committed to furthering that, and you've got a Democratic Congress which begins to resist. I think that what happened is that even though they were Democrats, they began to reflect what was happening out there in their districts, which was a growing sense of conservatism. Therefore, under your hypothesis, the agenda certainly would have been different. But it's difficult to know what they would have initiated, because they weren't in a mood to even pass our initiative, let alone develop their own.

YOUNG: What do you think are the major lessons that you took away from your experience?

EIZENSTAT: I've outlined a number of them already. One is to get the most experienced and able people around you that you could possibly get. Two, to attempt as much as possible to send clear signals to the country, to your own administration, to the Congress, about where you want the country to go. Take a direction and stick with it until it's clear that it's not the right one, and then be prepared to shift if it's not. But establish some clear parameters.

Three, appoint people who are going to share that philosophy, and be prepared to unload those who don't or who incompetently carry it out. Fourth, have an ambitious but achievable agenda, and present it in such a way as not to set yourself up for inevitable disappointment when an

overly ambitious agenda can't be achieved. Five, work as closely as possible with the members of Congress, in whose hands your fate, in significant part, ultimately rests. Develop their friendship, earn their loyalty, make them feel that they are a part of your administration, and that you've done something for them—as well as the fact that you're prepared to do something *to* them if they don't go along. But certainly that there's an element of reciprocity that goes with it.

Next, never underestimate the extent to which you have to continue to repeat what it is you're trying to get across. If people aren't listening, they have to be told time and again what it is you're trying to get across. Keep repeating consistent themes publicly, privately, and in every other way until people begin to understand what it is you're trying to do and indicate that they understand it. Most of the public will try to go along with it because people do want to help their President and see their President succeed. Next, I certainly recognize the tremendous diversion of campaigning while you're President. The enormously long primary caucus season has a tremendous diversion for a full year, the last year of your first term—or your only term, as the case may ultimately be.

It becomes very difficult to govern. Everybody's thinking in political terms, it's tough to pass legislation. Therefore, one should seriously consider the notion of a six-year term. And certainly, in the absence of that, you'd better make hay while the sun shines, which is try to do as much in your first year to establish your image and your direction in your programs, because it's going to get increasingly difficult after that.

Next is to deal very forcefully with the economy in terms of your macroeconomic policy. The economy doesn't adjust to incrementalism. You've got to really make a major change in direction if you want to accomplish something dramatic. I sometimes think, by the way, the best thing we could have done from the outset is to do virtually nothing in the first two years, to just let the forces that were already at work—which were positive forces, the natural recovery that was occurring at the beginning of the administration that maybe needed only the mildest push. Sometimes we try to tinker too much, and we think that adjustments here and adjustments there are really going to work in a $2 trillion economy. There's always the pressure to seem like you're doing something dramatic, and sometimes the best thing you can do is to let the forces already at work play themselves out in more natural ways.

I guess last, as I indicated earlier, that it's preeminently a political job in the broadest sense of the term. Being able to get a governing coalition together as often as possible. Keeping your constituencies as happy as it is possible to do, given the inevitable compromises and tough decisions that you have to make. And recognizing that the job is not a job where decisions can simply be made on the merits, and that's the end of it—that everybody will then see the merits of the decision you've made. They have to be convinced of it through the political process, and the President is really the chief politician of the country in the truest sense of the term. And the better a politician he is, the better a President he will be.

YOUNG: This point you make, the last point: preeminently a political Presidency. It does strike me on first view that the difficulties in this area that were experienced were not altogether of the President's making, but were in part a function of the nature of the Party. That increasingly the burden of forming coalitions for governing—and now around issues—has fallen on the

presidential office to a much greater degree than it has ever before within the modern Presidency, and that it seems to create a whole set of new demands for integrating these two things on the President.

EIZENSTAT: Well, one thing that could really help a President— You see, our Presidents, unlike Prime Ministers, don't really have the natural institutional supports that exist in other systems of government. They're sort of winging it out there on their own. The whole definition of what a President is supposed to do is itself—except in the foreign policy area—quite vague. He's really supposed to implement the laws that Congress passes. Whatever he does, he does because of the force of his own personality, and the prestige of his office, and his access to the media. Which is what Congress ultimately is most frightened of, that ability to go over their heads.

What can really help an American President is somehow the rebuilding of our Party structures—because parties can harmonize differing opinions, and they can help influence the Congress. One reason that Reagan has been so spectacularly successful is because he's had almost 100% percent support from the Republicans. In part, that's because not only does he work well with them, but they feel that they're part of a political party. And why shouldn't they be, when they raised $46 million in the first nine months of 1981?

They can distribute that money and give computer mailings and all sorts of technical assistance—direct and indirect assistance—to their candidates. Those candidates feel that they're getting something out of that political party, that it serves a meaningful function in keeping them in power. And therefore, they feel a part of a greater whole. They're not just actors out there on their own. They're part of a party that their President belongs to. So that certainly would be an important ingredient in improving government in general, and cohesion.

YOUNG: But you have indicated that in the very contrast with the Reagan example that somehow this critical need is much more difficult for a Democratic under current circumstances because of the nature and size now of its effective constituencies. And it's much more difficult for an activist than for a demolition President.

EIZENSTAT: Well, it is more difficult. But it's difficult on both sides, because you've got TV candidates who go straight to voters and don't have to go through ward leaders and so forth. The impact of PACs [Political Action Committees]— One of the things that I would like to see is a cap put on PAC giving, and an unlimited amount allowed for giving to parties, so that parties become more the conveyors of funds to candidates. But the PACs have sort of undercut that.

And a whole set of other circumstances, of which all of you as political scientists are aware, have undercut the parties—civil service reform and so forth—have undercut the power and potency of parties. It is, however, as you indicate, more difficult with the Democratic Party because it has been a coalition party drawn from a fairly broad base. It doesn't have the rather narrow strata that the Republicans draw from. And in an era when those constituents are less and less important, and yet continue to be—and in a sense, with their loss of power they become even more vocal. It makes it particularly difficult.

YOUNG: Can I pose another hypothesis to you? One of the possible lessons that the Carter Presidency may teach us something about is, on top of all these difficulties for a Democratic President, a Presidency which tries so much of what it does in policy terms is in the nature of crisis prevention, preventing a major problem—for example, in the energy area—from developing over the long term. It's much more difficult than crisis management—that is, letting the thing go until it reaches really crisis proportions, and then there must be. Does that make any sense? One of the added difficulties of the Carter administration? Now look at the comprehensiveness of the energy bill, the long term payoff of it. I mean Synfuel, solar energy, all of those things—you know this is solving the problem before it becomes a major one by 1990.

EIZENSTAT: Yes. I think that our system, as I said, doesn't react well to comprehensive solutions, but it certainly doesn't react well to them when there's no perception of a crisis. And perhaps even if we had come up—as we did with a comprehensive program in '77— If there had been gas lines then, the thing might have been passed in a couple of months. But there was no perception in 1977 of a problem, despite the natural gas shortage we had in the winter. It went away fairly quickly, and energy prices had been flat for four years.

YOUNG: I was struck by one of Carter's first speeches on this, in which he said the very fact that this was a non-crisis situation at the moment would allow us to make some solutions to a long-term problem.

EIZENSTAT: Yes, but without the turning up of the temperature on the Congress with a crisis-like atmosphere, they just don't have the incentive to take painful steps. Why should you raise energy prices when there's no perception that there's a need to do so?

YOUNG: Do you think the Carter Presidency was an old-style Presidency in the sense of a Presidency trying to make creative solutions to problems?

EIZENSTAT: I don't think that's an old-style Presidency, but I think that that is certainly—it was an administration that was dedicated to executive initiative.

YOUNG: There is the view that the Presidency has become damage limitation. That's about all you can really expect it to do.

EIZENSTAT: No. I don't think that's the case.

MCCLESKEY: I'm struck by what you say about the need to rebuild the party because I agree very much with that. Were you aware of, or were your involved at any point in the Carter administration in such efforts?

EIZENSTAT: No. I think that one of the criticisms that was leveled was the extent to which the Democratic National Committee really functioned as an arm of the White House rather than providing broader base assistance to the Congress. I think that that's a somewhat justified criticism.

MCCLESKEY: But you did not get involved in the policy development process.

EIZENSTAT: I used to speak to party groups and so forth.

MCCLESKEY: That's what I'm wondering. Did you reach out to them in the ways that you could?

EIZENSTAT: In the ways that I could, the ways I had time for. But that was limited by circumstance.

YOUNG: I don't know how you rebuild a party while you're governing.

HARGROVE: I was just going to say I don't think there's any historic case in which a President has been able to refashion a party, an incumbent President. Kennedy certainly wasn't. He didn't do much for the party.

YOUNG: Eisenhower didn't do it. Roosevelt didn't do it.

EIZENSTAT: They all tried to use the party for their own personal means, though.

HARGROVE: Well, in the second term, he tried all these purges and so on, and that didn't get him anywhere.

MCCLESKEY: I'm thinking whether he transformed the cadres or not.

HARGROVE: Let me ask you, would you agree that just rewriting the rules of the party the way the Hunt Commission will do will not be sufficient? That what creates a coalition are new programs, new policies, new ideas?

EIZENSTAT: Yes. You need three things. One is, you need to change the rules so that elected officials have a greater stake. Second, you need the mechanics, the nuts and bolts, the computer capability, the foot troops, all the things that Bill Brock did quite well for the Republicans. But third, when you ask people to contribute to a party, they've got to ask, "Well, what is I'm contributing to? What does it stand for?" A party needs to have ideas and ideals and to be relevant and to be meaningful. So I certainly would agree that it needs to have programs and policies that people view as important in their lives and to their country.

HARGROVE: But that's an elusive goal that emerges from action.

EIZENSTAT: It emerges over time. That's right.

YOUNG: Perhaps out of adversity?

EIZENSTAT: Well, the gallows, as I mentioned in the piece I did, has a way of focusing the attention.

KETTL: It's clear, I think, in retrospect, the degree to which the Carter administration really was a bridge Presidency, or a transition Presidency. I'm curious, though, how strong a sense of that was as you were in office. Did you have a sense?

EIZENSTAT: I did. Again I'll refer to the Women's Democratic speech I gave—I guess it was in January of '79—when we were going to come up with our next budget, which was going to have some cuts for the first time. I certainly felt that I realized it was.

KETTL: How well was this perceived and felt within the White House itself?

YOUNG: One of the reasons for the question is a number of staff people who have come here and have been in reflecting upon it have sounded a similar note, that looking back on it, it does look like a bridge between one thing and another.

EIZENSTAT: I'm not sure it was very much recognized. I think he was sort of going on day-to-day, trying to put out this fire and that fire and get as much support as you can. I'm not sure that it was a broadly felt perception. I do think that the President either directly or intuitively sensed that he was part of a transition. I do think that.

STRONG: How well were those new realities realized or misunderstood in Washington as a whole?

YOUNG: Outside the White House.

EIZENSTAT: Again, I think they were intuitively understood. I'm not sure that they were articulated, or that if there was a recognition, it was translated into meaningful action.

HARGROVE: There is a tendency to blame, to personalize the blame.

STRONG: Was the portrait of Carter as indecisive related really to the conservative trend and the pulling of the interest groups?

EIZENSTAT: A fragmentation of the important elements of the party in completely different directions, I think, was certainly part of it. And when one combines that with the fact that the President was by and large a sort of moderate pragmatist, who didn't bring to it the deep ideological beliefs of a Ronald Reagan, and therefore didn't convey that this was the way it was going to be, and this was the direction we were going to take in everything, but it was more of a case-by-case decision-making process. I think that that contributed to the perception.

YOUNG: Two more questions. If the President had been reelected, would the second Carter administration look more like the first, do you think, or would it have turned toward something rather different from what it was the first time?

EIZENSTAT: I think it certainly would have been somewhat different. I think the President understood his job much better. He was more experienced at it. I think he had a clearer sense of the limitations of the office, and of what needed to be done in terms of federal spending and so

forth. I think it would have been perceived as a more effective Presidency. But in terms of fundamental alternations of direction, fundamental differences in operating procedures or personnel, fundamental differences in the way in which he related to the Congress, I rather doubt that that would have been the case. I think he had four years if he wanted to make those sorts of radical changes. And I don't think that those would have been measurably different.

YOUNG: You think the problems with Congress would have been exacerbated the second term?

EIZENSTAT: In fact, I think one of the problems in the election was being able to, as one person put it when the last few weeks were coming up—a member of Congress, perhaps it was—said that somehow he's got to show them why the second term is going to be different from the first term because they clearly didn't like the first term. Whatever there was about it, people didn't seem to like it. There was something that— Or at least at the end they didn't, whether it was the Iranian thing that clouded it, or the economic circumstances, or his operating style, or whatever. They had come to a judgment that they just didn't like it. And he's got to articulate what it is that's going to be different. I'm not sure that there was a very clear articulation of what would have been different.

YOUNG: There's one final thing. I seem to remember that when you talked to this NAPA [National Academy of Public Administration] group in Washington some time back, you mentioned something about an effort to establish some kind of longer range—if I'm recalling you correctly—policy planning, or long range something or other outside the decision process. I wondered if you wanted to get anything about that into the record in terms of your concerns.

EIZENSTAT: Well, I talked for a little while about the fact that I thought it was one of the absences that we have, the gaps that we have in our system. There's absolutely and utterly no sense of continuity at the White House level. Everybody clears out, and an entirely new crew comes in ready to reinvent the wheel—when in fact, the wheel's already been invented. And that is something that could be corrected if there was some sort of a permanent secretariat on the domestic and foreign side, of thorough-going professionals who, at the very least, have an institutional memory, and who computerized some of the major studies and papers that were done, who were able to say, "Well look, these guys did this, and here's what they found."

It doesn't mean that people would have to follow it, but I think that would be useful. That's not exactly what you're talking about at all, I realize, but that is something that ought to be emphasized—this whole question about long-term policy. Everybody bemoans the fact—as certainly I do—that you're so consumed that you don't have time to really think in the long run. To some extent, our PRM process was a bit of a bridge between crisis management, and making decisions yesterday, and long-term pie-in-the-sky thinking. The problem with long-term planning of the nature that you're alluding to is that it's difficult to arrange a system in which it is in any way integrated with the realities of governing on a day-to-day basis.

You just can't take a little group and put them off into a room and say, "Now think great thoughts, and come back and tell me when you've landed on one." Because they're not part of the mechanism, they're not in the flow. They inevitably will be thought of as a bunch of guys just off thinking about things that are not relevant to the concerns and considerations you have.

So I think it's a dreadfully difficult thing to structure and make a meaningful part of the government. And I'm not sure that I frankly in retrospect would spend a lot of time trying to set such an organization up.

I guess if I had—again, I talked about what I would do if I had double the number of people in my staff, certainly a lot of those people would have probably been more strictly analysts. But I might like to have had—perhaps within every two clusters or something—maybe one person who felt a little more freedom to do some long-term planning. I certainly wouldn't have minded that. I must say that one has to worry about making the domestic policy staff another OMB bureaucracy.

Even though my staff was a third smaller than the Ford-Nixon staff, it was considerably bigger than the Califano and Sorenson staffs. If I'm supposed to be a person who somehow helps the President fuse politics and policy and coordinate, if I've got such a large bureaucracy of my own to manage, that's going to become a real problem. So I don't think I would, frankly, want necessarily to have 70 or 80 professionals. I wouldn't have minded having maybe another ten or fifteen. But I think there comes a point at which it would have been counterproductive.

YOUNG: And particularly given the nature of the job I should think you were doing the fusing of the politics and the policy. What about in the departments? Do you think that they're places for anything that could be in the nature of long-range planning in the domestic areas?

EIZENSTAT: Yes. I certainly think that could exist. I'm not saying that one couldn't create under the domestic policy mechanism a council or sub-council made up of perhaps people from different agencies who would have that mandate. And God knows the policy shops of these agencies are big enough. What they do is beyond me to fill up their time, but they're big enough so that they could take a few people and get them off into the projects. But then they ought to be projects that are in some way centrally directed from the White House, so that they're not off trying to discover how to develop something that undercuts what you're trying to do on a day-to-day basis.

MCCLESKEY: In talking about that just now, you don't mention congressional staff. Is that out of the question? Is there no way to tie this longer planning process into the congressional staffs?

EIZENSTAT: Well, I outlined in some detail yesterday, or maybe this morning, about the rather extensive contacts that I maintain with congressional staff people, having them down, going up there getting their input. That all has to be done. But if you're talking about tying them into some sort of long-range planning process, there is just no institutional way to do that. I mean, they work for the members of the committee, not for me, and not for a Cabinet Secretary. They're inordinately busy doing their own work. The growth of the congressional staff has far exceeded the growth in the White House staff over the last fifteen or twenty years. And unless you want to double it yet again, I don't know how you'd do it.

MCCLESKEY: Is there any place for the policy equivalent in the congressional budget office?

EIZENSTAT: Well, what you'd be having then is a domestic council for the Congress. I just don't think that the Congress is institutionally organized to be able to do that. It's so jealous of its own committee jurisdictions that to have somebody looking over their shoulder analyzing their legislation—when their staffs are supposed to be doing that for them—is something that I don't think is realistic.

HARGROVE: As you know, the '67 Bureau of the Budget fell steadily under Charlie Schultze. They recommended creation of a new unit in the Bureau for Foreign Policy Analysis. That never went anywhere. Then the [Benjamin] Heineman committee, as I remember, recommended putting that kind of unit in the White House itself. They're perennial. They never quite take root because I think Presidents are afraid that they won't be able to dominate them.

YOUNG: The only sort of long-range planning unit that I'm aware of that was ever established in the White House was the National Resources Planning Board by Roosevelt, and Congress cut that out in 1944. They didn't like planning.

EIZENSTAT: Well, if what we're talking about now is planning, that's something entirely different than talking about long-term policy development. I do think that—

MCCLESKEY: And the policy development was what I was talking about.

EIZENSTAT: I do think that the absence of planning at the national level is a very serious problem. There's no corporation of any consequence that could exist without long-term planning, the development of long-term goals. But we're so nervous that it's somehow a step toward socialism that everybody shies away from it. Now where that would be, I suppose, logically somewhere in OMB. Maybe you would have a separate unit in the executive office, working with CEA which is doing more short-term macroeconomic analysis, and OMB, which is doing budget analysis.

But I think that certainly it would be useful to have some group whose job it was to look at long-term trends, developing goals for sectors. The Japanese, for example, do that. In effect, they pick areas where they are going to focus resources. They develop export goals. Of course they've got a somewhat different society than we do. It's less individualistic, a more collective society, but I think that that is a direction in which we ought to move. That is different, though, than long-term policy planning. I think it's different.

YOUNG: Well, the interesting thing was that the Roosevelt board started developing legislation. They developed the GI Bill of Rights—it was the last piece of legislation that he developed.

Unless there are other questions, or you have some final words for us, we can call this very fruitful session to a close. I want to express particular appreciation to you, Stuart, for not only the amount of time you've given us, but for the richness of what you have given us. It really has been quite extraordinary. That you were willing to do that, and that it's possible for us to learn this bears very significantly on the ground rules I mentioned—and that I now want to reiterate—yesterday morning at the beginning of the session. Just a reminder as we leave with great appreciation to you. Thank you.

EIZENSTAT: Thank you.