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CARTER PRESIDENCY PROJECT

FINAL EDITED TRANSCRIPT

INTERVIEW WITH T. BERTRAM LANCE

May 12, 1982

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YOUNG: We're very pleased to have Mr. Bert Lance for one of these many sessions we've had with the senior aides and some of their assistants in the Carter White House. I was counting the other day and we've had forty-six people here from the Carter White House. A lot of the senior aides have brought some of their other people with them. I think we've had about fifteen sessions in all with the group, and all of us, particularly as the project has gone on, have become aware of the importance of your participation and thus to our purposes, and we're just delighted that you are agreeing to do this and give us this time. We all understand the ground rules, which have been gone over with Mr. Lance, and since all of you are familiar with those I won't repeat them for the record, except to say on the tape that they are the same ground rules as generally apply to these sessions. I've also talked with Bert Lance about some of the things that interest us. I've invited him to start off with some general observations, and then we'll pick up our conversation.

LANCE: Thank you, Jim. I am delighted to be here and I'm glad that Peter and Don are here. They can correct anything that I misstate during their experience with me and the Carter administration.

Jim asked if I would please make a few comments about some of the things that I think you might be interested in, in relation to the Carter presidency. I have not prepared any sort of formal thoughts in that regard, but I'll try to say two or three things that I think might set the tone for the things you would like to talk about. Then I'll try to respond in any way that I can to any comments or questions that you have.

I think a great deal of the aspects of the Carter presidency have not been adequately characterized. I guess that stems from the fact that still today you very seldom read an article about him or his presidency in which there is not some sense of denigration about something he may or may not have done. He still is not popular in any sense of the word, as best I can tell, because of some of the basic decisions that he made and the way that he made them. So I think there is still a great deal of misconception about him as a person, and more importantly perhaps as a President.

I'll have to give you a little bit of background about my personal relationship with him. I think that it's important for you to know where I come from in that regard. In 1966 Jimmy Carter was trying to decide whether he was going to run for the congressional seat in his home district or run for Governor. Bo [Howard H.] Callaway had been the Congressman from that district. Bo of course was a Republican, and Carter was a Democrat. So there was some consideration being given by Carter. I did not know Jimmy Carter at that particular time. I knew of him through what had been in the press, where there had been speculation as to whether or not he would run for Congress, or do something else.

I met him under an oak tree on the Barry College campus at a Coosa Valley Area Planning and Development Commission annual meeting. Carter had played a major role there. He was the first President of the Area Planning and Development Association throughout the state of Georgia and was at the forefront in that regard. The Coosa Valley Area Planning and Development Commission was the first of its type in the country. And at that time it was fairly important in the overall planning of projects related to Georgia. I introduced myself to Jimmy Carter at that time and told him that I understood that he was going to run for Governor rather than for Congress, and that while I had not been active per se politically, that if he were willing to make that effort, then I'd try to help him in north Georgia as best I could.

Geographically let me just quickly tell you where we're talking about. Jim knows, since he's a native Georgian, which we're proud of, but Plains is in southwest Georgia. It's about 180 miles from Calhoun, Georgia, where I live, which is in northwest Georgia. We don't have a lot in common, south Georgia and north Georgia. They're really two separate diverse areas, both in economic outlook and probably in political outlook to some extent.

But anyway, I was terribly impressed with what Jimmy Carter had to say to me that day because he said basically the same things to me individually that he subsequently said as a political candidate, both while running for Governor of Georgia and then for President. That he felt that people ought to be willing to be involved and to pay the price to serve in the public sector; that government was entitled to have the kind of government that was proper and just and the people of the country, be it in the state or nation, were entitled to have a government that's good and responsive, and all the things that you're very familiar with and you hear about. But he said that then and he believed it then, in my opinion, and I was very impressed with him.

I got out and campaigned with him over northwest Georgia in 1966. Historically, it was a contest where Lester Maddox was involved, Bo Callaway was involved, the former Governor of Georgia by the name of Ellis Arnold, who was the forerunner of liberalism in the state of Georgia, was involved. It was a close contest. Carter narrowly failed to be in the top vote getters. The general election came along with Callaway and Maddox, and neither of them received the majority of the vote, as you probably recall. The general

assembly elected Lester Maddox, since it was predominantly Democratic. Ellis Arnold got enough write-in votes to keep either one of them from getting the majority.

Jimmy Carter and I really formed our friendship at that particular time and we maintained it. He started running for the next election in 1967 very quickly thereafter and we stayed in very close contact during those times. When he was in north Georgia he would stay with me in my house and we would see each other from time to time at various meetings over the state. In 1970 I was not as actively involved in his campaign as I had been in 1966 because I had a very close personal relationship with Carl Sanders and some of the people who had been in his administration when he had been Governor, and he was a good Governor of Georgia and had done a good job. Still, I voted for Jimmy Carter, I supported him, but I just didn't get out and travel around with him at that particular stage.

He won that election and in November of 1970 he asked me to head up the state Highway Department, which was the most controversial job in state government at that time. He'd run on a campaign promise of firing Mr. Jim Gillis who was the single most powerful political leader in Georgia. He'd been Director of the State Highway Department for 23 years and although there had been some interruptions as the administration would change, some of them would let Mr. Gillis go back to his hometown for a few months and then they'd realize that they needed his political strength and he would ultimately end up back as Director of the Highway Department. The Highway Department itself went through some changes during those years. But Carter made a big issue of whether or not Jim Gillis would be Director of the Highway Department and it was a major campaign commitment. Now this is not something that you may be totally interested in but I think it sets the background for some of the later statements about vacillation and not being fixed and having a definite policy.

Carter was elected in November of 1970. His Republican opponent was Hal Suit, who was a television commentator on WSB television. So the [Ronald] Reagan election was not his first encounter with somebody who had had extensive media experience. Hal Suit was a pretty good candidate in Georgia at that particular time.

But anyway, Carter was elected in 1970, November. He asked me on November 23 to head up the state Highway Department and my comment to him was that if he was foolish enough to ask me to head it up, I was foolish enough to try to do it. I had never been in the Highway Department, I didn't know anything about building roads or anything of that type but I felt we could effectively administer that department. We have a state highway board in Georgia which is an independent organization. Members are selected by a caucus of the members of the Georgia general assembly. So it's really more or less a fourth branch of government. It's outside of the Governor's control, but the Governor is perceived to have the power to do what he wants to do.

He had a meeting with the state highway board members about the Jim Gillis situation. At that meeting he appeared to be vacillating about his campaign promise to fire Jim Gillis, because there had been some major effort by Mr. Gillis's friends as well as some of

Governor Carter's friends to say to him that being new as a Governor, he really needed Mr. Gillis's expertise, knowledge, ability to deal with the general assembly during that first session. If reorganization was really important to him, which again was a part of the campaign commitments, that Mr. Gillis could of course help perpetuate the implementation of reorganization. So Carter suggested to the highway board members that maybe Mr. Gillis ought to stay through that first session of the Georgia general assembly, which lasted forty days in January and February.

There was an adverse reaction by those members of the highway board who were not favorably inclined towards Mr. Gillis and one or two of them made some strong comments to Carter and one of them particularly stood up and told Governor Carter that if he failed to live up to his campaign commitment about Jim Gillis, that his governorship would be destroyed and that he would be perceived as a vacillator of the highest order, and that nobody would ever have any trust or confidence in anything that he would say from that point on. Carter reacted in that degree by going ahead and fulfilling his commitment to fire Jim Gillis and exercised all the power and authority that he could to bring that about.

That story is probably not generally well known, but I think it was a point where the idea of campaign promises and campaign commitments took on a different light in Jimmy Carter's mind. The way that he did things subsequent to that time revealed that idea. And as you know, one of the things that in the presidency caused some degree of difficulty related to campaign promises and commitments. I recall well, and if Stu [Eizenstat] has been here, I think Stu was the author of that handbook that we had. Don, Peter and everybody had to read constantly about all the campaign promises. Promises, that had been made about all the good things that were going to happen were constantly read.

The one that I had to deal with early on was a campaign promise to reduce the White House staff by a third, which was a major mistake in my opinion. It never should have been done. It caused us great difficulty not only in the early months but later on even greater difficulty. I tell you that simply because I think it's important for you to know that early on in his political career as an elected official, he was faced with a major decision that related to this question of one) vacillation, moving away from a campaign promise; and two) relating to whether or not he was going to carry out campaign promises and the strong concern being expressed by those people who expressed it on the state highway board. Mr. Gillis had some support on the highway board by the way, but those who were in opposition to him expressed strong concern to Governor Carter that he was getting ready to destroy his governorship by virtue of vacillation and not carrying out a campaign promise. So I think that when you go back and look for some reason about this emphasis on commitments and campaign promises, that's where it starts. I think that's where this was ingrained.

MCCLESKEY: One can construe what you just told us in more than one way, but one possibility that occurred to me is that the President indeed held mixed views on this and

maybe was vacillating a little. In effect, these commissioners held his feet to the fire. Is that the proper construction of it?

LANCE: Well, I think that's a construction that can be given to it. Let me give the construction that I would give to it. I think that his "vacillation" about that particular issue probably grew out of the fact that he had other concerns which came about as a result of the realities of the situation that he was about to face. In other words, I think he learned in that degree that campaign promises made during the campaign don't necessarily fit in with reality after you're sworn in. A different set of circumstances takes place. Now I think he vacillated on the Jim Gillis question. That's my personal opinion and I think that he wasn't sure about what it meant. The reason that he vacillated was that he saw that as being probably practical political judgment to leave that man in place who would help him a great deal in doing what he wanted to do as Governor. So if that's the definition of vacillation then yes, I think you're coming at it from the right side.

But I think this was the beginning of two things. I think it was the beginning of his understanding of the realities that you have to be flexible and that circumstances alter conditions and conditions alter circumstances sometimes. And that maybe you shouldn't be so inflexible. Subsequently, as you know, in Georgia he developed the reputation of being extremely hard-headed, stubborn, inflexible, and not listening to both sides of a question. I think that that drew out the position that he ultimately took about different things. Once he made up his mind, he was going to stick to that. He did that in Georgia. He was terribly inflexible. If you go back and look at the things that we tried to accomplish, he charted his course and he stuck by it. He didn't deviate from it.

He got an impression of being those things that I just said to you. Mr. Ben Fortson, who was the long time Secretary of State, was often quoted as saying that Carter would walk over a log or swamp or anything else to have a fight with somebody, that he was just stubborn as a turtle and he'd just chart his course and he wouldn't deviate in any degree whatsoever. That was the image that he had when he left the governorship of Georgia in 1974: inflexibility, stubbornness, hard-headedness, opinionated, not willing to compromise, and no give and take about any sort of political issues. I rather imagine if you ask any member of the general assembly that's what they'd tell you, and they'd tell you in no uncertain circumstances.

The national perception of him is totally different than what he really was, because I think he was inflexible, stubborn, hard-headed and highly disciplined. He does not exhibit very much give and take when he reaches a decision. Prior to reaching a decision I think he is not those things obviously. Then he is willing to listen to hopefully sound arguments. But that is the impression that he left in Georgia. When I helped him campaign for the presidency I said he was predictable, that he was orderly, that he was a planner, and that you could begin to project. All the things that it now has been said he is not. I think that the real Jimmy Carter is the one whom I have just described. I think that he is tough minded, I don't think he's a vaci1lator in any form or fashion.

THOMPSON: Is he inflexible because abstract principle and keeping promises are more important to him than political results, or is that going too far?

LANCE: Keeping promises are awfully important to him. The making of promises came fairly easy, politically. Having been a political candidate I can say to you that it's a whole lot easier to make them than it is to keep them. And so I think that Jimmy Carter had a tendency to make a whole lot more promises than really were necessary to get him elected. I don't know whether I'm being responsive to your question. I'm not begging it but I think that his situation was such that he probably made those promises before he had a chance to think through the cause and effect relationship, and I'm sure we'll talk about one or two of those. The decrease in the White House staff, for example, I don't think was properly thought through before it was made and printed in that book that some of the folks around the President used as holy grail to say, "Look, this violates the campaign promises."

THOMPSON: Would he have made as many promises if he'd had a little larger political staff? We've heard from others that he actually had a very small, inexperienced political staff in the beginning in the campaign compared with other candidates.

LANCE: And you're referring to the presidency now?

THOMPSON : Yes.

LANCE: Yes. I think he had a very small staff. Hamilton, Jody, and him. A few other people came on later on during the course of the year. But basically they were the three people who talked about things, who came up with whatever promises or commitments that developed along the way. Subsequently, of course, they had other people join in and do the teams. But at that time it was basically Hamilton and Jody, and Charles Kirbo to whatever extent he was involved in political judgments.

To go back, after Carter was elected Governor his first action was to ask the highway board to elect me as director. Mr. Gillis resigned and I was elected. I actually took office while Mr. Maddox was still Governor of Georgia, so I was Maddox's Highway Director for 45 days or so and then Carter was sworn in January of '71.

He did a lot of things during those first two years in Georgia that were unpopular politically, but things that he felt had to be done. He went through the process of the reorganization of state government and I played whatever role I could play in the regard of helping get things through the legislature. Surprisingly enough, the criticism that subsequently came to be in his relationship with the Congress was the same criticism that was leveled in his relationship with the general assembly of Georgia. He had no political support, absent probably five members of the general assembly of Georgia and in the '70 campaign against Carl Sanders. So he went into a situation where vis-à-vis the relationships with general assembly members, he was an outsider. He was hell bent on changing things in Georgia as he was as President.

The first bill he introduced was House Bill One which was a reorganization of Georgia government. This then brought about zero base budgeting, which you've heard about subsequently, and the abolition of boards, bureaus, commissions, agencies, and the remap of the entire structure in Georgia. We had for example each department in Georgia manage its own funds. The Highway Department had a hundred million dollars in cash that Mr. Gillis had scattered around the banks of Georgia, a very political tool. We gave up all that power in the Highway Department and instituted a central cash management. We earned the taxpayers in Georgia fourteen million dollars in interest the first year. And this was not very popular with the bankers or with the other political folks who had liked it the other way. We reorganized the Health and Welfare Departments. This was terribly, terribly volatile politically.

The only thing that he backed off of, and it was just simply a basic political decision, was that he was going to do away with the market bulletin which went to all the farm families in Georgia. The Commissioner of Agriculture used it, and still uses it as a personal political mail out. He just never could get enough political strength to do away with the market bulletin, so we still have the market bulletin today. I finally convinced him that we were killing ourselves politically to fight that battle. But reorganization ultimately carried by one vote in the state senate. And that gives you some idea how tough it was and how difficult it was.

Again, we were somewhat outsiders coming into a new situation. Governor Carter did not go out of his way to develop any great personal relationships with the general assembly members. He used the power of the Governor's office to do what he wanted to do and basically did not try to have any sort of relationship with the assembly members. I was the messenger between him and the speaker of the house of representatives, who was really the towering political figure of the state at that time, George L. Smith, III.

You have to understand that Lester Maddox was Lieutenant Governor and that he presided over the state senate. Lester Maddox was calling Carter a bald-faced liar and worse every day. It was a terrible situation to have to try to work with. Maddox supported all the committees in the state senate that we had to try to get reorganization through. Maddox didn't like Carter; he never liked Carter. Obviously I don't think Carter liked Maddox either.

Maddox did like me. I'm not saying that for any personal accolade, I'm just saying I was able at least to get along with him. The only time he ever jumped on me, showing the mentality of that situation, he called a press conference one day and accused me of sending a highway airplane down to Sea Island to pick up my golf clubs. This was some major scandal in the state of Georgia you know, and so all the TV cameras came running over there to the Highway Department to see what the situation was with Governor Maddox and his mentality. I went out in front of the Highway Department and I said on television, "Governor Maddox can do whatever he wants to, but you go and tell Governor

Maddox that I said I make a long standing practice of not ever flying on the same airplane with my golf clubs." And I turned and walked away. So that was the end of that story.

It wasn't any sense of me denying it or anything. It wasn't true but I knew that if I tried to deny it, it would simply get into a contest with Governor Maddox and it would be like writing him letters back and forth and I wasn't about to do that. But I got along fine with Governor Maddox and whatever we got through the senate pretty well related to my ability to go over there and talk to the members of the senate. The speaker of the house, George Smith, did not necessarily get along with Governor Carter either.

This was his background when he got to Washington. We'd been here before and this is the same sort of circumstance that you're going to have to face in dealing with the members of the Congress. He never had that sort of relationship with the general assembly in Georgia. He had dinners at the Governor's mansion where he would invite the entire membership of the general assembly and their wives and they would be very perfunctory and he'd shake their hands at the door and then that would be it. But he never invited any of them to come to the Governor's mansion and have dinner with him one on one and talk about whatever programs he had. And you know that was one of the major criticisms in his relationship with the Congress. Whatever impact he had with the general assembly pretty well was had by Charles Kirbo, Joe Tanner, John Black, and me. Mr. Tanner was the Director of the Department of Natural Resources and Black was the Revenue Commissioner. But he accomplished reorganization and it was tough. It was hard and not a popular thing for the most part. We reorganized every department in Georgia government.

I was going to say to you, talking about centralization, we centralized all the computers in the state. And this didn't suit anybody. The most valuable asset that any of them thought that they had was the ability of the engineers in the Highway Department to do their own scheduling. We brought all those things together. We combined and centralized them and claimed to save all this money. Nobody will ever know whether we did or we didn't because there wasn't any way to measure it. But it was just as easy for us to claim it as for somebody else to claim we didn't do it, so we claimed great savings. I think really that the Georgia government today is obviously more efficient and more capable of delivering services than it ever has been as a result of the reorganization. [George] Busbee has kept it intact.

After going through reorganization, the effort was to make sure reorganization remained intact. Lester Maddox was already running for Governor in 1974. Georgia at that time had a constitutional prohibition against a Governor succeeding himself, so Carter could not run again. Maddox could after having been out of the office for four years. No Georgia Governor had ever been reelected after having served previously as Governor. But Maddox was off and running and he was using his power in the state senate to begin that campaign.

In October of 1971 I believe we had what they call a prelegislative forum in Georgia where the Governor and some other people went out and told what their plans were for the ensuing legislative session. We were in northeast Georgia and I substituted for Carter when he couldn't be on the program. We were both on the program. He asked me if I would consider running for Governor in 1974, that it was awfully important to him to have somebody who would continue reorganization and not let Lester Maddox simply disband it, throw it out and start us back in the same sort of problem areas that we had previously. I didn't reach any decision about that for quite some time, but that was the first conversation that we had about it.

There is a prohibition against the Director of the State Highway Department seeking public office for a period of 12 months prior to qualifying time. So that meant that if I were going to run I'd have to resign in 1973 because the primary was in 1974. I subsequently did resign in March of 1973. We had some difficulty about a replacement for me and the highway board was still fairly independent at that time, still is today. But we made a couple of hits and misses and Mr. Gillis got some of the votes in the general assembly. He was still powerfully politically to say that they were going to elect him as a member of the highway board. He was going to come back and sit as a board member after having sat as a director for all those years. It would have been an intolerable situation with Jim Gillis back over there, and Jimmy Carter in the Governor's office. So we withheld my resignation until we got a commitment from the legislature that Mr. Gillis wasn't going to be reelected as a board member. Then I went ahead and resigned and started campaigning.

I got beat in a close contest with George Busbee and Lester Maddox. Maddox got all the votes he was going to get the first go round and Busbee subsequently was elected. He beat me by one per cent and got in the run off and was elected in 1974. George has kept the reorganization intact. It was fairly obvious that Maddox would not be reelected. And I think this is probably critical in Jimmy Carter's decision-making process. I think he was and is very, very proud of the accomplishment of reorganization in Georgia government. And I'm proud of it.

We all denigrated to one form or another simply because it's easier to do that than it is to really say that you're proud of it. But it was proper, it was something that should have been done, it was something that has improved Georgia government, which certainly could have stood some improvement. But I think that was the overriding consideration in his mind at that particular time. It was just of absolute importance that Lester Maddox not be reelected Governor. It became very obvious that Maddox would not be elected, and that whoever got in the run off, be it me or be it George Busbee, would beat Maddox. Then I think Carter turned his mind to the presidency.

I do not think that he would have done that if Lester Maddox had been Governor of Georgia. I don't think it would have been viable really under those circumstances because it would have given Maddox a national forum to again do all the things that he did fairly well with regard to being able to get publicity and say things that caught on with people.

The newspapers liked to hear him say that sort of thing. I think Carter had been thinking about the presidency ever since I had known him. I think that he saw that as something that was attainable. If he could overcome the great odds of being elected in Georgia against somebody like Carl Sanders, he could do anything that he wanted to. The years that he served as Governor I think further strengthened that impression.

As you know, he said, Peter, that he saw [Hubert] Humphrey and [Edmund] Muskie as Governor of Georgia, and all the other leadership of the Democratic party, and came to the conclusion that if that was all they had to offer, then he was a shining light. Not in those words, but in effect that's what the situation was. I think he made a conscious decision that it was a doable thing. He was a good campaigner, he came across as being very sincere, very much interested in the problems of the people that had to be served by government.

He's not an establishment figure by any means, he had no business support when he was elected Governor of Georgia. The Atlanta business community, pretty basically the Georgia business community, all supported Carl Sanders. He's never had any business support that I know anything about, except a handful who would qualify as being business people. And so he saw all of those things as not being factors in his ability to be elected President. The big problem in his being able to make a run at the presidency was Lester Maddox. I don't know whether I've ever said that and I don't know that I even said that to you that day we were talking, I really believe that's the case. I think if Lester Maddox had been reelected Governor that Jimmy Carter would not have run.

YOUNG: So he was really seeing his governorship, given that contingency about Maddox, as a step to higher office? Would that be a fair observation?

LANCE: Yes. I think when you go back and look at the things that he did and the way that he approached them, it was with that in mind. The efforts to implement zero base budgeting, the efforts to reorganize, the efforts to say that racism is no longer palatable and we've got a new day in Georgia, and all of these things, I think when you look at them, they fell in line.

MCCLESKEY: You've done an excellent job of showing how some of these things in the '60s and '70s perhaps foreshadowed operations in the White House. To what extent, after the election and when you first went to Washington, were you clear in your mind then as to some of these implications? Were you drawing any of these conclusions at the time?

LANCE: This is said at the risk of saying something that sounds self-serving, which I don't want to do. If you'll accept that as a given that I'm not being self-serving, let me tell you exactly what I thought. I had the same concern that I had when I walked into that Highway Department in December of 1970: he was not going to make the effort to get along with the Congress, which I thought was necessary to really be effective as President. I felt like that he had developed over his lifetime, and not just in a political

sense, the idea that as long as he did what he thought was right and that he reached that decision based on what was in the best interest of the people, and that he had been elected by being in favor of everybody, then those other things would fall into line.

He got to Washington because he had done what was right. He was making the right decisions, so he didn't have to make these other efforts. Truly, I don't think he made those efforts. I think that he viewed himself as being President, that he would make the decisions that needed to be made and because he was willing to make unpopular decisions, he was willing to take the heat for making them, he was willing to take the political damage or liability as a result of those decisions, then ultimately he would be judged as being effective and right. He did not regard the fact that you've got 535 major egos in the Congress that have to be satisfied and dealt with. They do have some small, if not greater, impact on your ability to implement things as President than I think anybody realizes.

Again I found myself early on in the role of being the messenger, being the go-between between the Congress, the business community, and folks who were "the establishment," the people in Washington, people who had been there and who knew it as a company town. I understood all that. And again, as I say, I'm not saying that in a self-serving sense, I just happen to understand it. I don't know why and I don't think that it did me a great deal of good ultimately. But I did understand it. I was the one person that came to town with the President who was close him in a personal sense and who did understand.

It might be important for us to just talk about some of those personalities again, without any intention to be demeaning. I think everybody has strengths and weaknesses. But the people that President Carter brought to Washington, who knew him personally and had been associated with him for some time, didn't care about that operation in Washington as a company store. They just didn't have any concerns about it. Hamilton [Jordan] had never worked for anybody but Jimmy Carter. Jody [Powell] had never worked for anybody but Jimmy Carter.

Stu Eizenstat was his issues lawyer because he thought along the lines that Jimmy Carter thought, and he has great concern and compassion about the problems of people who are served by government, and he developed those issues during the Governor's race. Stu had had some Washington experience obviously, but I don't know to what extent that really can be construed as Washington experience. Griffin Bell was an appellate court judge, not necessarily personally close to the President, was closer then than now, but still not real close.

Ray Marshall, Brock Adams, Mike Blumenthal, Jim Schlesinger, Carter had never known before. He probably had never seen Brock Adams until he talked to him about becoming Secretary of Transportation. He talked to Schlesinger because Schlesinger was at the CIA [Central Intelligence Agency] when they had the briefings for nominees. Andy Young, he of course had had a relationship with, but other than myself, there was nobody who came to Washington with experience. Jack Watson had been a lawyer, and had been involved

in the Department of Human Resources in Atlanta as chairman, but not on a fulltime basis. I was the only one who had any contacts with the business community nationally. I was the only one who probably really knew how tender and fragile those personality circumstances were with the Congress. That's the kindest way I can say it.

LANCE: Always had trouble. We had to expend a great deal more effort I guess is the proper way to say it, than we would have had if we'd been able to get along. And that was the beginning and it goes back to your question, what did I sense about the problems that we were going to have. That was what I sensed were going to be the real problems. That was before anybody really was in place or anything else. I felt like that we needed to start the process. The President got along fine in having meetings with the leadership.

The one thing that I learned in Georgia politics, and what I tried to do, was to be in charge of the insignificant legislators—because I figured out early on that they had one vote like the speaker did and that nobody else really controlled anybody else and the inconspicuous, insignificant legislators were just as important as the chairmen of the committees. I dealt with them on a very direct basis in Georgia. I felt the same way in Washington. I just felt that the inconspicuous members of Congress were going to ultimately have some role in the outcome of things, but we didn't pay any attention to them.

We didn't pay a lot of attention to the speaker, we had some difficulties in Hamilton returning phone calls to him. Don of course was in my office during that period of time and he knows that I spent a great deal of my time dealing with the Congress. I did that more so than anything else. I had a good relationship with the Congress, I made lasting friendships with members of the Congress that still exist today. But the President really did not make that sort of individual effort to deal with and to establish any sort of real rapport.

I guess the way to say that is that he didn't have anybody that I know of in the Senate, for example, that would be really and truly willing to cut their wrist for him. And I think a President has to have somebody who's willing to do that with regard to legislative matters and being able to tell him what the realities of that institution of government really

happen to be. He didn't have that with Congress and he didn't have that in the Georgia general assembly, which created major problems for him.

Now he always said, and I think this is right and that the record bears this out, that in Georgia he got through 90% of his legislation. He said that as President, he got through, I don't know what the percentage was, but being an engineer and so on he measures things in percentages and this sort of process, he said that he got through a certain percentage of his legislative program. Nobody gets a hundred percent, so he felt very good about it. I expect that's right when you look at the measurement of his things that he was interested in, be they unpopular, in certain instances, the energy policy or the Panama Canal or whatever the case may be, he did effectively win those battles. Legislatively speaking he did the same thing in Georgia. But he's not perceived in that sense.

YOUNG: Does that mean that when the President was coming to think about staff and slotting people and who would be there doing what during the transition, that he wasn't paying a great deal of attention to the congressional side in terms of a special role for Frank Moore and his group? Did he ask you to do this work with Congress?

LANCE: Yes. I think that that was just a natural situation, Jim. He knew that I didn't mind playing that role. If anybody can enjoy that sort of thing, I didn't mind it. I had the muscle as budget director to be able to have a relationship that was important and that could get things done. That's one reason that he probably wanted me as budget director to start with. If he were going to effectively reorganize the government and implement zero base budgeting and change things, then the critical area in his mind was to have somebody as Director of OMB [Office of Management and Budget] that had the strength to deal with the things that you had to deal with, but who also had the budgetary muscle to be able to implement them.

That was one reason that he felt it probably wasn't as necessary to go to insiders who had had previous experience in dealing with the Congress, because there I was in a position of some importance to his program, not necessarily with importance in the overall aspects, but the importance of being able to say to the Congress, "That's the way it's going to be," and also say to the department heads, "That's the way it's going to be. We're going to cut this or we're going to balance that budget or whatever the case may be." I think that if you ask him, he would probably respond that this was something that I could deal with and I was an adjunct or I was another dimension to the dealing with Congress, so that he didn't have to be concerned.

YOUNG: On particular matters of importance to his program.

LANCE: And also to other things because it was easy for me to have that relationship. We affected every department. We affected every agency. We affected every pet project of the Congress in OMB, so we had some muscle in being able to deal with that.

Again, I think that Jimmy Carter is predictable. I really believe that. I believe that's just as true as anything on the face of the earth and I think when you look back and you see in Georgia government, I played that role in being able to deal with the general assembly. He didn't want to deal with it. He wanted to be Governor and he wanted to deal with the problems that the Governor dealt with and he wanted somebody else to have to fool with the general assembly. He didn't want to deal with the Congress. I really believe that. It wasn't that he didn't like them, but he was President and they were members of Congress and he had staff people that supposedly could handle that. We'd tell him when something was important. Some things are very obvious about how things were with that early on.

But that was more or less the role that I played because of the fact—again, I am not trying to put it in any context other than the reality—I guess I was the only person in Washington who had a peer relationship with the President other than Rosalynn. And I had that because I had been through the process with him in Georgia. I had made some sacrifices to try to serve his needs in Georgia and he knew that I'd done a good job with what he'd asked me to do and so I had a different relationship. I was not a staff member in the sense that I had worked with him in simply a staff-boss relationship. Because of that, I guess that of all the folks who came from Georgia, I had the most unique relationship with him. He would listen to me on occasions. I never had any hesitation about telling him what I thought. I guess that was the difference in me and the other folks, as all of you know better than I because you're scholars and students.

A President gets terribly tactical advice from his staff in the White House. They were all 26-year-olds there, fine, bright, lovely and handsome and all that, but I didn't want to work through a 26-year-old secretary to the Cabinet. I had to discuss something directly with the President. I took it directly to Carter. And I told them that I wasn't going to be included in that loop where Rick Hutcheson took and held it and did whatever he wanted to do and put whatever comments he wanted to on it. When I had something to deal with the President, it came straight. I guess I was the only fellow who could really say that, and more importantly than saying it, I was the only one who could really do it. And I did it, as Don knows. We didn't go through Rick Hutcheson. And I'm not being critical of Rick Hutcheson. He did whatever he was assigned to do and did it well in my opinion, but I just didn't think that was what my role was if I was going to serve the President, and that was my only interest.

I was there at his request. My obligation and responsibility were to him, and I was going to do what he wanted me to do. I had to have the kind of direct access that didn't get into that loop where people changed things, and where he only sees what they want him to see instead of what he needs to see. And frankly that does happen. It's a serious problem. I expect it's more of a problem today in the White House than it was in the days of Jimmy Carter, but it's a major problem. And for that reason I think that a President ought to be able to have folks around him whom he trusts and who have access to him on something other than some sort of appointment basis. And again, I love Phil Wise and Tim Kraft and so on, but I didn't want them telling me when I could see the President.

And as you know I was the only person outside of Rosalynn and Vice President [Walter] Mondale that had a regularly scheduled time with him. We had lunch once a week, and that was on the schedule. I wasn't there of course while Phil was appointment secretary, but Tim Kraft didn't change that. And the President didn't change it because it was a time for us to talk about what his views were and what my views were about what was really going on. I could tell him my views during that time.

YOUNG: When President Carter was considering his staff arrangements, what was his thinking on that? Did he consult you on the idea about access to him and how the assignments of positions would be? Did he think in terms of having a chief of staff or not?

LANCE: Yes. We had a real go round about that, but not specifically about how access would be to him. Let me try to cover that and it may take a few minutes, and I may have some other thoughts. When you talk about the Cabinet appointees, Jimmy Carter made it clear that he was going to be accessible to them, and that they didn't have to get caught up in this business of going through somebody else. I don't think it turned out exactly that way. Later on, I doubt that it really turned out that way, from my conversations with the Cabinet folks and with the President himself. But he told them that he was going to be accessible to them and if they had a problem all they had to do was pick up the phone and call him and if he was tied up he'd immediately return their call. And I think the first year he certainly did that. That's my impression.

In talking about the chief of staff, I talked to him and Kirbo at great length. I think Kirbo had a great deal of role activity in that part of it. He had been chief of staff in Georgia, which was an entirely different situation. That was for a fund raiser I guess in Georgia. It was no real function. It's nice to have a chief of staff of the Governor to deal with the general assembly and so forth, but it was not a management role that was involved. I felt that the President had to have a chief of staff in the White House from the very beginning. I didn't know that much about the organization of the White House. I'm no student of the presidency. But I just felt instinctively that he had to have somebody in the White House who could speak for him with a single voice and would be able to keep herd on all the diverse elements that ultimately would end up there, some who were carryovers.

Some who came in were not necessarily loyal to Jimmy Carter. When I use the word loyal I use it in the proper sense. I'm not talking about blindness or wrong doing or anything of that type. I'm simply saying that he was their constituency and not some interest group out there. He disregarded that advice. He said that again he wanted a group of equals working so that there wouldn't be any notice given to any one of them being superior to the other. That sort of operation does not work in the White House. I don't think it works anywhere. But especially it doesn't work there because everything is measured by a perception of how close to the President you really are. And everything revolves around that. Who sees the President, who is close to him, who knows something about the family—whatever measure you give to it, I think it revolves around that.

As it turned out, I think that it was a real mistake and subsequently he came to realize that. When I left in September of '77, we had one of the last conversations in this relation of President and OMB Director. I went back in October and spent the night with him when Rosalynn was out of the country and I talked to him practically all night about the need for a chief of staff in the White House. I suggested that he might bring Kirbo from Atlanta to serve in that capacity. I wasn't trying to tell him who he ought to have. I felt that he would have been served by taking somebody like Bob Strauss, who knew the Washington establishment, whom he could trust, and put him in that position and let him carry out the functions of a chief of staff in the White House. Subsequently he came to that decision, but by that time it was pretty well too late.

YOUNG: He was still against it at that point?

LANCE: Still against it. That was not his style. Again, I think the point that is important to me is that Jimmy Carter had his own style of management. A lot of people thought he was too detail-oriented and kept up with who was playing tennis and all that sort of foolishness that the press likes to exaggerate. But he had a style of management and that suited him, and as long as it suited him and he effectively got done what he wanted to do, there wasn't any need for him to change. I think that the complexities of dealing with so many diverse circumstances just dictates that you have a chief of staff who prioritizes the things that a President has to deal with. If not, then you get back into that situation of just a secretary to the Cabinet or secretary to somebody prioritizing for him.

MCCLESKEY: Could I come back to the regular luncheons with the President? Can you reach back in your mind and just give us some examples of things you would talk with him about?

LANCE: There were not a lot of things. I'll go one step further, there probably weren't any things that I was expert on as they related to the federal government. I didn't have that sort of experience. I just had whatever instincts I had about what was right and what ought to be done and what was important. Not only from the standpoint of the well being of the country but also politically. And I think I did have some political instincts and hopefully they were not all wrong. So we talked about a whole range of things not just as they related to OMB.

We were beginning a reorganization process, obviously we were beginning to try to implement zero base budgeting, we were trying to make decisions on the B-1 and other basic decisions that had to be made that OMB of course ultimately played a major role in. OMB played a decisive role in regard to the B-1 decision. The budgetary commitments that had forced him to cut into the White House staff were a major thing with him. That was just constantly on his mind. He had a commitment to do that and it was important to do that.

I tried to give him my perceptions of how Cabinet officers and other folks were doing in his government. I was the one person in the Carter administration who dealt with all of them. That started early on when we had to set up meetings down at Musgrove, down at St. Simon. I just put that together and I thought was a proper way to start, to try to bring some atmosphere of involvement to everybody. I think it was important because nobody knew each other at that time. During the time that I was in Washington I was the only fellow who dealt with all of them. So I got to form a rather quick impression of the capabilities and the things that they were interested in and whether they were frustrated by something that was going on in the White House.

He said, "You're going to run your department, it's not going to be controlled by the White House, we're truly going to have Cabinet government." Well, we've heard that all the time. We still hear it, they don't talk about it any longer in this administration either.

We set up regular Cabinet meetings, which I thought was important for a very basic reason. It wasn't the fact that anybody gained anything from those sessions as best I could tell. But I thought it was important for all that crowd to be in Washington on Monday morning and not in Hawaii or California or some other place. So I told the President, I said, "Mr. President, there's just one way to do that. I believed in it when I was running the Highway Department for you. We had a staff meeting every Monday morning and we required everybody to be there, and I don't think your Cabinet ought to be any different. If not, they're going to all be off with their own constituents and making speeches and traveling and all this sort of stuff. And even despite your removal of all the perks and some of them having to ride the bus and all that sort of stuff, they'll ride the bus to get where ever they're going to." So we had regular Cabinet meetings every Monday morning and we didn't miss any while I was there.

Well, as soon as I left, they cut that out. I'm not saying that I was right or wrong. Obviously I was wrong because they quit. But I thought it did something that was important to him. More importantly I thought it did something that was important to the Cabinet members and that it that it gave them a chance to see him on a regular basis once a week without any hesitation whatsoever. And if they wanted to spend five minutes with him afterwards then they sort of controlled that situation. And as you know when you sit down with the President, the first thing after you've cleared your throat and said whatever you're going to say, here comes the appointment secretary handing a card to him and they

start fidgeting and wanting to do this that and the other. That doesn't engender very good responses with folks that you've asked to come help you.

And so I thought the Cabinet sessions were important. As I say, they didn't do a lot for me, they didn't do a lot for Strauss or some of the other folks, but they brought everybody together. Andy Young came from New York every Monday morning, [Joseph] Califano came back from wherever he was, and all the rest of them. They were all there. Mondale was there, Blumenthal was there. They were all there and they had a good attendance record, because he kept up with them. He really didn't see them that much other than that sort of thing. We did try to have sessions that were important. He'd have them over in the afternoon sometimes with the wives and that sort of thing, just to brief us all on certain events. But I really felt that that accessibility was important to have as a reality rather than just to say it and then not ever have it happen.

THOMPSON: Was any part of Carter's resistance to having a chief of staff linked to the fact that the two most logical candidates, you and Kirbo, probably wouldn't have wanted it? And the second part of the question was, after you left, were there people who began to emerge, saw the President much more, grew in the office, who could have taken on a role like that in some way and whom he did turn to eventually?

LANCE: Let me respond to the last one first. I don't think so. I don't think that that ever became reality. I don't think anybody who was there, Peter for example, or some of the other folks, would have had a better feel for that than I would. I can only know what other people like Hamilton and some of the rest of them have said that nobody really came along with whom he developed a personal relationship. He had very few personal relationships in my opinion. Personal being that you can sit down and joke with him and say what you want to say without being in awe of the office. I don't think anybody developed that. Hamilton, Jody, Stu, Jack—all were staff people, and there was no social relationship or personal relationship. Kirbo has that relationship with him. I had it with him, and there probably wasn't anybody else in Washington that ever developed it.

Even Hamilton as chief of staff, and subsequently Jack, I don't think had that sort of relationship. To this day on a tough issue they probably would be reluctant to tell him something that he really didn't want to hear. They'd have to prepare themselves. I never had any trouble. It's not that I was uncaring about it, I just didn't have that problem. I knew him as Jimmy Carter, not as Jimmy Carter the President. And any time he didn't want me around, all he had to do was say so. I'd crossed that bridge with him in Georgia early on and had a thorough understanding about what my relationship was going to be.

And I just told him very frankly—he was complaining one day about all the work he had to do, and I said well you ran for that job, you ought not to complain about it. You asked me to come down here to do this thing for you, I have a perfect right to complain. I made some sacrifice. You wanted this thing you've got and so you deal with it. And then one day I wrote him a note—this was after I'd had an unpleasant experience about waiting for him to recognize me—and I just told him that if he'd tell me how he wanted me to

communicate with him, be it orally or by telephone or in person or by smoke signal, that he just let me know and that's the way I'd do it. So I never had any difficulty about my relationship with him from that point on. And if it was something that he didn't want to hear, I'd tell him and then run like the devil to get out of the way.

The first question that you asked about me or Kirbo: I don't think Kirbo ever wanted to come to Washington. I just think that was not something he was interested in and would not have had any interest in. One thing that I've learned very well is that there are a lot of areas that you can exercise good judgment about and not be close to the scene, but the White House and Washington is not one of those areas. You cannot be away from what is really taking place there and exercise sound judgment about what decisions ought to be, in my opinion. I think you have to be there, I think you have to understand the players, I think you have to understand the issues, I think you have to understand what has gone on in the past, or else you're totally worthless from the standpoint of giving advice or making judgmental decisions.

Kirbo was not there. He didn't have any idea. You can't come to Washington one day every two weeks and get any sense of what's going on. I couldn't do it, he couldn't do it, so there just wasn't any way that he could have played that role without being there full time, and it would have taken him a while to do it.

Obviously when the President decided that he didn't need a chief of staff, then there wasn't any sense in me saying, "Well, you ought to let me do that job for you. That's something I can do." Obviously in retrospect he would have been better off, and I certainly would have been better off if that had been the role I played instead of any other situation because of all the circumstances, but that's hindsight. That's not well founded in any basis of judgment.

He would have had to make a real effort to have a Strauss, for example, as chief of staff. It would have required an effort on the part of the President. I'm not sure that he would have been willing to have made that effort. I think Strauss would have made a great chief of staff, I think he might well still be the President if he had had somebody like Strauss or Lloyd Cutler in the White House who understood the Washington establishment, who understood what was going on and could make some political judgments that the President didn't have to make. But that's not Jimmy Carter's style.

Four years is not long enough to remake a fellow. So there's no sense in trying, particularly in one who's already got his mind made up about what he's about and knows what he's about. So that's the reason that wasn't done. I should have known that it was really not a doable thing early on, but I felt like I had an obligation to him to tell him why I thought it was important and why I felt like he should have done it and what it could mean to him in the operation of the White House. He chose not to do it and I'm sure he feels like that was the right decision. Subsequently he did change that. If I could ask Peter, just solely because I haven't seen him in a long time, did anybody come along that had any sort of relationship with him?

PETKAS: Not that we could tell. I think towards the end Jack certainly was given compliments for organizing things a bit better, and being there around him but it wasn't the kind of chief of staff role that really was needed it was like a senior process manager kind of thing.

LANCE: Still a senior situation.

PETKAS: Same staff situation that you described.

LANCE: For example, and again please understand that I'm not trying to build up my relationship with him, that's not what I'm about. But I just have to tell you what the situation is. When I left, that's when he started jogging instead of playing tennis. He didn't continue to play tennis with anybody. Again all I'm saying to you is that I had a different relationship with him where I could try to knock his eyes out with a tennis ball and he knew full well that's what I was going to do. He could knock me out anyway but he could understand what the relationship was. He didn't continue that with anybody.

That's a small element in talking about the presidency and the problems and accomplishments, but I think it's a true statement. My leaving left a void, not because of my winsome personality and charming attributes and all that sort of stuff, it just left a void that he didn't have time or the inclination to try to fill. And as far as I know, he never filled it. Jim McIntyre, as Don will tell you, never had that sort of relationship with Jimmy Carter.

KETTL: Given the kind of personal relationship you've been describing and the kind of jobs you did when you got to Washington, I was wondering if you'd go back a little bit and tell us how you came to be Director of the Office of Management and Budget to begin with? It would be particularly interesting because the job entails a fair amount of internal housekeeping, everything from keeping tabs on the budget to dealing with the management side. I was wondering if you'd tell us how you came to come into a job with so much internal housekeeping, with the kinds of relationships and functions you said were included.

LANCE: I would only make one further statement to what you have said. The management side probably was in the job description. I never saw any evidence that anything related to management was involved in the Office of Management and Budget. That was one of the things that I tried to change in the process. When he talked to me the first time, which was in November of 1976, he talked not specifically about OMB. He felt like that there were two areas that I would be able to serve him in to whatever degree I could effectively. It was either at Treasury or at OMB. And he really didn't make up his mind about that for a period of time, if you recall the press speculation during those days related to whether or not I was going to go to Treasury or go to OMB.

It was highly believed that Jack Watson would go to OMB because of the transition effort that he had made, and that he was possessed of the things that you're talking about, about being able to organize. I'm not an organizer in the sense of paying attention to detail. I don't pay any attention to detail. Opposites attract, so Carter and I are opposites. He's very detail oriented, I'm not detail oriented. I like to be a generalist. I went to the state Highway Department under the same circumstances. I didn't know anything about building roads, but I learned a long time ago that brains are the cheapest investment that you can make and that they're available to you and you have to bring them in. The only two resources that they had in the Georgia Department of Transportation and the Highway Department at that time were people and money, that's the only thing they had in Washington.

So I wasn't concerned about my ability to move into whatever area he wanted me to move in. I'm not a budget expert by any means. Don will tell you that. Jim McIntyre is. He's a technical budget person who is extremely good at what he does and does it very well and understands all the nuances. I was a generalist who could put together reorganization in the eyes of the President. I could deal with the Congress because of the muscle that was involved in the budgetary process much more there than in some other single agency of government. So I think that's what his thinking was and we really never discussed that aspect of it.

He and I had a relationship where he knew what my strengths and weaknesses were, and he knew what he wanted me to do. I did not seek out coming to Washington. I was perfectly happy at the National Bank in Georgia and didn't really want to leave. I really should have stayed there. But I was happy doing what I was doing and I told him that all I ever wanted to do, my chief goal and aim in life was to be able to go up there and play tennis with him once every ninety days and come back and tell all my friends in Georgia I'd been up to the White House and played tennis. So I got to play tennis, but I got to play some other things too in the process. But that was the basic reason.

And probably if you were writing the job description for director of OMB, you wouldn't include me. I'm not saying that you're right in that regard, because I happen to believe that that may be the most important place for someone who has a relationship with the President to be. It's a professional organization, as you know. Those people do a good job. I got along fine with them. I never had any difficulty with them, I think they all respected me for the most part. I respected them and their abilities and tried to instill in them a sense of a job well done. And I think that they did do a job and did it well.

But the more I think about it, it becomes so important for a President to have somebody in a position such as that where he can really exercise some strength on a basis of involvement in all departments. As Secretary of the Treasury I never could have involved myself in other elements of the government except what related to the financial or economic aspects. As Director of OMB I was able to go to Pat Harris or to Cecil Andrus or to Harold Brown or to anybody and have some portfolio when I got there. I was able to go to the Congress and have some portfolio. The economic planning group that we had

was not in any great shakes as an economic policy group, but I played a different role than I would have played as Secretary of the Treasury.

TRUMAN: You made a comparison between the Congress and the Georgia legislature. Would you conclude that essentially the problem of dealing with these two legislative bodies is not greatly different? Or is Georgia one of those legislatures where there are few key people who if they come on board, you're pretty much all right?

LANCE: I think it's as fragmented. And it's very similar. What an executive has to do in governmental process is that he has to pay close attention to those obscure insignificant folks in the legislative body because ultimately they jump up to bite you, particularly when it's fragmented. It was fragmented not in a traditional sense in Georgia, but they all have a vote and they all have egos and they all want to be stroked and made to feel that they're something special. If you don't do that, then you lose a relationship with them that can help. And I'm not saying that that's a prime function of a Governor or a President. But I don't think he can ignore that part of it. I really don't.

TRUMAN: You indicated in that context that most of the President's program as Governor of Georgia had in fact gotten through. Did he play no role at all in that relationship?

LANCE: Yes, he played a role. But his role was the Governor saying to the legislature, here is my program, I want you to pass it because it's right, because it's what the state needs and so on. I'm not going to compromise with you about the details of it. Here it is, you pass it. And so he played a role. But if some member of the legislature came to him and said Governor, you know I really want to be for you on reorganization of the Health Department, but you know I've got a project down here that requires some money from the Governor's emergency fund or we need a junior college to be made a four year college, or we need this, that, or the other. No way, no way would Jimmy Carter ever agree to that sort of relationship.

I could in the Highway Department because I determined where we were going to build roads. I didn't trade off roads for votes. I got accused of that every once in a while but we did things in the Highway Department on the basis of needs, not politics. I just knew what the needs were. But he never did any of that and he would not cajole them or anything

else. It was very direct. Panama Canal, right down the line. You do it because it's right, it's in the best interests of the country. Not because I'm going to do this, that, and the other.

The first decision that he made that alienated about as many members of Congress that you possibly can do—and Don's laughing because he remembers what it was—but we cancelled all those water projects. And this affected every Congressman west of the Mississippi, it affected my own Congressman in Georgia on the Savannah River and nearly everybody in the whole Congress. He cancelled them because he thought it was a waste, that it was too big a drain on the budget on the out years, its costs were out of control and so on. He cancelled them without regard to the political implications. He dealt with that on the basis, "I have considered that, I am willing to take the political risks, we're going to do what's right."

So it wouldn't be fair to say he didn't involve himself. He did involve himself and he had called the leadership of the House and the Senate down to his office and he talked to them and he'd tell them what he stood for and he'd go through all that process. But he was stern and he was determined and with the same way that he said to the Congress, "If you don't do what I ask you to do I'm going to go over your heads and go to the American people." Same sort of thing. "I'm going to go to the Georgia people and the Georgia people are going to demand that you do this because it's right."

And I give him full credit. I don't think he ever waffled about a decision, I don't think he ever walked away from a tough decision because of the political damage that it would do to him. I think he always felt secure that what he was trying to do would be perceived by the Georgia people and subsequently the American people as being right, as being in their best interests, and he was a fellow who was supposed to take the heat. And he wasn't going to trade off something over there for something here. He wasn't in the tradeoff business.

TRUMAN: He was nevertheless, he must have been as Governor, aware of your skillful sensitivity of needs in the Highway Department.

LANCE: Oh, I think he was, but he let me run the Highway Department. And I tried to run it on the best order basis and he did allow me to do that.

The basic question that somewhere along the way somebody will have to answer, and again it's a forerunner of having been here before, in regard to the political structure, and I'm talking strictly political now. Political being the ability to run and be elected and then to be reelected. The big question in Georgia in 1974: would Jimmy Carter have been able to be reelected as Governor if he'd been able to succeed himself? Now six years later he's faced with the same problem. Is Jimmy Carter viable as a candidate to succeed himself? The answer in that election was, no, he's not.

I have mixed emotions about the Georgia situation. If I just had to give you a specific answer, I would say he could not have been reelected as Governor of Georgia if he'd been able to run again in 1974. I think that because of what he had done, the political decisions that he'd made, he had inflicted enough damage on himself that he was not viable. I was perceived in the press as his candidate, and one of the things that did not help me any was that perception. I'm not saying that it caused me to be defeated. I expect that the political scientists in Georgia would say that that played a major part. There were some folks in south Georgia—and as I said earlier to you, south Georgia and north Georgia are different—but they would say, "Lance is a two for one candidate. You vote for Lance, you get Carter free." Never the truth, but at least that was put forth. Carter thinks he could have been reelected in Georgia. I don't think he could have been. I've really thought about that and for a while I thought I was wrong, that perhaps he was a good enough campaigner to be reelected. But I don't think he would have been.

In his campaign for Governor and again in his campaign for President, he was a conservative to the conservatives, he was a moderate to the moderates and he was a liberal to the liberals. He covered the whole spectrum of political philosophy and feeling and emotion. And he covered it very well, because he fragmented himself. Fiscally he was conservative. On people issues he was liberal. He was liberal in terms of the needs of the needy who are dependent on the government. On social issues, the broad spectrum, he was probably moderate. He was pretty well down the middle of the road. When he's elected, then you can't beat that. You fall into a different category because then you begin to alienate those people who had the perception of you as a conservative. If you maintain your conservative ways, you maintain their respect and their confidence and so on. But once you take any act that is not viewed as being conservative, you lose that group.

And President Reagan's going through that with the conservative element. It's like the school teachers being not a derogatory statement at all. In a state situation the school teachers are impossible to please because you can't totally satisfy them. You can promise raises, you can promise better conditions and so forth and so on. And you carry that out but then they're back wanting something else. There's nothing wrong with that. It's proper and appropriate, but you can't maintain a hundred percent support from them. And that's what happened to him as President in my opinion. He was viewed as being the opposite of all the things that he actually was. As Jim and I discussed, he was a myth created by the press and he was a myth that was destroyed by the press in the broadest of terms.

It's interesting, the things that would have defeated him as Governor are the things that he never got credit for as President: stubbornness, hardheadedness, opinionated, inflexibility, all those things. That was how he was viewed as Governor in 1974. And so for that reason, because of his relationship, nobody in the general assembly would have supported him. He pretty well alienated any element of support there. The business leadership he really never had to start with. In Georgia he talked about the bankers, same thing he talked about as President, he just changed the cast. He criticized the oil people or whoever he wanted to take on. He did things, to show you where he's coming from, and

as I say, I'm not in any sense being critical of him. I'm just trying to tell you what my perception of him as a man is.

The Trust Company in Georgia building was one of the larger financial institutions in Georgia, and in the southeast is right on the way to the Governor's office, the state capitol. Well, he got concerned about the energy problem while he was Governor. He went on statewide television to make an energy speech and it was absolutely the worst thing that anybody had ever heard or listened to in his life because he didn't do it well, and he read the speech.

People were tired of hearing about the energy problems even back in 1974. But he was moving forward to an international concern that he had a grasp of, that he understood and that he was willing to take whatever statements like I just made or whatever else came along in order to establish a position in an area that he knew ultimately would be of major focus. Now he's that smart and he's that farseeing in my opinion, he's that perceptive about what is going to come to the forefront. And I think that anybody who doesn't understand that about Jimmy Carter doesn't understand anything about him. They just miss the man entirely because he's really that good, in my opinion.

But on his way to the capital coming home at night the Trust Company building would be all ablaze with all the lights turned on. And you know what the situation was in 1974 so he whips out his felt tipped pen and he writes Billy Stern, who was the chairman of the Trust Company, a handwritten note. And he says, "I think it's an act of disloyalty to the United States and everything else for you to have all the lights turned on in the Trust Company building all night. And I suggest that if you want to be a loyal American you turn them off."

Well, you know Stern didn't react very well to that. He still today wouldn't support Jimmy Carter, probably because of that handwritten note. The fact that they had a computer that turned them on, and it would take more power than keeping them on to turn them off and all that sort of stuff didn't enter into the picture. Jimmy Carter just saw that as being something that was symbolically bad. Forerunning, one of the first things—Don, you and Peter remember—that we did when we got to Washington, remember what it was? We turned out all the lights on the monuments.

HAIDER: Oh right, yes.

LANCE: You all remember that?

HAIDER: Oh yes, very well.

LANCE: Do you remember that? I used every chit that I had with the President of the United States to tell him, "Here you are talking about bringing a new leadership, a new spirit to America and we're going to have great things and the first thing you let this crowd of dodos do in this administration is to turn out the lights on the Washington

Monument and the Jefferson Memorial and the White House, which ought to be a symbol of strength and pride and everything else." I said, "It's the craziest thing I ever heard of. I don't know any other way to tell you that. It just doesn't make any sense. It looks like we're apologizing for what we're about."

I won that battle. He immediately turned them back on. I remember going over to the Jefferson Memorial and honest to goodness it was so dark that you were fearful for your life. If that crowd had just gotten me over there before instead of subsequently, I probably would have been better off. This was symbolism that we were going to show the rest of the country what we had to do to sacrifice. Well, to me it was the wrong sort of symbolism. And he knows that I disagree with him about that.

I don't know who made that decision. I think he probably concurred with it when the decision was first made to turn out the lights. But I couldn't see that as being a part of what he was about with regard to showing to the country what he really intended to accomplish as President. I don't think he started by turning out the lights around the White House. To me that says something. I'm sorry, I didn't meant to digress on that, but I think it's important for you to know that I did win one battle in Washington.

STRONG: Does the decision to reduce the size of the White House staff indicate something about the President's thinking about working with staff and with the White House that goes beyond what we know as the campaign criticism of the [Richard] Nixon White House?

LANCE: I don't know where that came from. I don't know what the genesis of it was except for the fact that there probably was an outbreak again of slimming back government, changing the structure of it, reducing the size of government, which he felt was a part of the ultimate process that people would believe. I felt it was a mistake. I didn't think that we accomplished anything by doing it. I thought we hurt ourselves with regard to the fact that we only had sixteen hundred folks to deal with two million and we were fighting a losing battle to start with. We needed as many as we could possibly have to help us out in that battle because the folks who were in the agencies and the departments were not necessarily Jimmy Carter supporters. The only people that you really had around you that you could deal with happened to be the White House staff, and to reduce it by a third I thought was a real mistake. We did it. I'm not proud of the fact that we did it. It got to be an issue in and of itself. I didn't have anything to do with the reality of the circumstance.

Every time I went anywhere to talk about what we were trying to do, that came up. When are you going to reduce the White House staff? Are you going to do it? We had actual numbers. He figured out how many it had to be. That's what we had to work on. I think it was his idea. I think he thought it was something that was a sellable idea to help get him votes, that people would respond to it. About 99% of the American people never knew how many we had to start with in the White House. And to tell you the truth the ones in the White House didn't know because they had so many folks on loan from the military

and from all the other agencies in government that there wasn't any way to count them. You know, that goes back to that needs business. What they ought to do is count them like we want to for a while.

We had an old fellow from Bates county Georgia up in the mountains of northeast Georgia. You have to go through Chattanooga to get to it. You're familiar with it. Red Townsend was the political leader in Dade county. If you wanted to carry Dade county you had to deal with Red Townsend. He had a great reputation for always being able to deliver this day to day. Somebody asked him one day, "Red, how is that you always so effectively can predict the outcome of the election in Dade county?" He said, "Very simple, we let them vote like they want to all day and we count like we want to all night." So we should have counted like we wanted to and dealt with that problem.

I'm not saying we should have done anything that's misleading or anything that's not fair and proper, but nobody knew how many we had to start with. Nobody could tell you. Just like they can't tell you how many consultants they have in government. Nobody knows. And one of the first things we did was issue an executive order, I guess it was the first one, to call for an accounting of the consultants in government. They never found out, did they Don?

HAIDER: I don't think so. They're still counting.

LANCE: They're still counting. It's taking them that long. And they'll still be counting two years from now because nobody knows. But that was something, Bob, that he thought was important to his campaign; that it would strike a responsive note with the American people and that it would help.

YOUNG: Might it also been setting an example?

LANCE: Setting an example for curbing the size of government. I think that's right. And everybody else would follow suit because Carter was willing to do it. Well, the first major hurdle we ran into was Rosalynn didn't want to cut her staff. She never did, did she, Don?

HAIDER: I don't think so. It was quite a battle.

LANCE: That's right. I'd forgotten about that battle. I think we took those cuts somewhere else for the sake of peace and harmony in the first family. Well we shouldn't have done it, really and truly. We should have been able to have said, "Look, we said we were going to cut it by a third, we've made all the cuts that we possibly can and not impair the effectiveness of the organization and now that's the way we're going to deal with it." But it went on there for months. It was like the Lance affair. It had a life of its own.

HAIDER: We didn't even focus on the issue of reorganization, we focused on the numbers.

LANCE: That's right. And they constantly wanted to know. I guess that's a lesson in and of itself because in Georgia, we had said that we reduced the numbers of boards, bureaus, agencies and commissions from 312 to 23, and everybody counts. They've counted constantly, and they said, "oh no, you only got 27 left," or "you had 303 to start with." And it got to be a numbers game. And for months we never failed to have an article in the *Post* or the *Star* or some national newspaper about the numbers that were involved. You're going to cut 400 positions or 373 or whatever it may have meant. And they constantly wanted to know. And it got to be the issue. Not the issue of effective delivery of service, not the issue of less government, more responsive government, better delivery of service, and so forth and so on. It was the issue itself. I just think that it wasn't that important and I don't think it would have harmed his presidency to have thought that thing through.

HAIDER: Well, did we ever figure out where cutting the number of agencies from 2,000 to 200 came from?

LANCE: That was his figures. That was the thing that we were faced with. A commitment to cut from 2,000 to 212, wasn't that what somebody figured out? And the first thing that you ran into was the National Tea Commission, which meets once every three years to test the quality of tea being imported in the country. They objected to that. They didn't want to be cut out. And they had more support in the Congress than we had. We tried to eliminate all these things, but when you get there reality takes over. And you deal with things as they are instead of as you hope that they would be. That was what we had to do and as I say, I think that nobody questions the goal. Obviously the American people want to see less government. Again, he was right and he knew exactly what the mood of the country was and what it was going to continue to be, but he got himself in a position of getting nailed down to very specific numbers.

The misery index, which was a great campaign number, was too easily remembered because it was practically double by 1980 since 1976. Reagan came to Knoxville the other day to open the World's Fair and he spent five minutes talking about the misery index and how this fellow ran against President Ford. The misery index reveals the engineer in my opinion. That looks at specific numbers and specific areas and says here's what we're going to do. And I think government is too complex and too broadly based and too many constituencies to be able to come in and say we're going to cut by a third or we're going to cut 1800 agencies, commissions and boards.

There's two things. One, it effectively prohibits a President from appointing groups who could help him, such as task force groups or commissions or things of that type, if you get yourself in that position to start with. Normally I don't think they amount to that much, but there are areas where they can be of great help in the process. But a President can't say we're going to cut all these things out and then start naming other commissions and task force groups and things of that type. If I had to say whether it was a mistake or not, I think it was a mistake. He and I never agreed on that.

I carried it out. I cut OMB a third. They all got mad at me in the White House. Hamilton, Jody, and Jack wouldn't speak to me for a few days because I was cutting out their staff. And I said, "Well now, you all go talk to that other fellow over there and tell him your displeasure. Don't tell me any more. [Robert] Lipshutz was unhappy, he didn't like it because we cut out two or three lawyers. Nobody would have ever known that difference, let me assure you. We made a real effort to do what he said he was going to do and I think we did it. We had to change the numbers around so that everybody's staff didn't get cut a third, but we basically did that. And I think he was not well served by it.

THOMPSON: We've asked everybody about the role they played in the transition. Just on the face of it, one would think that being as close as you were to Carter, this is an area he would have asked your advice about. And also given the fact that it was on his personal side that you perhaps had strikes he didn't. One or two people have said Carter wasn't very good at choosing or sizing up people. Some of us knew one or two of the people from New York, including Blumenthal who later on caused crises. We weren't very surprised about what did happen, leaving aside who was right or who was wrong. But I just wondered with the Blumentals and Califanos and all the rest, did you have a role in the selection process at all or with any of the personnel choices?

LANCE: Basically no, I did not. That was not an area that I really ever spent any time in. Obviously I knew something about a few of them and merely talked to the President about it whenever the discussion arose. He likes to read, as you know, and he had a massive set of briefing books that were prepared by the transition team. As you well know, the way the government works and the way that people's names surface is that they have an advocate who is in control of the typewriter. Those names surface in those briefing books. I could show you my briefing books that I had a copy of, and without exception those names surfaced somewhere in those briefing books.

Blumenthal was written down as an excellent example of the kind of Secretary to the Treasury that Carter ought to have. They did what you were talking about a minute ago. They sort of had a job description of the Secretary of the Treasury and all the attributes that he would need and so forth and so on, and then the bottom line in those briefing books would say a perfect example of the kind of person that we're talking about to fill this position would be Michael J. Blumenthal, the chairman of Bendix Corporation. And then there might be others who would appear. But I believe I'm right in saying this. I haven't looked at those books in a long time. I rather imagine that everybody who ended up being chosen appeared in those briefing books probably, I might have been the only exception. I don't think I ever appeared in any of the briefing books. That ought to tell you something right there.

My role during that period of time basically, after he talked to me about coming to Washington, was beginning to deal with the problems that we had. If you recall, the major problem that we had in November of 1976 was related to steel price increases. And I immediately, because of my relationship with Ed Spear, Lew Foy, George Stinson, the

three big names in the steel business at that particular time, got involved in telling those three gentlemen that the new President didn't think it would be a good idea for them to raise the price of steel at that particular time. I spent a lot of time on the telephone talking to folks like that and visiting with them.

I had developed a relationship, just as an aside to sort of delineate what I think you're talking about, of being the person close to the President-elect who had some knowledge of the national business scene. I knew from my own experience the folks in the banking business or the southern railroad or the airline industry or whatever the case might have been. I had been a member of the young presidents organization where a lot of the shakers and doers and movers hang. So I had a knowledge of what was going on in the business community. The other folks around Carter said, "So what?" Not but 3% of that crowd are going to vote for us and probably that was a high estimate, more like 1% of them probably voted for him the first go around. Probably 0% the second go round, but he had no support in the business community.

So I organized a meeting on labor day weekend, which shows our sense of timing, to call Herb Shapiro and Ray Jones and Bob Boon and all the other folks that I could think of—Graham Claytor, who was chairman of the Southern Railroad, who subsequently became Deputy Secretary of Defense, Jay Pritzker from the Hyatt operation in Chicago. I was very conscious of the fact that the presidential candidate couldn't meet with somebody without having all elements involved, so I finally found a young woman, not young necessarily but at least not old either, who was the president of Redken Laboratories out in California. I prevailed on her to come and meet with us so we would be represented in that regard. And we had all these folks meet at the Hilton Airport Inn in Atlanta on that Monday.

My idea was that what the business community needed to know was that Jimmy Carter wasn't a flame thrower and that he wouldn't destroy the country if he were elected. Those folks, while they would never vote for him, by not being negative about him would in effect help. They would be a valuable source for him to have a relationship with subsequently if he were elected, which I thought he would be, for whatever that's worth.

So we had about 30 of those folks sitting around that table and we met all day. They had a chance to talk back and forth, and as I say, I think Graham Claytor probably voted for him. I think Herb Shapiro voted for him. Outside of that, I doubt if any of that crowd did. They're basically Republicans. They have a Republican philosophy. But they became convinced, I think, on that day that he was a responsible, intelligent human being. He was the kind of fellow, I told them, that if they were looking for somebody to hire to run their operation, that they would hire. If they had a series of people to interview, I bet that every last one of them, if given the opportunity to employ Jimmy Carter, he would be the one that they'd employ. I happen to believe that. I think that if any one of those folks had been in a position of interviewing somebody to be President of their company, he's the one they would have chosen after they had interviewed anybody that they wanted to.

So that was how I furthered my role. George Stinson and Lew Foy obviously knew me and saw me sitting with Jimmy Carter and knew that I at least had some impact with him. So I had easy access to them to talk about the problems that were present. It so happens the steel price issue was a major issue in the country. And we have a tendency to forget things that happen during those times. But I spent the first several days after I was named as an appointee in the Carter administration, not as OMB director but as being considered for some position, beginning to start dealing with those folks.

And then he named me on November 23, I believe it was, the same day I was named Director of the Highway Department in Georgia some six years earlier. From that point on, I came on to Washington and Jim Lynn wouldn't let me in at OMB. So Bill Simon gave me an office in the Treasury Department and treated me very well, gave me secretarial help and really and truly was just as gracious and fine as anybody could be. Lynn wasn't ugly to me, he just was working on the final Ford budget and he had a proper justification of not wanting me around OMB, so I really didn't spend any time there.

And during that time the other folks were really going through the process of final selection. I don't recall the exact dates when different people were named. Cy and I were named on the same day as you may recall, since that was a momentous day in American history. There were chants, "Vance and Lance," and, "Take a chance with Vance and Lance," and all that sort of stuff. But the others I really didn't play any role in. I did talk to him about Brock Adams, whom I knew by reputation. I did talk to him about Schlesinger being his energy advisor. Blumenthal, as you can imagine, I did not talk about that. And I think probably they were the only ones that I really had any say on. I urged on him the importance of Strauss being involved in some area. That came much later, after we were really there.

THOMPSON: You never in this or in any of the earlier periods said, "Wait a minute." Dean Rusk when he was here a few weeks ago said that every President more than anything else needs to have somebody who will say on appointments, on policies and everything along the way, "Don't make a fool of yourself." The common view was that that was a role you played on a number of occasions.

LANCE: I think that I did. I think I did on other things. On the selection process itself I really did not. Jim McIntyre I was responsible for, coming as deputy of OMB because I had to have somebody who was technically competent and that I knew that the President had confidence in, and Jim filled that role. I was not technically competent to deal with all the elements of preparing the budget. The folks involved in reorganization, I brought those. Bo [Bowman] Cutter and Harrison Wellford were involved in the transition team process and as all of you know, that's a place where people congregate to make sure that they become a part of it, and I don't say that in a critical sense. I'm just saying again to you, that's where people flow from. Harrison and Bo both were involved in that process, and were terribly competent individuals. But I never sat down with Jimmy Carter and went through the selection list for the Cabinet per se. As I say, I think he relied pretty

basically on his briefing material where the transition team had done their thing. Is that fair, Peter?

PETKAS: As far as I know he did.

LANCE: Then he sat down, and it was an ongoing process. He was going to be very careful about the thing and examine all the folks whom he met at the Governor's mansion in Atlanta with the candidates. He went through that process. Even while he was going through that process of the Cabinet selection, I was dealing with the steel folks or I was dealing with trying to get some feel for where we were going in the budget sense and that sort of thing. I walked out of the NBG [National Bank of Georgia] on **N**ovember 23, I believe it was the day before Thanksgiving, and I really never went back.

I went on to Washington and then we started planning the Cabinet session at Musgrove, which was the day after Christmas. I was really then beginning to start the process. I called all the Cabinet appointees as soon as he told me who they were going to be. I welcomed them aboard. I told them I didn't know much but I would do whatever I could to help them in any way possible. I began to be the one that was the common thread in the overall relationships then between them and the President. I was the only one who had total contact. Hamilton basically did not have any. He had contact with him individually, but he was busy doing other things. I don't think he had really continued a relationship with him. Jody of course didn't, and Jack Watson, although he was secretary of the Cabinet, was more involved with the Governors and other folks. So I was about really the central liaison figure. I set up the thing at Musgrove and looked after them. I can't take any credit or blame, except for one or two of them.

MCCLESKEY: You mentioned a little while ago the cancellation of the water projects. Can you tell us anything about your role in that? Were you involved, and in what way?

LANCE: Well, he had a longtime bias about water projects. Again, he had been there before. The major controversy in Georgia during the time that I was running for Governor trying to succeed him so he could run on and be President was related to the Squirrel Bluff Dam project, which was a dam project on the Splint River which runs down the western side of Georgia. Squirrel Bluff was a major controversy and we'd been through great environmental concerns in Georgia. I fought the battle with regard to the completion of 175 through the state. Squirrel Bluff project was one of great controversy. He came down on the side of cancellation of it. It was not unexpected that when we got to Washington, one of the first things we'd do would be to look at all the water projects because he felt that the federal government had made the wrong decision in that one and that they needed to be saved from making any further wrong decisions.

And so that was one of the first things that came up when we started the budgetary process about Corps of Engineers and the Department of Interior. He made the decision himself. I thought it was a mistake at the time, especially about two projects that I felt were important in a provincial sense. One is the Russell Dam in Georgia and the other

was the Tom Bigby Waterway on which we expended billions of dollars trying to get it started. It didn't make any sense to me to stop it. I had gone through the Bowen Mills project in Georgia where they'd built a road that ended in a corn field and I had caught enough hell about that that I didn't want to see any more things end somewhere just in the middle because somebody in government decided that they'd stop it.

I finished the Bowen Mills project in Georgia while I was Director of the Highway Department. It just didn't make sense to me to stop that project at that point. So I told him that he of course could make whatever decision he had to make as President about the water projects, and that we would meet and that we would set up a team to evaluate them, which we did as you probably recall. That team did evaluate them. I told him that I felt that there were two things that I had to have some veto power over, and those were those two projects because I didn't think it was fair to take the approach, "Well since I cancelled other projects, I'll just cancel the one in Georgia because the perception would be that I was not canceling it because it was in Georgia." I felt like that project ought to stand on its own merits as to whether it was a viable project or not. Not because it was in Georgia.

I'd been through that process before. The only unpaved street in Plains, Georgia, while he was Governor, was the street in front of Billy Carter's house. And it should have been paved. There wasn't anything wrong with paving the streets in Plains. We did that every place else, so there was no reason. But I didn't want the Russell Dam project to have the same sort of decision approach to it as we did the paved streets in Plains that went by Billy's house, because that was not on the merits of the case.

And again, we had expended tremendous amounts of money on the Russell Dam project, they had the dam about built. You're familiar with it, Jim. And it just didn't make sense. So I told him, we evaluate them, we listen to you know who I'm talking about. But anyway she was in charge of the evaluation team and we called in the commanding general of the Corps of Engineers and met with them on all these occasions and they were in such a shock that they didn't know.

So finally Cecil Andrus did a brave thing. He ought to be really commended for it. He said, "I'll take full responsibility about the water projects. This is in my area. I'm the Governor who has been a believer in them out in the western part of the country and I'll deal with the problem. I'll take the views, I'll take whatever needs to be done." And he did that. We never changed the President's mind about the fact that they all cost way too much money. But we did evaluate them and we reached some final decisions.

He just cut them all out. The first decision, am I right about that, you all correct me, I think I'm right about that. He cut them out a hundred percent. Just carte blanche. And that was when I realized that we had a major problem. We didn't sleep any that night from the telephone calls we were getting from Congressmen and Senators and so forth and so on. But then we went back and did the evaluation process on a needs basis. And some of them survived and some of them didn't. But that was the way that was done.

But again we had a forerunner in Georgia of what was to come later. If I had to really try to tell you, I'm not saying that everything that happened in Georgia happened subsequently in Washington, but it is amazing. It's just highly unusual that you had that sort of thing take place where we'd been through all that process before. The impoundment of funds controversy. I didn't have any trouble being able to testify before the congressional committee that this President would never impound funds, because we'd been through that in Georgia. Nixon impounded our highway funds and we got no response.

I spent months with John Volpe, Secretary of Transportation, who was absolutely unable to make a decision. There was no way he could make a decision. And I told the Governor, "If you ever get there, I hope we won't have anybody like that in Washington because that fellow can't make a decision." I would go up and see him and he'd tell me one thing, and I'd tell him he was killing folks in Georgia because of the lack of funds to build highways or finish the interstate. And he'd call Governor Carter up and say, "I'm going to make a decision tomorrow on this problem or that problem," and we went through that for months and months. So all of these things built a real base in his mind about the federal establishment. The water projects were just as predictable as anything could be that he was going to do that. I knew when we ever got to that item in the budget, I knew what was going to happen. And there was no way to keep it from happening because that was his background about dealing with it.

The other decisions that he made were based on whatever his other background elements may have been. People talk about vacillation and the press talks about uncertainty, unpredictability, and no policy and so forth and so on, that's just not true. That is not true. He was as consistent in his basic philosophy politically as anybody could possibly be, in my opinion. I don't know of a time that he ever deviated from that basically. Now I think later on he did change things around.

Three martini lunch? That's just as predictable as anything that has ever been. I came back to Washington on a Saturday when we were going to have the first tax discussion. I'd been to Georgia and he decided to have a Saturday session with the tax experts. I told Bill when I left home, I said this is going to be a bad day because we're going to get into this business about talking about the use of private clubs and the deductions of lunches by folks who belong to private clubs, and the working man can't deduct what he carries in a brown bag.

So we were sitting around the table, Blumenthal on one side and Bob Ginsburg on the other, and Stu, and I don't know who else was there, Larry Woodward I guess was there and so on. And he looks at me and he says, "I saw you at the Commerce Club with a bunch of bankers the other day, several months ago having lunch. What do you all do at the Commerce Club?" And I said, "Mr. President, I saw you there in July of last year and I know what you were doing, you were getting a campaign contribution. The Commerce Club is a normal legitimate function for people to get together and talk about business."

"Well, I want it cut out. The three martinis." I said, "Mr. President, ain't any sense in me and you engaging in this argument because we basically don't agree about this. I don't drink martinis, I don't drink, but I never have had any business with a fellow who drinks three of them because he's totally incapable of carrying on afterwards." It deteriorated after that. He went out and started making speeches about the three martini lunches. And again, don't misunderstand me. I'm not being critical about it, he believes that. That's as much a part of him as believing that he can be elected President, and you're not going to change that.

I guess fortunately that didn't get to be a major issue although it got its share of attention. He doesn't think that's right. He doesn't think that's what ought to be, and that's an inequity in the situation. And as I say he's consistent about things like that. That same day when we got around to talking about inheritance taxes on the family farm it wasn't exactly the same attitude because that was something that he also knew something about and had a different perspective. But he's a very predictable human being in what his reaction is going to be.

I think that, and again this is just personal opinion, it may not be worth anything at all, it's probably not, most people in Washington spend all their time trying to figure out Jimmy Carter. Now they tried to figure out where he was going to come down and what he was going to do. Maybe it's just because of my relationship with him and having dealt with him in various areas over a long period of time, but they really didn't need to spend all that time doing that. It was predictable about where he was going to end up. And if you just went back and looked at what he'd done previously, you could tell. I don't know of anything that he did really that wasn't consistent with what he'd done previously.

Now there may be something that you're familiar with and that you've studied that I'm just simply not familiar with. But I think that as far as I know without exception, he was very predictable, he was almost orderly in the way he would approach things. He knew more about the budget than I did, which wouldn't have taken a whole lot of his time. But he was an expert and he knew more about the defense program and he knew more about strategic weapons and tactical weapons than General Brown did.

He knew more about this and he knew more about that because he studied it all the time. He sometimes didn't appreciate what I said to him, but I told him about that. I sat in that Cabinet room, and Peter and Don have sat there, and there's something about sitting there—if you have something that you want to say and the President's sitting there and he gives you the impression that he knows more about it than you do, then the chances are pretty good you aren't going to say anything.

And I told him after we went through several of those sessions, I said, "Mr. President, this is just something I'm saying to you, being interested in your being the best President that anybody could possibly be. You don't have to prove you're smarter than anybody in that room any more. You're the President and you are smarter. I'll acknowledge that.

Everybody else will acknowledge that. But you're not being well served by having all this great talent and knowledge and ability sitting around that table, that you intimidate into not telling you what they really think is the thing that you ought to know about. These folks are not going to do that. They're not going to come in there and sit down and engage in a battle of wits with you because they're not equipped. I would suggest you not intimidate them. You're not going to change your style of studying and knowing more about the subject than anybody else. But don't intimidate them any longer. Let them express themselves and when they say something and you say, 'but on page 79, paragraph six, it says this.' When you do that then they're not going to tell you the things that you really need to know about." And he got a lot better in that regard.

He did change a great deal in my opinion. I saw him. Jim subsequently told me that there was a major change in his ability to let them say what they had to say and take what was useful and right and appropriate and let the rest go by the board. But he's got that kind of mind, he's got that sort of discipline. He studies, as you know. And he does know. Nobody ever came into that Cabinet room in my opinion that knew any more about the subject than he knew. Even though they may have spent years and years on the subject. That certainly was true of most of the folks that came in. Maybe not all of them. And he asked such penetrating questions of Bob at NASA and the folks there about their budget and went back historically. His breadth and knowledge was just so massive that he really intimidated them.

I think the reason you have people around you is to tell you things that you ought to know about and if I become silent because I'm afraid I'll misspeak, then I'm not going to help anybody very much. And when we first started off that was a major problem. I think that he wasn't overtly trying to prove that he was smarter than anybody else but he wanted them to fully understand that here was a man who knew what the circumstances were, who had done his homework, and that they ought to do their homework as well as he did.

The other folks in the administration, if they were like I happened to be, they were either up testifying before the Congress or doing this or doing that, and I spent about 20 hours a day trying to learn all I could anyway, but I was ill equipped to do all the things that I had to do to do this, that, or the other to be able to sit down. I think Don will tell you about OMB that I brought them to a level of involvement because of my own inadequacy that they had never had. When we met with him, I let the OMB folks who were expert and knowledgeable talk about the situation. It didn't do anything for me to be the spokesman when I had that sort of talent and knowledge and ability sitting around the table. I knew the issues, but when we had a session with him I depended on the OMB folks and I just thought that was what he ought to do with regard to the abilities that he had around him. Subsequently, I think he did that much better in the whole process. But there are a lot of folks who just were intimidated by the fact that he knew so much. And he did know.

YOUNG: I was going to get back to some of the issues in the first year. Maybe the afternoon session will sort out this image, the myth and reality of Carter, which began to work against him in Washington. But that first year was so critical. I'm really asking you

your own feeling about all those deadlines and issues as they started coming out—energy, welfare reform, and urban, and the stimulus package. At the time did you sense any downside risk or any sense of doom? *My gosh, we're raising all these expectations, these deadlines will never be met.* Did you sense at that time, did you warn the President or did you see some real risk coming up there?

LANCE: Yes, and I think you'll probably recall from your own knowledge that we simply had more issues of a policy nature than we could deal with. We were dealing with so many different things that we were terribly frightened by our inability to focus in on certain basic issues that needed to be dealt with. And I thought that was a problem to him and to everybody in the administration. I voiced that, but obviously it didn't do much good in the overall aspects because we did have so many different things that we were involved in. We had water projects on the one hand, we had the B-1 decision on the other. We had the beginning of the energy policy. We had a deadline on the stimulus package. We had a deadline on the job package. We had a deadline on reorganization. We were beginning to move in that direction. We had zero base budgeting. You recall them better than I do, but we must have had 40 or 50 things that we were dealing with all at the same time.

And the stimulus package, of course, was one that we've seen two examples of now. We've seen the willingness of President Carter to change in that regard because it was the right decision, and he got labeled as a vacillator and not taking a firm position. We've got a President now who's just as hell bent on not changing, and in my opinion the captain of the Titanic had the same problem. Two different circumstances, and one of the reasons that obviously this President is doing that is because of the disastrous effect on that past President who had changed.

In regards to the tax rebate, you know that the only way that we could get money into the hands of the American consumer quickly was through a direct check. We were going to give them fifty dollars, is that what it was? It was very obvious that the anticipation was the key to that circumstance. The minute we announced we could cancel it because it had its desired impact and to continue with that under the circumstances that were present, I told the President, Vice President Mondale, Blumenthal, other members of the EPG [Economic Policy Group], Ray Marshall, Juanita Kreps, Charlie Schultze, that I thought by going ahead and doing it, we'd have the same effect if we just took fifty dollar bills over to the Washington monument and dropped them out of the top of it and went on about our business. All we'd do was cost the Treasury ten billion dollars in a tax rebate that didn't make any sense. We'd gotten the benefit for what it was going to be, and it really was. It would have been foolish to have continued that process.

He changed that decision. As I recall, Blumenthal and I were the main folks who thought it ought to be cancelled. I don't know what Mondale and Schultze said about it, if you've talked to them, I believe that they were saying, "Well, we probably ought to go ahead." As I say, I'm not sure that Strauss was in that area at that particular time. But anyway, we did cancel it and he agreed to the decision and I thought it was a right decision. It was a

decision that should be viewed as being a decision made for the right reasons, under the right circumstances instead of being viewed as vacillation or change of a position.

Unfortunately, I think that you start seeing all things measured in who wins and who loses. And they get caught up in that sort of issue rather than the issue of what is right and what is wrong and what is in the best interest of the country. And we lost sight of the fact that we did something that was right about canceling the rebate. The press got caught up in who won. Whether Lance and Blumenthal won, or Schultze lost, or Mondale lost, or whatever the case may be. And you go through all that process instead of the real question of what is in the best interest of the country. I think that is the way that we ought to look at those things and he never got a chance. The decision was made almost by the facts, not as perceived by who wins and who loses. As Joe told me the other day, the name of the game in this town is win, and place and show only occur in horse races. It's win or lose in this town and that's what happened.

But I think, Don, that we had too many issues to deal with. There was not room for us to deal with all of them in the proper time frame. We had a deadline on the tax measure, as you remember. And we were going to meet that deadline no matter what happened. The tax legislation had to be ready. We had the deadline on the energy legislation, which he presented on April 20 as I recall. Everything had a deadline. And deadlines are not bad except as they become like campaign promises, the deadline becomes the overriding issue rather than making ultimately the basic right decision. We never missed any deadlines that I recall. There may have been some, but basically we were deadline oriented and we had so many things going on that nobody really could keep track with what ultimately was in the best interest of the country. And I don't think anybody ever tried any harder than he did to have that sort of approach to things.

YOUNG: Was there a reason here going back to Georgia again?

LANCE: Yes, we went right through that process of reorganization deadlines which were going to be implemented. The computer is going to be turned over to a central agency on such and such a date. The Health Department is going to become the Department of Human Resources on such and such a date. Right down the line. Deadline oriented and just precisely without any exception. So again it wasn't surprising. I knew what the problem was going to be. You have a different situation in the bureaucracy in Georgia. It's not as entrenched as the bureaucracy in Washington. They just haven't had that much experience. We ran into an irresistible force and an immovable object. The President being the immovable object about having schedules and timetables and so on. He was never willing to change them. When he said we're going to have the tax legislation ready, we're going to have it ready.

YOUNG: Did anybody try to argue him out of it?

LANCE: Oh yes. I expect that he probably had more conversation about that than anything else. But he's hide bound about that sort of business, so you know you make that

argument and you're really wasting your time to start with. That was one argument that I really never ever tried to make with him. No sense in my taking my time to do something that is just totally worthless, and I knew that was totally worthless. I did talk to him about the number of issues because I think we had too many of those and I think that obviously from a standpoint of the presidency there are things that different Presidents can do, depending on party affiliation.

There are some issues that are second term issues, that a President ought to put off until he's reelected for a second term and then deal with them because you can't deal with them in your first term and then be reelected. The Panama Canal issue is a second term issue, in my opinion. Some of those other things would be second term issues. But that didn't make any difference to him. He again wanted to do what he had on his agenda. He set his agenda. I don't think anybody else set it for him. I think he knew precisely what he wanted to accomplish or try to accomplish in the process and he knew that the time was awfully short. You go back and you read his campaign speeches, you read what he had to say and what he was talking about as a candidate, and he was setting that agenda all the time. And he was in the process of constantly making sure that there was no deviation from that agenda, although he broadened it constantly by all these other issues. I don't know that any one intrigued him any more than the other.

YOUNG: Could I pursue that? It seems to me that there are at least three different reasons why that might have been this problem of narrowing down the agenda that he dealt with. One would be some temperamental inability to set priorities, to decide which is most important. Or it might be simply some over confidence in one's ability to do things. There was some misjudgment about what was possible. I suppose that relates to another possibility, and that is simply political inexperience, not realizing how these things might be a liability in some ways. Do you have any feel for this? There may be some other possibilities, but how would you account for this agenda?

LANCE: I think all of those things that you mentioned impacted that. He was always very confident of his ability to deal with a lot of issues and didn't feel that there was any lack of ability to understand them and deal with multifaceted issues all at the same time. From the standpoint of experience, and now I'm talking about just working knowledge, I don't think that he really understood that the Congress had an agenda of its own also. The two were not necessarily always the same. That was an element that basically was uncontrollable by him in practical terms because the Congress was going to do what was important to the Congress. It relates to being reelected and dealing with the issues that they're interested in and they have a responsibility in that regard.

So I think it was probably a combination of all those things that you say, that he didn't mind heaping it on Congress. He wanted them to stay up there and work. He didn't like the idea of—what do they call them?—district work days and all this sort of thing, and he thought they ought to stay there and deal with whatever the problem was at hand. Because he does that. He doesn't have any desire to take a vacation or anything else. All the rest of us are about to die. He'd head off to Camp David and he can work at Camp David as he

could somewhere else. But the rest of us needed a break. I'll tell you something interesting about Camp David that's a part of his personality makeup and somewhere along the way you can ask somebody else about it. You keep that off the record because I don't want to be the one that brings that up.

I think that he just never did understand that there was a correlation of agendas that had to take place. When the leadership folks would meet, the speaker and Senator [Robert] Byrd, Jim Wright and the other folks were there on that Tuesday morning breakfast. I don't know whether former Presidents have done that or not. I guess that they have. I thought it was about the only thing we could ever hope for out of President Carter, that the best we could ever expect would be to get them together at a breakfast meeting. I was worried for a while that he'd probably make them pay for their own meal, and he may have. I'm not sure. He just had the supreme confidence, which I guess from your viewpoint would be viewed as overconfidence, that he could deal with that many issues. Human rights this week, the B-1 decision the next week, the tax things the next week, the Panama Canal this week. There's so many things going on that it got to be too much.

There was too much on the plate to assimilate. We couldn't keep people well informed and communicate with them about what we were doing. I think frankly, if I were outside looking in, I would have to say that that's one of the things that led to the criticism of having no set policy and moving from this to that and so on. I think it gives that impression and it may well be well founded in regard to the fact that we had so many things going on. It's not vacillation as it relates to him having a consistent position. I don't think he ever wavered from that whatsoever. But I think it did give to a casual or non-prejudiced observer that sort of impression because we had so much going on that nobody could really keep up with it. Stu was working 20 hours a day trying to keep abreast of it and everybody else was doing their thing and we just didn't communicate well in the process about all the things.

Let me tell you one thing about Jimmy Carter that I believe. And again I think I know him about as well as anybody could possibly know him. That's not maybe extremely well but I think I would come as close as anybody to knowing the real Jimmy Carter. There will always be people around him who know this aspect and who know that aspect and have some feel for where he's going and what he's doing. I would know some, Kirbo would know some, Hamilton would know some, Jody would know some, we might all know the same thing. We might all know different things. Stu would certainly know things, Charlie Schultze might have run across something economically oriented.

The only fellow who knew everything and knew precisely where he wanted to go was Jimmy Carter. He's never varied from that, in my opinion. When he was running for Governor he knew what his campaign strategy was, he knew what he was going to do. He was the only fellow who knew it all. When he was elected Governor he knew what he wanted to accomplish, he knew what he was going to do. He was the only fellow who knew it all. When he made the decision to run for the presidency, he was the only fellow who knew it all. When he was elected he was the only fellow who knew it all.

And that's a dimension to him that some people really don't understand and know about. Because he was able to handle all that gob of stuff with which he was trying to change the country, and because he knew precisely where he was going, he assumed, wrongly perhaps, that all the rest of us could deal with it and knew where he was headed. I don't think that message ever came through. I think where President Reagan obviously is a good communicator and knows how to do that, President Carter was not in that sense a good communicator. He wasn't about to tell anybody all that he knew.

And you have to go back to the beginning to understand that. It's not easy to sit around and tell a bunch of folks that you're going to run for President and you don't intend to lose. It's really a whole lot better to keep it to yourself. And then do it. And then as Dizzy Dean says, "When you've done done the thing, it ain't braggin'." So he was able to do that and he kept it to himself. And I think he kept a lot of reasons for his basic programmatic concerns to himself. I don't think he articulated them to the people who had to go to the Congress and try to sell it.

And let me again go back and tell you something that happened in Georgia. When it came down to the real push and shove about reorganization, he goes up and he takes the well of the House to explain the legislation, to explain the program, to explain the intent and so on. I don't think that had ever been done before in Georgia. And it wasn't necessarily a friendly crowd. It was sort of a hostile group, but he submitted to questions from the House and from the Senate on the floor of both bodies. And that was one of the reasons that ultimately I think both of them passed.

One of you asked a minute ago about whether he really did anything. He was willing to go up there and expose himself to being able to know exactly what he wanted to accomplish. If they asked him something about the Forestry Department, he knew how many tractors they had, how many hours they spent fighting fires the last year and so forth and so on. Well, there are not many folks who would be willing to go up and subject themselves to that sort of interrogation about basic programs of the state where you've got in Georgia 56 senators and a 185 house members, all of whom have some pet area in government that they know all about. And yet he did that and did it very effectively.

When he got to the federal level he still had that sort of knowledge about where he was going but he did not communicate it as effectively as he could have, in my opinion. You can always say that he could have done this or he could have done that. He did what was his style and what suited his basic demeanor as an executive and as an individual. And that is that he's going to know exactly what he's doing, and won't anybody else ever know all the things that he's got in his mind. He's just not going to communicate it, either on purpose or not.

STRONG: Do you think all these things are in his notes?

LANCE: I think so, Bob. I told Bob on the way in, of course you folks will have a great time when you see his notes and everything, because he's got 6,000 pages of typewritten dictation that he dictated every day. He's highly disciplined and did it every day. His impressions, his views, his reasons and so on. Personality comments and things of that type. That says something about him in and of himself because there are not many folks that are that disciplined to do it every day. So I would think that in his notes and in his book he explains a lot of the rationale for why he did this or why he did that.

And again, I'm not expert by any means. I've already demonstrated that to you. I do think that he had an ability to be able to look at issues that were going to become a focal point sometime in the future. And there are a lot of people who would say to us today if they were here that while they didn't support the Panama Canal treaty as such, if we hadn't done it that we might be fighting down there today. And these are people who have knowledge of that situation that I don't have. That points up the fact that he saw that. Because it certainly wasn't in his political best interests to do that.

I told Jim, the one thing about Jimmy Carter I think that will ultimately be said about him in a proper sense of study of his presidency, he never made a popular decision. I don't know of the first one he ever made. Everything he did was unpopular, depending on how you judge his popularity. But the Panama Canal situation was unpopular. The energy policy was unpopular. All the things that he did legislatively fall on the side of being unpopular rather than the easy popular applause sort of decision that most political leaders like to be able to make. He never made one of those. If he saw one of those coming along, he just wouldn't do it to start with. That's too easy. President Carter always sent me the folks that he didn't want to listen to for a long period of time, so I and they would become great friends. He somehow always found time to pick up the phone and call me and say have you got a minute to talk to so and so, and I knew what was coming. I knew it was somebody that he had heard out. But he didn't make popular decisions.

I think that his foresight will be what ultimately he is judged by. The human rights issue. There was really no political call for him to get in that posture at that particular time that I know anything about. I think it's something that he felt was right and that he ought to do as President of the United States and he was going to do it. He didn't care whether they approved or didn't approve. And you can argue that issue all you want to.

And the nuclear issue again, obviously, when you look at what's taking place today he was right on the money about what the issue was going to be in the future. He said that consistently, he said it so that even Amy figured that out, and I don't think that did him a whole lot of good politically, but it made a prophet out of Amy. Because it's the issue of the day and will be for ages obviously. But he was right on target in saying look, this is an issue that the American people are going to have to come to grips with and I think it's important to establish a position. And all the other things that he looked at. I'm getting into trying to figure out where he's coming from or what he is. When you just take the

words that he said about the circumstances as he saw them, he was not wrong, in my limited knowledge, about many things. He was pretty well right on the money.

And he doesn't get any credit in the press. That's a different topic for a different time. He'll never get any credit in the press, in my opinion. Folks don't like us in Georgia and that was fairly obvious. We can't do anything about that except survive, and survive we have, and he'll survive in the process also. I guess what I'm saying to you, I don't think he'll ever be perceived in the pages of the press as being a person who had great foresight and the ability to focus on the issues of the day. They will never give him that sort of credit, but I think he's deserving of that sort of credit. I think that he did focus on those issues and he was exactly right about it.

I sat and listened, I have to tell you this simply because I think it's important. I mentioned earlier about the misery index and President Reagan at the World's Fair. He made the most partisan political speech that I've ever heard at a situation where it wasn't called for. We'd just gone through the process of talking about a community of interest and folks working together and all this sort of stuff two hours before he came to speak to that group, and it was a joint effort. There were a lot of people involved in having the World's Fair in Knoxville, and then he lashed in on the Carter tribe. I happened to be sitting next to Sharon Rockefeller and I saw the Governor after that and he was just livid because of the situation, but I told them I know what being a second class citizen was like during the time that Jimmy Carter was President, which was a category I fell into, but I thought that surely I'd fought my way out of that box and that I didn't have to sit there and be abused about being a Democrat and being responsible for all the problems known to man.

He blamed Carter without ever calling him by name. He took credit for the energy policy. He took credit for the decline in inflation. He took credit for everything good that has happened and blamed everything that's bad on Jimmy Carter. Well, I don't think Jimmy Carter did that as President. He was partisan in his own way obviously, and there's a time to be partisan and there are a lot of Republicans in east Tennessee, but there were also a lot of Democrats present. Carter never took advantage of a situation where he really got partisan. Maybe he did that I don't know about. Jim Sasser, the junior Senator from Tennessee, was a Democrat on the platform. The mayor of Knoxville is a Democrat. He never acknowledged either one of them.

As bad as they talked about Carter and his relationship with the Congress, I never saw him do that. I never saw him ignore a Senator or a Mayor simply because he was from a different political hill. And I think that that was one of the things again that Carter said during the campaign. Sooner or later you're going to find this out. This is the situation and this is how it's going to be. Well I found it out on that particular day because I can be as partisan as anybody under the right auspices. But there are times when it's not becoming. I just don't think he ever did that. I don't think that he was partisan in the sense that he tried to move into areas where partisanship had no place. And again I think that's a mark of him as a person.

May 12, p.m.

TRUMAN: I'd love to ask a rather general question which may sound a little silly. You've given us a wonderful insight this morning into the non-political or apolitical aspects of President Carter in his disinclination to play the games with the guys on the Hill and that sort of thing, which is a carryover from the way it was when he was Governor. In what sense would you say that he was political? He couldn't have been a totally non-political animal. In what ways would you describe him as being political? I'm thinking more now of the operating of the government than I am of campaigning, which obviously would be different.

LANCE: Yes, and there is a difference. That's a terribly interesting question because it's something that I have to think through with you in some comments as to whether we were moving towards the same point or not. Because he was so non-political in the way that he arrived at decisions it's hard for me to then come back and say that there is a political side to him. Now, I think this—and again this goes back to Georgia and subsequently was done in Washington—he didn't necessarily reward those folks who were for him politically in Georgia. But he didn't punish those who were against him.

In many instances when you look at his appointments to the judiciary for example, in which he made an awful lot of appointments as President, and made a good many as Governor of Georgia, he tried to do it on the basis of who he thought would do the best job. And again he wasn't political in it. In the strictest sense of the word, he's not political in the way that he reacts to things. In a partisan sense, obviously he talked about the Republicans not caring and not having any compassion and all of these things, which I guess is perceived to be a political statement. But I don't know that I can recall any things that I know about that he's ever done that were just outright political.

THOMPSON: Just a follow up to this and then you can continue. One of your predecessors said that Carter won the election in '76 and then turned over the politics to people who claimed they had won it for him. With the Jane Byrne case, with some other cases, you certainly got the impression or the media helped give us the impression that he was being very political in what he was doling out. Every time you say in a seminar, for instance, that President Carter was or wasn't political, people immediately raise their eyebrows and say what about Chicago or what about this or that. Did he have in a way the worst of both worlds in that some people around him planned strategy for which he then took blame?

LANCE: That's probably right. Obviously when he was running in '76 for the presidency he didn't have any portfolio with which to be political as such and the granting of favors or whatever that construes. In 1980 I guess the strategists of the campaign reelection committee obviously had political things that were done, such as Chicago or whatever else might have been designed to do things. But some of those probably were not well thought through in the process. He got both blame and credit in that regard. But I would think most of that was done by Hamilton in the process. He

valued Hamilton's political judgment above anybody else's as far as I know. Whatever Hamilton pretty well laid out in memo form, he showed respect for and generally went along with. But on balance, if you just ask me, I'd have to say that he probably was apolitical even to his own detriment in trying to win reelection. That's just not a part of him.

When he had the great discussion about the malaise problem in July of '79, that probably wasn't smart politically to engage in that exercise and to use the words that he used. My idea politically was that he take that burden upon himself and not blame anybody else. Say, "Look, some of the things that I've tried to do simply haven't worked and I acknowledge that and recognize that and move on." He wasn't so apolitical that he was willing to do that in that sense. I think that he probably would have been better off if he'd been willing to have done that.

I talked to him during this period of time on very direct feelings that I had about where he was and where he was going. When I saw how bad it was, I had been out of the country for thirty days. I came back and had been reading the foreign press. When I saw what was taking place, I called him at Camp David and said, "Mr. President, I've been out of the country, but the Jimmy Carter I've been reading about is not the one that I know. What you need to do is start back being the real Jimmy Carter. Don't you let anybody else manufacture all these things that you're going to be saying and doing. You do what you think is in the best interests of the country, which ultimately will be in the best interests of your administration. And then you deal with it on that sort of basis. But what I'm reading about and what I see around the world, this is not the Jimmy Carter that I know and I think you ought to get back to being that Jimmy Carter and let this creature that's appearing in the press as Jimmy Carter fade into oblivion." He chose to lay it upon the shoulders of the American people as to all the problems we faced. That probably was not in retrospect a wise decision, although I'm sure he arrived at that decision after much concern and anguish and listened to different folks.

TRUMAN: This conversation you had with him was before he gave the speech?

LANCE: It was before, because that was when he had just gone to Camp David. That was over the July 4 weekend. I don't remember what day July the 4th was on but I got back to California on a Friday of that weekend and I had an urgent call from Brock Adams. Brock was still Secretary of Transportation at that time and Brock said, "Bert, I think you ought to talk to the President. I'm concerned about the situation. I've lost accessibility to him, I think other people have and I'm just concerned about where we're going." And nobody had ever said that to me before and so I called the President early the next morning and it must have been four-thirty or five o'clock because I never had lost any sleep over my own circumstances but I was losing sleep over what I thought was happening to him and happening to the country as a result.

So I called him early the next morning and I said in effect what I said to you then, that he just obviously was not in control and that things were crumbling not only here but around

the world and he ought to start making some move to restore his position as being the leader of our country. One way he could do it was to go ahead with sitting down and listening to other people tell him what some of the problems were in the country. I wrote him a two-page letter and I know he read it very carefully because he subsequently said to Hamilton, "I know Bert was terribly concerned because this is the first typewritten note I ever got from him." Most of the time I just wrote him in longhand and he couldn't read it and he wouldn't read it anyway.

But I took something that you ought never do with somebody except in the most dire circumstances. I took his speech that he made in December of 1974 when he announced his candidacy for the Presidency and quoted what he said about the needs in the country. After copying all those words in my last paragraph, I said "in case you've forgotten, this is what you said in December of 1974 and it appears to me this is what you need to be about right now at this point in time in your presidency." As I say, he didn't disown me. I'm sure he didn't appreciate it much but I think it gave him a different perspective about the whole circumstance. But even then he didn't appear to be political about the whole process. And as I say I'm sure he did political things but basically the other folks, Hamilton or somebody else, had to think those through. He just doesn't think in political terms.

MCCLESKEY: Could I follow up that question coming at it in a slightly different way? I get the impression from what you've told us that when it came to building influence and building support that he tended to rely either on the objective case, the merits, or he threatened to go over people's heads to the people. Is that all it was? Is that the way he visualized it?

LANCE: Pretty basically that that's the way that it was. There may be instances when that wasn't the case. I think that whenever he reached whatever decision he was going to reach, that he was very confident in his own mind that he'd done the right thing, that he'd reached the right decision. Now this doesn't mean that it is, obviously. But to his own thinking process he'd done everything that was required of him. As you know, people who make decisions have to be able to feel confident about making them after they make them, or else they really would vacillate and change. So I think he always went through that process and then felt extremely good about it, knowing that if the merits of it didn't sell it, then he thought he had enough clout with the American people to be able to overcome whatever other opposition that there was.

I guess that I'm at a little bit of a disadvantage because I didn't have, for obvious reasons, a lot of talks with him where we could sit down and really talk face to face during the time that I had to go through the indictment process and then the court trial. Again there are reasons for time frames I've found out in certain things. So I was indicted on May 23, 1979. The trial didn't begin until January 14, and ended on April 30, so I was really out of commission for a year to be able to have any meaningful communications with him, because I didn't think it was appropriate and I would not have done that under any set of circumstances.

But I still think that that was his basic motivation. "I'll sell it on the merits. If that doesn't work then I'll try to take the next one."

YOUNG: One of the things that's pretty striking in the images that were propagated about the Carter presidency is that there were two conflicting images. That's really what we're talking about here. We're trying to get what the political aspects of the administration were and one of those images is of an apolitical President. He was sometimes deeply criticized for not having any sense about politics.

LANCE: And for not being political.

YOUNG: And for not being political. Then on the other hand, at certain periods, you get a very different portrait of a highly political person. Everything he's doing is motivated by politics. You've got this in the press particularly in connection with the Kennedy challenge and toward the later part of his administration. "He's all politician. And everything he does is politically motivated." And you wonder why do you get these two very different sides. How does one account for them?

LANCE: Let me try to respond to that; I'm not sure that I can, but I maybe can give some explanations that you've already gone through in your various conversations. If I gave the impression that he was not ever political I didn't mean for that to be the case. I think he's terribly political when he's seeking office. Campaign promises, commitments about this, that, or the other. That is political and that is doable or not doable depending on a lot of circumstances. In 1970 in running for the governorship in Georgia, he was political in the sense that he said, "I'm really going to get out to the people and the political leadership, I'm not going to fool with them. They're not for me and they've done nothing but cause trouble." Again, it's a political sort of contest. He's tough, he's hard minded. There are folks, Bill Shipp from the *Constitution*, who still maintain that 1970 was the meanest political campaign that there's ever been in Georgia. With the 1980 campaign for the presidency, there are a lot of people who think that's about as mean a campaign as they have seen in regard to what he had to say and his shrillness about Reagan.

So I guess there are two Jimmy Carters with regard to the fact that one is a candidate who is going to engage in the give and take and the rough aspects of politics where you get down and wrestle in the mud with a fellow if it's necessary to carry out what your point is. And I don't think he'd ever have any hesitation about doing that. He didn't in Georgia and I don't think he did in the '76 campaign. I think he was terribly political in that process and I understand that there's a difference in running for the presidency and running for the presidency as a President. So I think that the circumstance that you describe, of there being conflicting things is real. I think it's very accurate. I think there are conflicts. And I think that's a part of the complexity of him as a man. He felt like [Edward] Kennedy was trying to destroy him politically, and I think that's an accurate observation. I think that he did a pretty good job of it. That's what he set out to do.

I may be wrong about this, and I never have shared this with anybody and you all may tell me if it's just crazy or if it doesn't make any sense at all. I think that Carter would have been better off if he had been the Jimmy Carter that I knew with regard to the Democratic convention in 1980. I think he let the folks who were around him, whomever that may be, in effect say, "Now look, we beat Kennedy and now we have to kowtow to his constituency." The Jimmy Carter that I know under normal circumstances, that night that I observed him on the platform waiting around for Ted Kennedy to show up, would have gone up to the microphone and said, "Now folks, this guy can show up or not show up, I'm the President of the United States and I'm going to be reelected and hell, he can come when he wants to."

I think that it presented a sense of weakness on his part that was totally and completely out of character for him. And I again commented to my wife when I was sitting there watching that on television that I, Bert Lance, couldn't believe that Jimmy Carter was standing around, milling around on that platform at the commission waiting for Ted Kennedy to show up, whom he'd already beat. Maybe I'm prejudiced in that regard, but I think the Jimmy Carter that I know would have made short work of that problem and he would have said to Hamilton and everybody else, "Look, I'm not going to wait around for this guy. I'm going to get on about my business and if these folks want to be for me, so be it. If they don't, so be it."

But what he presented to the country that night was that little fellow standing up there on the platform milling around waiting for this big fellow to show up. And we'd just gone through and still were going through the episode of the hostage situation where again we were perceived as being weak and not being in full command. I think that's a distinct difference where he acted politically. It was totally out of character for him and it cost him dearly. I don't know that that would have made any difference in the general election.

YOUNG: Either move would have been political, be it the one you would have taken or the one he took.

LANCE: But one would have been natural. One would have been what he's about. And sure, I agree, and I misspoke when I said one would be political. But one would have been totally natural of what Jimmy Carter was all about and always had been about. Because he didn't give anybody any room. He's the kind of fellow that you get your foot on his neck you'd better keep it on there because if you ever let him get loose from you he's going to stand up and whip you. Well, he didn't give me that impression. And again, that just may be a personal view that I saw about him. I said while watching TV, "That's the worst thing that I have ever seen Jimmy Carter do, because it portrays a weakness that he's got to stand there and wait around."

TRUMAN: Can you account for it other than he took bad advice?

LANCE: I think that was a political judgment. The people around him were saying—and I don't know this because I've never had any conversation with any of them about it—I think the people around him were saying, "Mr. President, look, we know how you feel about Teddy Kennedy, but this is his constituency out here and we simply can't win in November without his constituency being for us." That was not Jimmy Carter's constituency at that point and I don't think Kennedy really ever did anything to try to help him win. That's again my personal opinion and some of you may have different views about that and I respect that. I really think that it was totally out of character for him and it presented an image to the country that caused him great harm.

YOUNG: We have other conversations in the sessions which clearly suggest that that advice was pressed on him to make the gesture he did simply because they needed that part of the coalition to have any chance of winning. It suggests that it was a political thing on his part, which I agree with you about. When I watched the Democratic convention I thought *I can't believe this*.

LANCE: That's what I said, plus the fact when we saw it was a political act. If he had done what he had always done before that, he would have not paid any attention to that. It would have still been a political act, but he would have done what was very natural to him and that would have been saying the same thing when they had lunch together. He would have stood up to the microphone and said, "Look, I've already told this fellow once that I was going to whip him. Now I've done that, and secondly I'm ready to get on about the campaign and be reelected." Then he would have left there with an entirely different image. It may not have gotten him reelected, but he would not have been perceived as strictly becoming a politician who was giving in to whatever whim or whatever political act appeared to be in his own best interests as fostered upon him by someone.

YOUNG: And also casting his lot with the party that seemed to be very much out of touch.

LANCE : Totally, completely .

YOUNG: And so it was doubly damaging, I thought, as a symbolic gesture.

LANCE: Kicked him twice. Really did.

JONES: I'd like to go back to this distinction in regard to what is political between electoral politics and I guess we could say policy and issue politics. Was the President anti-political when it comes to policy development? You've used the term apolitical, but was he actively in his head anti-political?

LANCE: I think he's anti-political in that regard. I use the term apolitical because Mr. Truman did in his comments. Carter does not have a high regard for the politician, is the best way for me to respond to that question. In fact, I think he thinks that they don't act

out of the concern in the best interest for the country, they act out of their best interests. He doesn't like bankers. I can say that. He doesn't like politicians and he's not going to engage himself in one) being defiant as a politician, and two) dealing with them on a basis that there's some quid pro quo involved. He doesn't think that way. That's a strength in one sense, but it's also a weakness in another sense. But that's the way that he is. He has a long memory about things like that. He's had a lot of experiences which make up that view.

JONES: Well, when you think of the courthouse politician somewhere in Georgia, you think of Jimmy Carter. You know what's inside.

LANCE: There's a sharp distinction. One thing I recall, again you weren't here this morning but I talked about his relationship with the business community in Georgia. It was no different than it was in Washington. It was not very good, because he's pretty hard on them. In the same way that he doesn't like to be criticized, you know business folks have an ego and they don't like to be criticized either. He said that they're profiting at the expense of somebody else.

Mills Lane was the best banker we ever had in Georgia in my opinion and did an awful lot of progressive things, but he also had a political power. Everybody who ever ran for office always had to go see Mills Lane to at least acknowledge the fact that they were going to run, and you know something about especially being from Savannah. But the great story's told about Earl [inaudible], who was going to run for Governor and his father had been a politician of some note in Georgia and he went to see Mills Lane. He said, "Mr. Lane, I just wanted to tell you I need to come by and seek your guidance and support. Numerous of my friends have urged that I run for Governor of Georgia." And Mills looked him right square in the eye and he said, "Earl, name one." That was the end of that conversation.

But anyway Jimmy Carter went to see Mills Lane and didn't tell him that numerous of his friends had urged that he run for Governor. He just told him, "I'm going to run for Governor, Mr. Lane, and I'd like to have your support. I'm going to win. I don't intend to lose." And all that same sort of stuff that he said about being President that he turned out to be right about, he turned out to be right about that. But it's a little bit strong. So Mills just ushered him out of his office, put his arm around him and said, "I won't do anything to hurt you," and that sort of stuff.

So Jimmy of course won over Mills's candidate and they had something they call Central Atlanta Progress. In Atlanta, that's the downtown business establishment group. They have an annual meeting, so the Governor thought he'd go to the annual meeting. Well Mills wore ties saying "It's a wonderful world" and anytime you ever saw him on the street he'd say it's a wonderful world and that was his way of saying anything. He didn't say hello or goodbye, he said it's a wonderful world. He was well known throughout Georgia for saying it's a wonderful world. So he stands up and he's presiding at this session where Jimmy Carter is a newly inaugurated Governor of Georgia. And he stands

up and says something offhand about Governor Carter being elected and now in office and that he, Mills Lane, had always had a great desire to become an admiral in the Georgia navy. You know he had a great interest in boats and ships. And he makes some big to do about that.

And so Jimmy Carter takes the platform and 500 leading businessmen and women in the state there, he says two or three things and he said, "In response to what Mr. Lane has said to you about becoming an admiral in the Georgia navy, recalling quite well his comments to me when I walked into his elaborate elegant office in the C&S bank building in Atlanta when I was beginning to run for Governor, all I can say to you, Mr. Lane, is it's a wonderful world." And that's vintage Jimmy Carter.

If he'd said that to Ted Kennedy that night, that would have been a different set of circumstances. He would have been what he really was. And I guess to really be responsive to your question, he doesn't like politicians. He really just doesn't like them. I kid Strauss. Strauss and I are great friends and I have the highest regard for him. I said, "Strauss, Carter never really paid any attention to you because you run with politicians. You're a friend to all that crowd. He's not willing to risk his future on just the politicians. He knows there are good ones and bad ones and so on, but he really does not like them. He's anti-politician."

JONES: So you're saying further that therefore when Jimmy Carter tried to be a politician, he had trouble doing that and created problems for himself. As maybe he was trying to be political in the '80 convention.

LANCE: I think it creates major problems for him, I really do. And I think we all saw that.

TRUMAN: Does this also explain the curious way in which the first energy policy thing was developed? That was, in some ways, the most non-political or anti-political policy incident that I know. He gave the job to Jim Schlesinger and no bases were touched, in fact everybody was instructed not to touch any bases.

LANCE: Because this was a national problem that deserved the highest priority of concern, and here was the man who was going to deal with the problem. We're going to come to you, we've thought this through, we know what the answer is and we're going to present it to you and we're not going to try to cajole you into saying that this is the thing that needs to be done. It's very evident to you and everybody else that it has to be done, we don't have any choice about it, and here's what we're going to do. He never tried because he didn't think that was the way to do it.

That was vintage Jimmy Carter, in my opinion. There are some things that you can see that he did extremely well as long as he was what he was, and that's a tough minded individualistic leader who knows his own mind, knows what he wants to do. When he

had trouble was when the pressures by people around him got to be so great that he had to start paying attention to them.

The Camp David situation in ’79 is a prime example of that. He was getting to the point where he was not in control. Other folks were trying to remake him and remold him and you don’t remake him and you don’t remold him. He is what he is and as long as he does what he knows how to do, he does it ultimately in a successful manner. He always had up until then, and I think he usually did so as President. I don’t think merely being defeated by another candidate in an election destroys what he accomplished. That’s a defeat and that happens in politics. I think any time that he moved away and started trying to be political in the strictest sense of changing for some political reason, then he got in real trouble. I think if you go back you’ll see that happened.

The firing of Cabinet folks. What that accomplished I don’t have the foggiest idea. To tell them all, “I want all your resignations.” That’s as out of character for Jimmy Carter to deal with as anything can be, in my opinion. I assume that’s what he did. I never did talk to him about it, but I understand he told them, “I want all of you to hand in your resignation to me and I’ll accept the ones that I want to accept.” I think he got in a great deal of trouble whenever he did that. I’m not sure about that, but that’s my view of it. It was out of character for him.

STRONG: This is really a related question. This morning you mentioned that by the end of the administration his reputation and his image was 180 degrees out of line with what you knew to be his real qualities. Was that mostly because he was acting out of character or was that mostly because he was never well understood and well reported?

LANCE: I think it was a combination of both, Bob. I think early on it started in the press that this was a person who vacillated and who had no clear-cut policy elements in mind. Then the press did a good job. The other word that I haven’t used that I think comes into play with regard to the Carter presidency is the question of competency. He is not incompetent by anybody’s definition. He’s as competent as anybody that I have ever known. But by the 1980 campaign he was pictured almost without exception as being inept and incompetent. In whatever way you wanted to measure. The Iranian hostage problem, the economy, whatever other issues that we had before us during that period of time.

Even bringing about the Camp David agreements never got him any credit for being competent. I know from what he has told me that that was a Jimmy Carter operation. He didn’t listen to anybody, he didn’t pay a doggone bit of attention to anybody about what was going on in the Camp David negotiations. This was Jimmy Carter dealing with [Menachem] Begin and [Anwar] Sadat, he wrote out the agreement as he says in peanut operation language in his own hand that would make it as simple as anybody could understand it. Some fellow buying fertilizer for his peanut crops and entered into contract with him, and he didn’t listen to anybody. I don’t think he listened to Cy Vance, I don’t think he listened to [Zbigniew] Brzezinski. He may have listened to them, but he didn’t

hear them. That was strictly his operation. But still it didn't come across as being competent or anything of that type.

I think it was a continuing combination. One thing I did learn in my own experience and what I have learned since then, just looking at the national political scene, is that the cumulative effects sooner or later has a major impact. Accumulation over an extended period of time takes its toll. Again to bring it up to the present time, I think that we're going to start seeing President Reagan painted as being less than competent.

YOUNG: Getting back to the political side which is kind of fascinating for all of us, though Carter himself was the way you described, my impression is that an awful lot of the younger people on the staff dealing with issues or whatever were highly political, I mean they're competent also but were highly political. I wonder whether there was something about, I'm trying to think about this kind of President who doesn't do things this way himself. There's a distinct operating style in going about what he wants to do. He was surrounded to some extent by people who are playing all the politics of Washington around issues building the coalitions. Is that a strange kind of thing if the President is anti-political? One even wonders whether some of the faulting of him did not stem from the perceptions of some of those people around him who just felt he wasn't dealing with Washington right.

LANCE: That's right. I think that if you went back to the people in the White House they would fault him heavily in that regard. Hamilton is very political in my judgment. He understands Jimmy Carter better than anybody, but he's political. Rosalynn is very political. Rosalynn has superb political judgment. I don't think that the President was possessed of infallibility in his political judgment, because he didn't think that way. The cause and effect relationships of political decisions such as the water projects, he didn't spend any time thinking that through because he resolved that he was doing what was right so all the other things fall into place. Now Rosalynn is a great cause and effect thinker. She has got good political instincts and judgments. Probably the people in the White House ultimately started going to her, absent anybody else to go to about the political problems that he was facing. Is that fair, Pete?

PETKAS: I certainly heard that.

LANCE: That's the general perception of what happened. And I know, for example, that Pat Caddell would go to Rosalynn rather than go to the President with what his polling was showing. [Gerald] Rafshoon from the media standpoint would do exactly the same. Hamilton, if he got to a real knotty problem vis-à-vis a political judgment, would go to Rosalynn. Rosalynn was the resident political expert. Things went through her because of her judgment. Let me tell you something, it was well founded. She's good. Again in my opinion, she's good. She knows what she's doing. And she knows how to do things.

Again, he was criticized because he said something one time about Rosalynn doing this, some terrible mistake we made or something sending her to South America where macho

image was something they found to fuss about. But she knows what she's doing and she's got good instincts and good judgment, and she if anybody could convince him of a change in course or a change in direction.

YOUNG: She was very much involved in that whole Camp David thing too, I think. In the summer of '79.

LANCE: No question about that. I think she fought some battles because there was obviously some strong disagreement about what Mondale thought ought to be done and what Caddell thought ought to be done and what Jody thought and so on. They never let Jimmy Carter be Jimmy Carter about that situation, and he gave in to that.

PETKAS: This is more of an observation than it is a question, but I think that I and the people who have been to more of these sessions than I have, have observed that there did seem to be a growing reliance on constituency politics on issues that were important to Jimmy Carter. I observed it in the few issues that I worked on, and on reorganization and regulatory reform after you left. On the airline deregulation I remember quite well that Carter generally over-rode the staff assessment of the politics of airline deregulation. It was often said by people who were more closely involved with him on that than I that there were times when the White House would have dropped the issue had the President himself opposed it to the staff that was giving him constituency advice, and had not pressured it. You can almost see him in a painfully increasing acquiescence to the collective assessment of the constituency politics of some of these major initiatives.

Again, the ones that I was familiar with were in the reorganization, where he really came off looking very poorly, whereas with a proposal like the natural resources department, it would be advanced quite a way on the track and then suddenly the constituency politics which he had insisted as being secondary, if you were developing a proposal and pushing and trying to sell it, suddenly became determinative. Then he appeared to vacillate. He began to fold on one issue after another.

YOUNG: That, I take it, would be in line with what you're saying a moment ago of getting surrounded by people in a system where the real Jimmy Carter was being swamped.

LANCE: That's right. I think it swamped him ultimately.

PETKAS: It's kind of a dilemma, because on the one hand he needed to be politically astute or at least involved with key members of Congress and movers and shakers in Washington. On the other hand it wasn't his nature, so that when it became involved, he appeared very weak.

LANCE: It really was unnatural. It's just not Jimmy Carter. When it shows up it shows up, and it gives that impression of vacillation and incompetence.

MCCLESKEY: And calling it natural made it seem very political.

LANCE: He hit the worst of all worlds in that process, and there's nothing he can do about that.

TRUMAN: I wonder whether that isn't the source of a lot of the vacillation pressure because without exonerating the press from taking unfair advantage, which they inevitably do, you've got 535 people on the Hill, or at least the leadership, and you've got a lot of people downtown who are all talking in the kind of situation that you're talking about, Peter. They talked to the press, and then the press reflects that, which is really the disinclination of the President in effect to act out either the role that his advisors are urging him to act out or really pulling to act out the real Jimmy Carter. And he was caught in the middle, so he was doing neither. That's probably too extreme.

LANCE: But I think that's accurate. I recall in my early conversations that I happened to be one of the first folks to ever talk to him about running for President. I believed he had the inherent ability to be able to run and be elected, a belief that went back a long number of years. I'll save that until sometime when you want me to come back.

There were two things that I said to him early on after he was elected, just from my own perspective of Jimmy Carter. I didn't know anything about the presidency as such. But I thought that I knew something about the economy, and all of us developed some sort of political instincts, especially when you've been out and actually run in a statewide campaign. You begin to understand that there are forces out there that are at work.

I said to him, "If I were you, here's what I would do. First of all, I'd take Hamilton Jordan and I wouldn't put him in the White House. I'd make him my political advisor and start planning just the same way that you started planning in 1974 to run for the presidency in '76. I'd start planning how I was going to run in 1980. And I'd let him devote his attention to that sort of planning because I think that no matter what the circumstances are, you're going to need that as some guideline along the way to structure you so that you're not perceived to not have a policy." In Georgia he didn't have that problem.

This is contrary to what we talked about earlier, about everything having been a similar sort of experience. In Georgia it was not the same sort of experience, because in Georgia he couldn't succeed himself. So it really didn't make any difference what he did or how he did it. He was able to just do what he wanted to do and say, "Look, if you don't like it, I'm going to go to the Georgia people and I believe they'll back me." It wasn't that critical anyway. We'd survived Lester Maddox and that proved you didn't really need a Governor to start with. So it didn't make any difference whatsoever about having to be moving and motivated by political instincts during the time that you were Governor. I saw that as being some problem. Again, Mr. Jones, that sounds like a self-serving statement. I've already cleared the decks about that it's not self-serving when I say something like that. I just saw it as being a problem because he was entering into new territory that he hadn't been in before.

Everything else was predictable about what Jimmy Carter did. I believed that then, I still believe that today. I could have told you one, two, three, what was going to take place, what decisions he'd make and how he would do it. There is an art of running for an office when you're the insider. You can't run against the outsiders, which presented a new dimension for him. So I said, "If I were you, I'd take Hamilton and I'd put him off in a 3 x 5 room and just let him think about that thing. I think he's the best in the world about performance. He got you elected Governor, he got you elected President. So why don't you do that." Well Hamilton, of course, I don't think was too interested in that.

JONES: He didn't like the 3 x 5 room.

LANCE: But I think that if he had done that you would have seen an entirely different presidency. I think that the President was flexible and able to factor those sorts of things into the process. If you had a plan, then it would have been easier to be nice to the Congress, and to try to cultivate them and the other folks in Washington and so on. None of which he ever did. It was the same thing that he'd never done in Georgia. He was used to a hostile press. Rex Murphy was the editor of the *Constitution*, the Atlanta papers had lambasted him every day of the week, eating his lunch every day. In fact it was so bad that Rex Murphy traveled with me campaigning the day before he was kidnapped by that William Williams and when I called Governor Carter to tell him Mr. Murphy had been kidnapped the night before, he said, "Well quickly call the editor and tell him I ain't responsible." The press relations again were very similar. We'd been through all that. We knew what it was to have hostile folks. But the one thing that he had not done was run for reelection as an office holder. I thought that was going to be a problem .

The second thing related strictly to economics and I told him, "Mr. President, I believe I'm a good enough economist to know from a practical standpoint that if inflation is at an increasing rate and the trend is upward in 1980, you're not going to be reelected President. I believe that, I think you'd better make sure that whatever is done that we take our dose early and we have the trend moving in the right direction by the time 1980 rolls around. You ran on a platform of the misery index and how bad things were economically and if they're bad in 1980, it's going to kill you. I think you'd better be concerned about those two problems and the proper time to be concerned about them is in November of 1976." I said that very specifically to him and I said it also to Hamilton, and I think Hamilton will recall that I said it to him. I believe I was right about that advice. I think that if he'd done that you would have seen a different presidency .

If I had stayed, I think I could have helped overcome some of those problems just by sheer proximity, of being able to see him on a regular basis and say, "Look, we need to think these things through a little bit." Not that I was right, but just simply that some consideration would be given to it. None of that happened. And despite all the problems that he had, he still got 42% of the vote, so it wasn't all that bad from the standpoint of total rejection. But if the hostage situation had turned out differently then I think he

would have been reelected even despite those problems. It was the problem of perception. These other problems exacerbated the whole set of circumstances.

So when you say, Jim, that there are two Jimmy Carters, there may well be three Jimmy Carters. There's the Carter who runs for office. There's the Carter who governs, and then there's a combination of those fellows who makes up the third Jimmy Carter. But the qualities and attributes that he has were never properly perceived. They were totally lost in the process and I'm sure that will came back in a different way simply through the passage of time. He didn't know how to act when it got down to having to act politically because it was foreign to his nature.

HAIDER: I'd like to take up that third last point you made about the economy and try to exaggerate it a little in order to get it out on the table and probe you a little about Carter's decision making style. Many people felt that the election really turned on the economy, much more than specific individual issues, Iran or anything else. Ultimately, the perception of the economy came down to the point that his opponent might be able to do a better job than he did. He had an awful lot of bad luck. The stimulus may have been ill timed, ill fated, ill advised and everything else, the second year he's proposing tax increase and everybody's going to tax cut, and the third year runaway inflation and they have to jack up the discount rate, interest rates, and the fourth year he induces a recession and the deficit bottom falls out. Everything seems to go the wrong way.

So here's my question to answer in your own way. Was there a deficiency here, either setting goals or understanding economics, or is this the kind of case where you defer to the experts if you want to do the right things, and the experts and the consensus want you to do this? He might have been better off just not doing anything with respect to the economy. I mean just letting it follow its own course during this period. But it seemed that he was oblivious to the economic consequences of the series of political actions in the long run, plus a lot of bad luck that hurt him in the long run.

LANCE: It was the timing of things that were totally outside anybody's control. The external forces that were at work, the elements of oil shortages and increasing prices. But those are realities that a President has to deal with. He can't just wish them away, so he has to deal with them. Obviously you can tell from my feeling about him that I don't think he has many deficiencies as a human being. I'm a Jimmy Carter supporter, I believe in him, I love him and I have a blind spot about the kind of man that he is. I feel that way and I have to say that and I'm sure that's always been obvious although I joke about some of the things that I would do differently simply because we're different individuals.

He doesn't really know anything about economics. He doesn't understand markets at all in my opinion and I've told him this, so I'm not saying something that I wouldn't again say to him. He doesn't like me to say that simply because he's confident enough in his own ability to understand everything. And he does have that capacity, but he really hadn't been out in the marketplace where those forces are at work. And we did not have a cohesive economic policy group, as you know. It was beset with the internal fights that

were going on about who was going to prevail and who in the eyes of the *Washington Post* was going to be the winner. That's really what they were trying to do rather than trying to do what was right and proper economically. So I don't think he was well served by the structure. We had the economic policy groups which were sort of ineffective, and that's being kind, I guess, in talking about us. We didn't give him good advice about it.

Dr. [Arthur] Burns as chairman of the Federal Reserve Board never had a close relationship with Carter. I had had a relationship with Dr. Burns previously, as you know, and I at least got them to meet. I met with Dr. Burns once a week and talked to him and tried to make sure that there was communication. That was not a good relationship. The lack of positive feeling by the President about the business community was a major problem, Don, in being able to really get their guidance and their input about what was important to us. I could do that simply because I knew most of that group and had some relationship with a lot of them.

We made a lot of mistakes in the economic area and I think they continued to make mistakes. As you know interest rates went down the first year of the Carter administration and we repaid some debt—the only debt that's been repaid in the last 20 or 30 years we repaid in that second quarter of 1977, 9 billion dollars when we didn't need that tax rebate. And we had things moving in the right direction.

Because of the fact that he's not enchanted by economic thought and process, that was just an area that didn't get his direct attention. He listened to some advice that may have been coming from some specific direction that wasn't necessarily good advice. I wouldn't give us good marks about the structure or the organization. We talked about it, we changed it around a lot of times, but nothing ever worked because we had a situation where this just wasn't his thing. He didn't respond to that.

YOUNG: He was not trying to do any of this himself?

LANCE: No it's one of the few things that I've really ever seen about him that I just don't think he had a lot of interest in. Now his son, Jack Carter, has as good an idea about markets and everything as anybody I've ever talked to. He understands them. Yet Jimmy portrayed himself as a businessman who had a payroll, dealt with the problems of running a business, which he had, which he understood. But when it came to the macro side, either way he just wasn't very much interested. And as a result I think that that was a part of the problem.

Then obviously the structure is just not good for that and that's not a Jimmy Carter problem. Bill Simon has said the same thing to me, during the [Gerald] Ford administration, same way during the Nixon administration and obviously this bunch that's there now they've got no other better organization than we had. They sure aren't doing any better than we did. Again, outside forces are dictating that, so I guess that's sort of a mealy mouth answer to you. But if I had to be very succinct about it I'd say because he really doesn't show a great deal of interest in specific economic elements and doesn't

have a total grasp of all the forces that are at work in the marketplace, that he doesn't engage in it. Somebody said I once said that his eyes sort of glazed over every time I tried to talk economics with him. Well, I don't remember saying that, but it wouldn't be a misquote if I got challenged, because he just really wasn't interested in that area. He didn't understand it and didn't want to get involved in it. And of course as you know and as you rightly said, it was the major issue in the '80 campaign.

I tried to say to him in 1976 that I didn't know much but I learned back as a young bank teller that there were three things that folks were peculiar about: they're peculiar about their family, they're peculiar about their religion, and they're peculiar about their money. But they're most peculiar about their money. And if you're going to get along with them and you're going to deal with them you better understand that they're peculiar about their money. I think we got the highest and best evidence in 1980 that they're most peculiar about their money because that probably was the overriding issue.

HAIDER: I guess I'm just trying to get at, did it interest him at all, did he apply the same non-political tendency?

LANCE: No, in my opinion.

MCCLESKEY: I'd like to get clarification on this question of the anti-political orientation. When you were talking about that originally I thought I understood the sense in which you were using the term political, that is that you were talking about a style of going about building influence, stroking egos and building personal friendships, and that sort of thing. Then you said something about Jordan being very political and Rosalynn being very political and it struck me that you were using it in a somewhat different sense of the word. As someone who calculates consequences and expects that this will be popular or that will be unpopular, I'm wondering which of those or do both of those really apply to Carter when you say he's sort of anti-political?

LANCE: I'm not sure that both of them apply to him. When I was saying what I did about Hamilton and Rosalynn, that's a comparative statement, that compared to him they become the political people who measured that sort of action and response, and cause and effect. I don't think he ever made a decision where he sat down and if you were listing things and call them reform, where he would go down and list all the political disadvantages or advantages of making a decision. I think he'd list all the reasons why it ought to be made and all the reasons why it shouldn't be made and there wouldn't be any political judgments involved in that.

MCCLESKEY: So he would be apolitical.

LANCE: He would be apolitical in that and if you brought him to a basic issue as President I think that's the way he would formulate his judgment. Now if I were doing it, if I were making that decision, I'd factor in the political as I understood it. What I was saying about Hamilton and Rosalynn, I think they'd factor in the political pluses or

minuses in that decision. So they become political in that sense. I do not think he ever made any basic decisions where he factored in the political.

MCCLESKEY: So in that sense of the word he would be apolitical. In the sense of being unwilling to engage in the support building processes you could say he would be anti-political.

LANCE: That's right. I think that's the best way of saying it. Now I think that when he listened to Rosalynn that he's no dummy by any means. He knows full well that Rosalynn has factored in the political aspects of it or Hamilton has factored in the political pluses and minuses. And frankly that's an awfully good position for somebody to be in. Because then he's true to his own being but he knows full well that that's not being overlooked in the process. The basic decision that he ultimately made I do not think would ever be just strictly apolitical in the fact that here are all the pluses and here are all the minuses and you add them up and it comes out that this is the way you ought to do it politically. He would not do that. Hamilton might arrive at his conclusions based on pluses and minuses and I would think ordinarily did. He's a political thinker.

I would not be as political as I probably sound like in the decision-making process. I think you need to do what's right and then deal with the other parts later on. But I would certainly I'd be out at the forefront of trying to make sure that my relationship with the speaker and the majority leader and the committee chairman and those obscure members of both houses were such that I would know their name and know something about their families and make sure that they were over at the White House and ask to play tennis or whatever the case may be from time to time. That's the way I'd do it. Instead of the other way. I'm just not secure in my political judgment about certain issues as to what are pluses and minuses, but I am secure in the fact that the personal relationship is all important, and I don't think he ever had any interest in that at all. I don't think he does that today.

TRUMAN: Given that non-political stance that he took, are those people correct who as outsiders particularly criticize the administration for not having brought some Washington professional insiders in the Washington community into the White House? Would that advice not have made any difference?

LANCE: I think that's right. He tried several times to include that crowd of insiders. Mr. Clifford and Tommy Corcoran and Harry McPherson and all that bunch of folks, fine great folks. They had been there a long time and they know what's going on. But when they convene and they tell him what they did 20 years ago or 10 years ago or 5 years ago, he doesn't have any interest in them. So why subject himself to going through that process? I think you put your finger right on the criticism. He wasn't paying any attention to them, so there wasn't any sense to have them.

I think that's wrong. I think they have a role to play and maybe in retrospect he might be different about that. I mentioned the name Lloyd Cutler to you a minute ago. I just happen

to think that if he'd brought somebody like Lloyd Cutler into the White House that has a fine relationship with the Congress and knows them all and knows how to get along with them, then he could be of great value to a President in the White House. Obviously Jim Baker is doing that sort of job with regard to being chief of staff in this administration. He understands the process and as far as I know does extremely well. I'm very much impressed with him.

But Carter would not have paid any attention to that. He's unique in the fact that he is very confident about his ability to arrive at a decision. He thinks Bert Lance ought to support him, that you ought to support him because he does what's right, not what's political. Well, that's not the reality of that place where the White House is. Now that may play well in Plains, it may go over big down there, but in Washington that just won't fly. That's not that real world up there because you have to have these other relationships that relate to just proximity to power. You have some magic element about you because you know the President and because you've seen him or you can call him or whatever the case may be.

Again, this is something that he knows, he knows that very well. It's not that he doesn't know it. He just doesn't want to do it. And that's not his nature. As I say, he and I would be a study in contrast about our interests and so on. I like people. I like to be around them. I try to be cordial to them. Not that he doesn't, but he'd just rather be by himself. He'd rather do what he wants to do, whether it's doing this, that, or the other. But he knows the value in it. He'd been making furniture. He tells me this furniture is going to be worth a lot of money because it's made by a former President.

YOUNG: His woodworking shop.

LANCE: His woodworking shop.

YOUNG: He has a hobby like Churchill's paintings.

LANCE: He at least is knowledgeable about the fact but he never was willing to let that translate into going out to really have a relationship with the people that made a difference. Somebody like Russell Long in the Senate, who obviously is a man of great power and knowledge about what's taking place. I expect that he came to the White House one time just to have dinner with the President, just the four of them. He could have done that with more people. I think he would have been better off. He would not agree with that at all. He'd say well, Lance tried that in Georgia and didn't work there, so. He told me how I ought to love people and all that sort of stuff and that I was chairman of the "Love Committee" in Georgia government. But at least we got reorganization through.

Nobody's ever going to change him and I think that my summation about it is that if he went back to Washington tomorrow as President he'd do things just the same way. That's his style, that's the way he wants to do things. He thinks he's doing what's right, what his

instincts, his intellect, and his heart tell him he ought to do and that's the way he's going to do it.

A lot of folks used to call me and say, "Look, he's not doing this right or not doing that right," and I'd say, "There's no sense you being concerned about that. He's going to do it his way. That's the way he's going to do it." You don't start changing a person when he's become the President. You can mold him or work on all his character elements all you want to while you're going through the process, but once he gets sworn in he puts on that old personality like all of them have and you're not going to change him then.

I don't think that's bad. I think that's what leadership is all about. In my opinion, he did a lot of things right, he tried as hard as anybody could try to be the kind of President that he thought he had an obligation to be. And so I can say well, he should have done this with the speaker, or he shouldn't have done that, or it would have been better if we'd left that undone, but those same things that we take away and have him do differently probably are the qualities that got him elected. The American people perceived him in that particular light at that particular time.

You have a man who has those attributes and I'm sorry he wasn't re-elected because I think he would have been a much better second-term President than he was a first-term President. Because I think he would have made all the hard decisions that were necessary to straighten us out and do the things that we need to have medicine given to us that we need.

JONES: He would have been more himself, as you put it, in a second term.

LANCE: I think totally, completely, in the second term. It would have happened if one or two things happened. If he'd made a conscious decision that he wouldn't run for a second term while he was President and simply have said, "Look, I'm not going to seek reelection, I'm going to do what needs to be done and take my chances on that." I think that would have reelected him in the process.

JONES: Good politics.

.**LANCE:** I think it would have been good politics.

JONES: It would have permitted him to be himself.

LANCE: He would have never hesitated to have been himself. And I think that when you all help write the record about Jimmy Carter that those instances where he was something other than himself will stand out just like a negative stands out. To me it's just as obvious as an image in a negative. It startled ordinary folks like me sitting there who happened to know him, but I was no different than anybody else. People that I talked to after the convention agreed. I thought I was right about what I saw and that was after I was through with my ordeal and I was doing a good bit of traveling around the country. I

just asked people and without exception, he came off in a bad light. A very bad light because people saw supposedly the most powerful man on the face of the earth cooling his heels up there waiting for a fellow he's just whipped. And it was out of character.

JONES: Can I follow up, and this is interesting. You've mentioned a couple of cases where he "wasn't Jimmy Carter"—the convention and the Camp David, the firings and that sort of thing. Are there other cases that stand out in your mind of outstanding cases where you say that's just not Jimmy Carter?

LANCE: Well the ones that stand out in my mind obviously are the months of June and July '79 when things were really in tough shape. When I talked to—and I don't want this to—I know when you write something down it sometimes takes on a different view. So I don't want this to sound like it will sound when it's written, if that makes any sense. If you all figure that out, you deserve A for effort.

But in my opinion, in June and July of 1979 Jimmy Carter was running from things. He was trying to escape some very severe problems that we had in this country and around the world. The gas lines here, the gas lines around the world, the economic circumstances that we were facing, the general feeling of things not being right and things making progress. A President's no different than anybody else who tries to escape or run from problems, in the hopes that when you get back they'll be gone or something else will take their place. I kept suggesting to Andy Young during my problems that he go over and accost some female in Lafayette Park so that the press would get on that instead of staying on my case all the time. I was not successful in that but at least I tried. I knew what the solution was but I just couldn't get anybody to implement it. We'll all do that, and Jimmy Carter was no different than us in that instance. And I think he reverted to just a sense of things caving in around him. And he was running. Running from these problems.

And when I called him that morning he said, to quote him fairly specifically, "When I came back from Tokyo and I saw what was tasking place I felt like the walls of the White House were crumbling in around me." Well, that ain't Jimmy Carter. That just pure and simple is the only way I can tell you. That's not the Jimmy Carter that I always knew. And so when I say he was running I mean that in the sense that he wasn't able to really come to grips with the problems that he had to come with. It wasn't because he wasn't going to be reelected. That wasn't the problem, that wasn't his concern.

As we all get, somewhere along the way we say, "We're trying to do our best and what do we get for it?" We get one more fellow beating us on the head with a hammer and somebody else saying that I'm incompetent and inept and a chorus of voices saying this guy doesn't know what he's doing, and they may be right. I have to confess that my faith in my own situation was probably as strong as anything could be. The Lord came through, not of my own doing, but for a couple of times there my problem was so strong and so tough that I began to doubt myself a little bit. Maybe I had done all those bad things that I was accused of.

All I'm saying is that perhaps for a period of time that Jimmy Carter believed the popular opinion that was being put forward about him. He didn't know how to cope with that, because when you go back and look at him from 1966 on, everything had been on an upward trend. He had been elected Governor of Georgia, he had done what he said he had done, told them in 1974, "I'm going to run for President, I don't intend to lose," and he did that and he was elected, the political miracle certainly of this century. He did that great symbolic walk where everybody applauds this fellow. The truly all-American family from a small town accomplished a lot on their own, and all of the things that we read about and dream about as still being able to take place in this country of ours.

Then there is a series of events where I'm attacked. I resign, the person ostensibly the closest to him in Washington. The criticism doesn't let up when I leave. The attacks about the Panama Canal, the great rift in the country between the conservatives and others, the attacks on Hamilton, the attacks on Tim Kraft, accusing them of being drug users, that the White House is nothing but an opium den and worse, which they'd have you believe. I never saw any evidence of that while I was there. Some of the decisions may have seemed to have come out of that sort of atmosphere but we weren't making those, somebody else was making them.

That, Bob, is the cumulative effect that I was talking about earlier. I think these things just accumulated on Jimmy Carter, and there was no escape. There was no way to turn it around. He went to the summit in June, in Vienna, and the press reported on how the other world leaders view Carter as being incompetent. He comes back, doesn't have a chance to get any rest and goes to another time zone in a different direction and they again say well, this fellow is still incompetent and he's as incompetent in Tokyo as he was in Vienna and Washington. I really think that finally the cumulative effect caught up with him. That happens to a President just like it happens to an individual. We say the President ought not to have that happen to him. Well, he's human. I think this is what really happened to Jimmy Carter.

Then it was again the time for campaigns to start and planning starts for another campaign, and he had the Iranian situation, which was a major drain on him. It was just that cumulative effect. Then he had Kennedy taking him on, his own party supposedly was not for him, and all of these things just caused all these difficulties. He overcame them. I really think that. I think that he was able to screw his head back on right during that time in '79 and overcame it. But I think it was a test for him individually to overcome it. And I think he truly had to do that. And then in '80 he had the economy still with him and they made a basic political judgment. They being some of the folks around him in the perception that they were hoping and wishing that Ronald Reagan would be the Republican nominee.

Again I don't know much about politics, but I tried to tell them, you all are just crazy if you think that's going to be the easiest fellow to beat because he's awfully good at what he does. And if you think that you're going to whip him in an appearance on television,

you're just not going to do it. You don't read good off a teleprompter. You don't read those 3 x 5 cards very good either. And Reagan does it perfectly.

But one reason again going back, and I hate to keep harping on this, but I simply want to try to impress you that I think a lot of what Jimmy Carter is about stems from his basic past experience. He's an engineer by background and that's the way engineers relate to things, and that's the way that he did. He had beaten a fellow in 1970 who was perfect on television, who never flubbed a line, who was handsome and articulate, been a good Governor of Georgia, and so a fellow like Reagan elicits no fear in Jimmy Carter in that sense. He viewed him like he did Carl Sanders. Called Carl "Cufflinks Carl," that was the campaign issue in Georgia during that race, but he couldn't do that with Reagan. He couldn't do it effectively at all. But I think that all of them felt like that they could beat Reagan easier than they could somebody else. I felt like that was a mistake. I don't know whether he'll ever say that or not, that that was the situation in 1979. I doubt that he will. But this fellow believes it anyway.

TRUMAN: Was the Rose Garden strategy another case where it wasn't the real Jimmy Carter?

LANCE: I think so. I think he's at his best when he's campaigning, when he's out talking to people. You said earlier that people have commented to you about how good he is in small groups. He's the best campaigner that I've ever seen. In a campaign when he has a chance to shake hands with people, he gets 60% of that vote that he touches because of his sincerity and because of the way that he does things.

I think the Rose Garden strategy was a mistake. He didn't know how to play defense. He's always been on the offensive side. Again you put him in a position where he's had no experience and no background for it. He's always been the fellow on the attack. He's been the fellow who's been saying, "Look, the insiders have done you bad. That elite establishment up there in Washington are crazy. They don't know what they're doing, they've ruined the country." Then he gets to be the establishment and they make it be unnatural in his campaign situation by saying, "It's really better that you stay in the Rose Garden," the very thing that he criticized Ford about. You know how he talked about Ford staying in the sanctity of the Rose Garden. It's a great place to be. They've got plenty of help up there to mow the grass and all that sort of stuff. It's a nice place at night since we turned the lights back on too.

JONES: Safe at least.

LANCE: Safe at least. But he didn't know how to do that. That's not his nature, so you put him out on the campaign and he gets buoyed up and he starts doing things instinctively and naturally. In the Rose Garden, they appeared to be contrived. I remember the picture of the contrivance and I think it was that, coming back to the hostage situation, on the Friday or Saturday before the election with Mondale and Brzezinski rushing out there to meet him and the three of them walking to the Oval Office to get ready to

announce the eminent freeing of the hostages. That ain't his style. They never had met him before and he never had sought them out to rush out there and greet him. All I'm saying is that it was unnatural.

He and the country would have been better off if he'd been out campaigning. Because he would have had a sense about what the real issues were and what the real concerns of the people are. I tell you what, he can come and sit down in a room with a group like this or anybody else and in five minutes he'll know very well what the major concerns are on the minds of the people in the room. He didn't do that during the campaign. And I think it was a bad strategy. It may have been his own desire, but I think it was a bad strategy. It was not what he's best at. He's an offensive player.

THOMPSON: In the morning and through a good deal of discussion, you've given us the best portrait that at least I've had of Carter and part of it's very simple, it seems to me. This predictability, the determination, the offensive rather than defense, all of these things seem to fit a pattern. If somebody asks what kind of a profile did this President have, well, it was in this direction. But then there are a whole series of images that are opposites. Opposites in his choice of you for instance, who had, as you pointed out, contrasting strengths. Opposites with Jordan, opposites with some of the young people, opposites with Caddell in a sense as we listen to him. There are opposites about this position that on the one hand he seemed to take a much more conservative view in many ways than the orthodox liberal view, but yet did not have a full grip on that.

Overstating it, one almost gets the feeling that here is an incomplete President, somehow having many of the attributes but not quite all needed to be a great President. At the end of most of these meetings we ask for an evaluation of how people think the future will judge him and that's kept going through my mind. Better in campaigning sometimes than in governing. Better in understanding issues than drawing up a hierarchy of priorities. I don't know whether that's unfair or not. We keep going back to [Abraham] Lincoln and a handful of other Presidents as being almost complete Presidents, but I don't know what you think history will say of Carter in this regard.

LANCE: I guess we have to see what we compare him to as we go through that process. That has some impact and will in his case. I don't think what you say is incorrect at all or that it's unfair. I'm not sure that your ultimate conclusion about whether he's a complete President is the way that it is. I probably would say to you that I felt, and that ultimately history in the light of viewing him dispassionately and without prejudice will probably say, that when you measure the attributes that he had, he had the attributes to be a great President. Events or other things may have caused some problem in that occurring.

But I think what you have said is Jimmy Carter. I happen to think that that's made him the man that he really is. He has that sort of disparity of qualities, not in having less qualities but in being able to realize that other people did have strengths that he might not have had. Other people had weaknesses that he didn't have. You combine those as best you could. He understood that it was very important to him and to the office of the

presidency to have somebody around him that he had confidence in and that he could trust to at least try to make sure that all the things that were necessary to consider were present. I think I did that while I was there. That was really the only purpose that I served, if I served any purpose. He likes me personally and he can laugh and joke with me and I can kid him and I'm a good target for folks to kid. So I gave him an outlet that other people may not have given.

But we haven't touched on his sense of humor because most folks think he was totally devoid of a sense of humor, but he probably has as good a sense of humor as anybody I've ever known. He uses it in the right way—I'll tell you a quick story in a minute just to illustrate how he brings that into play. I don't disagree with you though. I think he was all of those things. It goes back to what I said to you earlier. He strikes me—you remember what [Mahatma] Gandhi said, in talking about his religion, "I'm neither a Christian or Moslem or a Jew, I'm Hindu: I'm all of these things and none of them." Jimmy Carter is all of those things and yet none of them because he's that rare individual.

See, I'm terribly limited. I have to be what I am, and I can't be a conservative in this sense and a moderate in this sense or a liberal in this sense. I may be, but I'm not that just in a broad spectrum like he is. And I really think that's what he is. He was all of those things yet he was really none of them when it came time to perform, because that was a perception. So the things that you say about attracting opposites, yes. The things about being in a position of making decisions himself, of not wanting any outside help, or paying the price to have a personal relationship that might be of some importance: no, he's not interested in that. That's not what he's about.

He still doesn't have it today. He and Kirbo have a personal relationship, but outside of that I probably still today have the closest personal relationship with him just in the ability to joke with him and say that's crazy or you did this well or you didn't do that so well. I never hesitated to call him after he made a speech at the White House even while I was under indictment, just simply to tell him that I thought that he did a good job and that he covered what he should have covered. I did so simply because he expected me to do that because I'd done that for the last ten years. I simply tried to say to him, "Look, you're doing a good job and I for one want you to keep on doing a good job." I have never hesitated to do that. I never have criticized him publicly and I hope that what I have said today is not viewed as criticism. We're talking about an analysis of how I perceive him as a human being.

I told him, I wrote him a note a long time ago and we use a lot of expressions in Georgia that keep us in trouble and that the press never did understand, but the nicest thing that you can ever say to somebody about the kind of friend that you are is to say, "I'd be willing to chase hogs for you in the middle of the night." And I'd chase hogs in the middle of the night for Jimmy Carter. I happen to believe that he'd chase hogs for me in the middle of the night if I asked him to. But that's the way I feel about him, so while I say that if it had been me doing it I might have done it different, that's just the way that we all are.

I can't be critical of him because I really feel that he was somebody who had an opportunity to be elected President. I told Jim the story about when I first said that to him, it was in early 1971 and I bought him the book, the David Barber book on the characteristics of the presidency, and gave it to him and told him to turn to the final paragraph in that book where Barber says that somebody will come along who smiles and removes the cynicism in the American people. I just told Jimmy Carter that I thought he was the person that Barber was really writing about. That was a long time before, he'd just been elected Governor, we weren't thinking about other things. So I have some strong feelings about him having been elected President and those are personal feelings. They don't cloud my ability to say I think he made a mistake or anything of that type. But he knows where I'm coming from and you won't ever read a book written by Bert Lance that says Carter was wrong in this or didn't know what he was doing or anything of that type. I may be critical but it will not be any sort of personal criticisms.

I was going to tell you about his sense of humor. You'll find it interesting because I don't know what the other people have said.

YOUNG: Everybody that's in a position to say so has said he's greatly misunderstood. He has this keen sense of humor.

LANCE: Sometimes he tried to say something that's funny and it doesn't come across as funny because it's sort of out of character. So he's not a good joke teller. He's a terrible joke teller in making a speech or anything and it just gets to where you hate to hear him try. Just in a conversation his humor is really just great because he uses it to such great advantage. I had everything happen to me as Director of the Highway Department, but we had a bid hijacked. I was coming back from a meeting with Carter and getting ready to go on the elevator up to the bid room and when the elevator door opened this guy ran out of the elevator and nearly knocked me down. I yelled at him and I knew something was wrong when I got in the elevator and one of the highway contractors was backed up against the back of the elevator trying to appear invisible. I walked into something where a fellow is just trying to make sure I don't see him.

Well there weren't but two other folks in the elevator so I couldn't help but see him and he was white as a sheet. I was getting ready to say something to him and before I did the highway employee said, "Mr. Lance, you won't believe this but I've just been hijacked." And so anyway to make a long story short, during the letting the two contractors were talking about their bids and it happened that this was the highest, biggest project that we'd ever let to Georgia. An 18 million dollar job and we'd never let a project that big before, so it was a great deal of anticipation and interest in the thing.

And the two highway contractors were sitting there and they were getting ready to open the bids and one says to the other, "What was your bid? Mine was eighteen million seven hundred thousand." The contractor sitting next to him says, "My God, I left out the clearing and grubbing which was three and a half million dollars." And he said, "I bid

fifteen three" or whatever it is. He left three and a half million dollars security bond coverage and all this on the table and it was going to bankrupt his company. They hadn't gotten there with the bid so he runs down the hall and sees the guy carrying the bids in his hands and he grabs his bid out of the fellow's hands and they get on the elevator together. It was a real comment because the company was going to go bankrupt. So we had a big investigation and I got the Attorney General involved as to when the bid became the property of the state and all this sort of stuff that we had to go through.

Well, I went over to talk to the Governor about it and tell him what had happened and he was going to accuse the highway contractors of all being crooks, which subsequently came out in the bid rigging investigation. But anyway I talked him out of that and I said, "Just let me deal with it and I'll handle it and we'll let the Attorney General tell us what to do." So we got the thing settled, having got a legal opinion that the bid didn't become the property of the state until it was actually opened. We renegotiated our entire bidding process and had to have them sign in and all that sort of stuff. You make an improvement when you find out something can happen.

Anyway, year and a half or two years later this highway contractor called the Governor and wanted to go by the Governor's mansion to talk to him. He wanted to complain about me and what I was doing as Highway Director, that the highway contractors had a big problem with me. I was turning down too many bids and not being responsive to all of them and he just really worked on my case for about ten minutes with Carter out at the Governor's mansion. Carter listened to him very patiently and finally he said to him, "Well Bob, I want to tell you I'm a little bit surprised that you're out here talking to me about Lance. You know you're the only highway contractor that's ever come to me to make any criticism about him. I really have never had any element of criticism whatsoever except for one time when there was a situation where some damn fool hijacked a bid."

Well, it so happened that the fellow who hijacked the bid was the fellow doing the complaining. And he said, "Governor, thank you a lot. I appreciate your time. Just forget everything I've said to you." He left and that was the end of that story. But he has that sort of sense about him and remembers, and in the process is able to use humor. He does have a delightful sense of humor, although most folks don't really think so.

THOMPSON: Somebody told us that he told somebody, "If the papers report that I've been walking on the waters, why they'll say I can't swim."

LANCE: You heard what Johnny Carson says about him. He's building a log cabin not far from Calhoun on Town Creek, which is almost in the foothills of the Smokies. We don't have many mountains in Georgia but we're proud of the few that we have. Carson said that the reason that he was building a log cabin was when he was reborn a third time he wanted it to be under the right conditions. I do care about him and I hope that's obvious.

JONES: One thing we've not heard much about is the President's view toward the bureaucracy. Of course there are the campaign speeches and so forth that all Presidents make, but can you say something about either how he viewed the agencies or how you viewed the agencies in coming to Washington. Were they viewed as a help to do the job that he wanted to have done, or as a hindrance, or as neutral?

LANCE: He saw them as a hindrance totally, completely. The majority of that group doesn't want to be changed. They like things as they are. They have the mentality, rightfully or wrongfully and in my opinion, that Presidents come and go. The longest period of time one of them is going to be there will be eight years. That hasn't happened in a long time. So that most of the time they don't have to fool with somebody but four years and they will continue and they don't have to change.

There's a real risk in people such as me coming into government. I told the folks in the Highway Department at that time, a lot of people come in and they stay long enough to get satisfied with being part of the bureaucracy and, in effect, themselves become a part of it, and that I wasn't going to do that. I was going to try to bring whatever changes that I could. And we did in Georgia. The Highway Department was the biggest agency in state government when I went there and we had an annual highway budget that ran into a hundred million dollars. We had 9,095 employees when I left. We were doing four hundred million dollars in contract letting and only had 6,500 employees, so we reduced it by a third and increased the output by a fourth. So I knew that there could be some changes made. I think the bureaucracy doesn't want to see any change.

I'm not maligning the bureaucracy as such. I think there are good bureaucrats in government obviously. I think he had the same attitude. I said this morning that we had a terribly difficult time in Georgia, especially with the Department of Transportation while he was Governor and I was Director of the Highway Department, Bo being his whole staff. They were extremely nonresponsive to our needs. We were just caught up in the bureaucracy. I don't think the President ever changed his ideas about the bureaucracy.

Finally I told him one day—after having been through the process of always getting involved and folks making changes and things not happening and having to go through somebody else in a highly structured sense and all this—that the President of the United States only has one unilateral power that he can exercise without getting caught up in the bureaucracy, and that is that he can blow up the world by just starting that process into motion. He can do that and I don't think that's a very effective tool toward helping us out any. But that's the only power that I know of that he can exercise unilaterally. I don't think Carter ever felt any different about that. It's unwieldy.

We tried to change it around, we tried to make improvement in the civil service area, which I think we did. I think the civil service reforms that we made were first of all in areas that we needed to work in quickly. We didn't make all the reforms that I thought were necessary. We did start to switch people around and have an executive area where you can utilize folks' talent. They don't get to build empires when you move them

around. But when you can't fire anybody for being incompetent, you've got a real problem. That's a problem that we have in government.

The bureaucracy did not improve during the time that he was President. I don't know that it's improved any during this presidency. I guess one of the reasons that I have said in speaking that I thought that the President was ultimately defeated in his reelection bid is that he ran on a platform of less government and we ended up with more government. Again that was perception. We froze the employee levels as our first act and we actually cut down on the number of employees, but that really didn't change the basic perception of the public towards the bureaucracy. There was more government in 1980 than there was in 1976, even despite Peter's efforts and other efforts at regulatory reform and making changes. That is the reality of the structure.

I think if he had had another term we would have seen some progress in that regard. But we made a basic mistake in my opinion in not taking our own people and putting them in the working elements of the different agencies and departments. I think that that's important for a President to do. Most of the folks that we had we kept in the White House area and they were in touch with folks in Commerce, for example, that didn't have any interest in us or our well being or anything else other than the secretaries, the deputy secretary and maybe one or two positions.

YOUNG: That's because the choice was really left up to the secretary, wasn't it?

LANCE: The choice was up to the secretary. Yes, that was part of the employment contract. You hire whoever you want to and you do this job. That was a mistake. That's not the way I think it ought to be done. That's just my opinion. But they were told that they could do what they wanted to. That's the reason I said earlier this morning that I thought one of the basic mistakes we made was cutting the White House staff, because we had sixteen hundred folks fighting two million.

HAIDER: Now, was that done in Georgia? You didn't follow that pattern in Georgia, did you? Did you let your department heads hire?

LANCE: You've got a different situation in Georgia. Yes, I'll have to say that it was done because you've got constitutional officers in Georgia. The Commissioner of Agriculture and the Labor Commissioner and the Comptroller General all are elected. So the Governor doesn't have any control over them. Then in other areas you have constitutional boards. The Highway Department, the Department of Human Resources, the Department of Natural Resources, the Board of Regents and so on. So again it's basically the same sort of revisiting one more time that you don't change those things. I didn't have but seven or eight slots outside of the provost associate directors that we had in OMB that I could even choose. But there were numerous slots in the schedule C appointments in other aspects of government that we never had anything to do with and we just let them appoint whoever they wanted to. Califano hired his own chef. He didn't ask us about whether he was a good cook or not.

JONES: He could have been a Republican in fact.

LANCE: Probably was. There were a lot of them. But the bureaucracy in my opinion was not noticeably changed during the Carter administration.

JONES: When doing the right thing and comparing policy options, it was never thought that well, gee, maybe we can use the apparatus to help us prepare policy options for doing the right thing. You really had to develop your own independent source of information for doing that. It wasn't thought that you could really use the bureaucracy to do that.

LANCE: I don't think there was any way to use them. I told them this morning, we had an unfortunate experiment in the GSA [General Services Administration] when we tried to make changes that we didn't think through carefully enough, and that may have sort of gone back and further emphasized the need for those folks to do their own choosing. This is where a chief of staff operation in a White House becomes important, because I think if you've got a chief of staff, he'd say to the President in no uncertain terms, "Instead of pushing the folks who got out and campaigned for you and worked their hands to the bones, bring them into the White House, let's put them out into these various agencies and departments." Kennedy's done that extremely well, as I understand from talking to people. They knew how to do that and then when they had something that had to be dealt with, wherever it was, they had somebody that was loyal to them instead of loyal to the constituency in the department. I think that's a very significant difference in the process.

JONES: Nixon people tried to but then Ehrlichman claimed that you lost them anyway. They got captured by the department.

LANCE: Sooner or later that happens. I don't believe you can keep that from happening. As all of you well know, OMB's a small department. I had run a large state department so I wasn't naive about the circumstance. But what happens in a really big department is that you totally become captive to your staff. You decide on things that they put before you. When I was running the Highway Department I was ignorant enough of the whole process to ask the right questions for the wrong reasons. They never knew where I was coming from and I got the kind of answers that I wanted and I set my own agenda. I did the same thing at OMB as it related to policy matters, but it was a different situation. I didn't have any difficulty about being able to deal with the higher echelon of OMB because there just weren't that many of them to deal with. We had a weekly staff meeting with the folks. We stuck to that timing, and they were always there and we communicated. I didn't know what they were doing but they didn't know what I was doing either.

STRONG: Lots of people come here and tell us stories similar to what you've told us. Jimmy Carter, in almost all the decisions made, tried to do what was right, didn't think about political consequences. And then they go on to say that that's what was wrong. Jimmy Carter was not political and that was the mistake. I wonder, does it say anything about the presidency or about American political institutions that there isn't some reward

either in reputation or reelection for someone who does try and do what is right on every occasion?

LANCE: I guess, Bob, that that will go back to the same sort of analogy as saying what constitutes fairness in the media. Fairness is in the eyes of the beholder always. So if it's you they're dumping on, it's unfair, but to the eyes of somebody else it might be fair play. Kirbo used to jump on me about my situation, and I said, "Charlie, I want to tell you one thing, you can talk about it all you want to, but these guys are going to learn how to spell Kirbo one of these days. Lance is a little bit easier to spell but Kirbo is more sinister sounding." And I said, "As soon as they learn how to spell it you're going to find out it isn't nearly as funny as you think it is right now." Then they got him in the [Robert] Vesco thing, and Jack Anderson learned how to spell it pretty good. All of a sudden he decided it wasn't too funny. That wasn't near the funny thing it was when they were writing about Lance all the time. If that says something about our system, yeah I guess it does. But does it say whether we're going to change it or not? No, I don't think we're going to change it.

Obviously you can't take politics out of politics. And the consummate fellow who comes along and is able to do all of those things and still make basically the right decisions and so forth and so on, ultimately he's going to be rewarded probably by people saying he was a good President or he was a great President or he understood the issues or he had a grasp of all the policy directions. A President who will not play the political game in my opinion will not come off well in the press. I think ultimately, as Mr. Truman said at lunch, he will come off in the eye of history, which I guess is the important part anyway. For people to dispassionately look at a man's record and say, "Look, he was a man who did what he believed in, he was right in taking this approach. That requires courage."

As Andrew Jackson used to say, when you find a man with courage, you find a majority of one. There are not a lot of courageous people in our country when it comes to standing up and saying, "I'm going to do what's right and I'm going to stand for it." We don't put any premium in the media on that at the present time. I hope that will change but I don't think it will change. I don't think it's any great deficiency in the presidency for a fellow to say, "I've done what I think is right, and I put politics behind me," and then everybody says, "That wasn't what he should have done, he should have been more political." Nobody ever knows.

If Jimmy Carter had been reelected, we'd be having an entirely different discussion because we tend once again to view success or failure on the basis of electability and I don't think that's the way we ought to view it. That's not the way the presidency ought to be viewed because there are circumstances that are beyond the control of the President, that he can't deal with, and his record ought to be viewed on the basis of what kind of man was he, how did he make decisions, did he do what he thought was right, did he do what was courageous. Those things matter, rather than was he reelectable or did he get reelected? As I say, if he'd been reelected we'd be having a different sort of conversation because we'd be saying, well, obviously he was right.

But he did know what he stood for, in my opinion. He was not a vacillator. He was a most competent President in being able to see the broad picture of global matters as well as the domestic area. Dr. Burns was not necessarily a great devotee of President Carter, but I had a great relationship with him, still do. Dr. Burns told me six months ago, "I want to tell you one thing that I really believe that history will record Jimmy Carter as being one of our great Presidents about." I was a little bit shocked to hear him even think that there was anything, I didn't know what he might say. Dr. Burns said, "I truly believe that his stand on human rights will mark him as a man of great courage and make him a great President." If you interviewed Dr. Burns, he would not have anything kind to say about Jimmy Carter and his abilities as President, more than likely, although Br. Burns is not an unkind person. I'm not implying that. But he would say that the human rights aspect of the Carter administration will mark him as a great President.

So all of those things have to be factored into it and we constantly ask ourselves a question, is it too big for any one man? No, it's not too big for any one man. If we're going to have a President we have to have a President. We don't need a committee, we don't need all these other things. Ultimately a President has to be responsible for his actions and for his decisions. I don't think Jimmy Carter ever failed to be willing to accept total and complete responsibility for what he did and how he did it. He was never trying to pass the buck to anybody else. You can fault him about what he said about it or how he said it or whether his voice sounded good or all of those things that we have probed to criticize in a person. But when the final record is written, I don't believe you can ever criticize his willingness to have the responsibility rest upon him and not on somebody else.

I don't think he ever shied away from that, I don't think he ever moved away from a tough decision because it was a tough decision. I don't think he ever tried to put one off simply because he could put it off and not deal with it until a later time. I don't think he did that. To me that makes him a great President because he was willing to do those things. I'm prejudiced and I don't mind telling you that. I of all people probably have more reason to find some cause to criticize the Carter administration and talk about not helping out and all that sort of stuff, but I've never felt that at all.

YOUNG: We've come to the end of our time. I think this insight you've given us, the portraits, both of yourself and of the President, have contributed enormously to the understanding that we're developing as we go along with these things. I'm just terribly grateful to you for spending this time. It's fun besides, like being back in school.

LANCE: I've enjoyed it. You've been very kind and cordial to me and I feel very much at home with you. You raised some interesting points that I haven't thought about in a long time about Jimmy Carter as a President and otherwise. I applaud the fact that you allow me the opportunity to come and be with you. I thoroughly enjoyed it.

YOUNG: It's our gain, I assure you.

LANCE: I know that you're going to have a good time talking to other people and I hope that maybe some of the things that I have said will cause you to be able to explore some relationships and some depths about Jimmy Carter that ordinarily you might have otherwise missed. If I've done that then I've spent my time extremely well in the process, because I think there are people who can give you insight into his presidency that of course I couldn't because I wasn't there that long. But I think I understand. I truly believe that I understand him as a human being.

YOUNG: We've been trying as part of this to move toward that understanding. This is one reason why someone said here, "This is amazing because Lance is answering all the questions we had before we had a chance to ask them."

LANCE: I hope that's the case.

YOUNG: I think all of us have a much better perception of what started out as a puzzle. It's still a puzzle, but there are fewer pieces missing in it in terms of understanding what sort of President and person he was and that there was a method or style there that's just been missed in most of the portraits of him.

LANCE: Again I don't know this much about a lot of people, but I don't think anybody will ever have this conversation about Ronald Reagan. There are so many elements to him that you never know when he's acting and when he's not acting that this would be a useless exercise. Jimmy Carter is what he is and that is a terribly complex individual that you have to spend a lot of time trying to figure out. And unfortunately, as I mentioned earlier, I think a lot of people in Washington spent an inordinate amount of time trying to figure him out when they would have been better off to have just accepted him for what they saw him to be and then, after he was no longer President, spent the time trying to figure him out. But he's a complex individual and obviously multifaceted and I think you're probably spending more time.

The people in Georgia never understood Jimmy Carter. They never understood where he was coming from because of this multifaceted nature of his personality. And so I hope that I did raise some questions that you will be able to explore with other people in the process of your talking about his presidency. I think it's important for us to understand the kind of folks that have the ability to go out and set a goal and accomplish it and be elected President. Anybody wants to do that, that's sort of like being OMB director, I'm not sure that that means a lot to you ultimately when you get there except the ability to get beat around.

Somebody constantly asked me about whether I'd do it again and I think I said to you that I thought Jimmy Carter would do exactly the same things the second go round that he did the first time. I wouldn't have any hesitation because I learned a lot, I had a rare opportunity to learn something about this country and the presidency itself. I happened to have a friend as President, and I never thought I'd even know one, much less be a friend

to one. And I learned that there are a lot of capable and able folks in this country who want to see it move in the right direction and see it be the kind of place that we all have dreams and goals about. I think those folks are all around, and when I talk about the bureaucracy, I factor that into it.

I think the bureaucracy is filled with able and capable folks also. There are folks who abuse that situation, and obviously there are some who are otherwise. But it's been an opportunity for me to learn about our nation and have an opportunity such as I've had today just to share with you some thoughts that I have about Jimmy Carter and what he stood for. I've gotten to know people like Don and Peter in the process. I'll always be able to learn from them about the things that they're interested in. So it's been a great experience not only today but in being able to be in a position that hopefully I've shed some light on.