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CARTER PRESIDENCY PROJECT  
**FINAL EDITED TRANSCRIPT**  
**INTERVIEW WITH PHILIP KLUTZNICK**

October 2, 1986

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**Young:** One of the things that maybe we could start talking about is Carter or the Carter White House you saw from the perspective of whatever it was you did specifically on the Middle East, the Camp David accords, where Carter apparently called on you as an extra official advisor of some type. I'm not clear as to what it was you were doing or what he asked you to do. We are interested in that and also in the way this President looked to you. I didn't repeat your story about your first meeting with him in [Richard J.] Daley's office. He was in the office of Mayor Daley when Jimmy Carter paid a visit.

**Klutznick:** I wasn't there for anything other than a public purpose, so let's get that straight!

**Young:** I thought I was going to hear some sparks. We have many stories about Jimmy Carter meeting a politician and bristling, but this time he wanted to meet one.

**Klutznick:** Yes, he wanted to. There is some doubt as to whether Dick Daley was particularly anxious to meet him, but that was cured later. Do you want to start with questions or do you want me to go ahead into something?

**Young:** I thought you might just carry on first of all—

**Klutznick:** The exterior operations?

**Young:** Yes, maybe in the Middle East because we have given a lot of study to that in other contexts.

**Klutznick:** Let me start with that then. He evinced an interest in the Middle East early on because he, being a religious man, understood the problem perhaps a little better than some people who aren't. I think he had more than a political and diplomatic interest in what was happening. In that respect he was right, in my judgment. How did some of the rest of us get involved? Let me give you an interesting example because no one expected [Anwar] Sadat really to go to Jerusalem. By sheer coincidence in my work at the UN [United Nations] during the [John F.] Kennedy administration

and the [Dwight D.] Eisenhower administration I became acquainted with one of the Egyptian top people there, Ashraf Ghorbal, who later on became the Egyptian Ambassador to the United States.

**Thompson:** He had an article in yesterday's [*Washington*] *Post*.

**Klutznick:** He did? He was raised as an economist and a very able fellow and we worked together—lived together in Geneva a few times and what not. So one day Ghorbal called me up and he said, "My President is coming to the United States and he's eager to meet a small group of distinguished Jewish leaders. Can you put together a group like that?" I said, "Ashraf, if you think that's important, sure, I'll be glad to put together a group." We set a date and we were to meet in his office, at the embassy.

The Sunday before we were to meet an article appeared in one of the Miami papers carrying alleged quotes from President Sadat that appeared to some people in New York as having an anti-Semitic element. And while he had not asked to meet with the President's conference—the conference of presidents of major Jewish organizations that I used to head years and years ago—they called a meeting and they were going to chastise him. I tried to reach the president, who was then Doctor Alex Schindler, to tell him, "Hold it." But I didn't get to him until after they had decided and issued a statement they would not see him. No one asked him to see them. It was in bad taste and they called me up and said, "I don't think you ought to have the meetings."

Well, I said to Alex, "Look, you didn't ask me before you said what you did. We had an arrangement to meet with President Sadat and we are going to meet with him. We're not subject to your discipline and I think you made a mistake. As long as there is any opening I have a rule that I've followed all of my life; I was taught that by the best teacher I ever had to hear both sides of the story. You can't go wrong by at least listening to them."

So we met and this created quite a newspaper story. We were on the front page of the *New York Times* and these were not run of the mill people. They included the president of a university; another was the head of one of the largest businesses in America and a few others. Eight were invited and all showed up. Max Kampelman was there also. We had quite a discussion and we did what we could to encourage him.

That was the beginning of the relationship. Shortly after that I wanted to go to Egypt and I went to see what was going on. I had never been to Egypt. I came away after a long meeting with top Egyptians including the President. After I had been over the place he asked me, "What did you see?" and I told him, "Do you want it straight?" And he said yes.

"Your biggest problem is food. There's no mystery about it. You are not using your land effectively. And in your construction you are about fifty years behind the times." They were building a new town. They had more people in uniform in that town than I ever had working in building a town twice that size in and out of uniform. It was that kind of a discussion and afterwards we gave him some suggestions and ideas. That developed the kind of a relationship that continued until his demise. At one point a big issue that arose between him and [Menachem] Begin was who was going to do what if this was going to go anywhere.

**Young:** Excuse me—was this after his trip to Jerusalem?

**Klutznick:** No, before.

**Young:** And Carter had not been in touch with you on this?

**Klutznick:** Immediately this leads up to the Carter problem. The problem simply was that Sadat had a feeling that the building of settlements was stopping everything in its track, and Begin said he just wasn't going to stop building settlements. And that began to be a touchstone, as they say. I don't think either one of them was as firm in their positions as I say they were, but at least that was Carter's impression as a result of that apparent impasse. Just about that time Phil Habib became ill. He had been handling a lot of the discussions and he was going off, he was leaving to go and be taken care of. Cy Vance and I met with Phil to get our heads together to see if there was something we could do with Begin.

The President then felt that he ought to have a meeting with a group of Jewish leaders, so-called, to see if he could enlist their help to soften up Begin, to put it bluntly. He and Fritz [Walter] Mondale prepared a dinner at the White House—again the magic number eight seemed to play the role. I don't know why. I had eight people to meet Sadat alone and here the President had eight of us there. The question arose, what could we do to help him facilitate these discussions. The President was quite blunt about it. He said, "I think Sadat is ready to go but I find some difficulty with Begin." Well, he didn't know Begin. I had known Begin since 1952 or 1953 when hardly anyone would talk to him in Tel Aviv where he was living in a little apartment. He can be a very charming man. He can be a kind of Polish nobleman if he wants to be. He can also be rude when he wants to be. And apparently the President had gotten some of the rudeness rather than the other. Phil Habib, who had been a good intermediary, was not around any more and Cy was trying to help. But it was kind of tied up.

We sat down after a nice dinner and Carter said quite candidly, "Look, I think this is what the situation is. I'd like to have your advice as to what I could do to facilitate this thing happening. Because I think it's good for Israel. I think it's good for Egypt. It's good for our country." He did it in a fashion that was very calm and respectable. It was, "I'm talking to friends, I want friendly advice."

The first fellow out of the box said, "Well, you know Israel has great fear for its security," and at that time there were about a half a dozen applications for approval by the Congress of arms for various Arab countries and they feared for their security. "What can you do to assure them of security?" he said. "Look at all of the arms everybody is getting," this, that, and the other.

The second fellow said virtually the same thing. I was seated next to Jimmy Carter and I was looking at the back of his neck. He had one thing in common with Bob Taft. I remember during the war when I had to testify before Taft's Housing Committee, I would have somebody sit behind him and tell me whether his neck was turning red. Because if his neck turned red you were dead. He was ready to go. And Carter's neck was beginning to turn a little bit red. At that point I said to myself, *What have I got to lose?* And then I said, "Mr. President, I don't want to interrupt your routine but I think it's time that we recognize the proposition you put to us. You asked us to tell you what we

could do to help you. Now, I think it's perfectly proper to talk about the arms business and whatnot and you can take care of that easily; you don't have to present it to the Congress until you've made your deal" and so forth and so on, "and I think we ought to start talking to you about what it is we can help you with Begin on. Do you want us to talk to him?"

I tried to change the subject. One must understand my people. This whole event of the creation of the state of Israel to this generation is so overwhelming and the fear that something might happen is so great that it is very natural that people in those circumstances who haven't been in this kind of a negotiation would tend to go one-sided. There's nothing to get excited about there. I'm sure that he was listening to the other side too. We calmed him down for a while and finally ended up no hits, no runs, no errors. Everybody thanked him and went home.

I stayed a little bit later to talk to Fritz and I said, "I think you are exaggerating your problem. Sure, Begin is difficult, but you won't make a deal if you continue to act as if he is difficult. You've got to assume that he's in good faith, which he is. I think you've gotten him to the point, from what experience I have had with him, he's very proud of the progress that's been made. I think you ought to just let him blow his top a little bit and not worry too much until you get him beyond that." They were actually in my judgment somewhat afraid that he was going to blow the thing. I didn't get that feeling in Israel and I didn't get it in talking to him. I think in a sense the eagerness of the administration to do something is giving him more strength now than he really thought he had.

From that point on, I went over to Israel shortly after that. I was then president of the World Jewish Congress—I should bring that in—and shortly after that meeting there appeared an article in the *Jerusalem Post* quoting an anonymous source that at this meeting with the President [Carter], "The president of the World Jewish Congress has said that, 'I'm not here representing anybody but Egypt.'" The quote was an absolute distortion of anything that took place. I couldn't represent Egypt. They didn't need me to represent them. I got a call from our World Jewish Congress office saying, "This has just appeared. What do I say?"

I said, "You say nothing. I'm sending a cable to Prime Minister Begin in which I am saying to him in no uncertain terms that whoever made that information available just didn't know what he was talking about. It isn't true. I had nothing to do with that situation and I want you to know that." He had said before he got that wire that he'd received this information. He was asked by the press who sent the information and he said he didn't know. He had no evidence one way or the other. So after he got the wire he called the press in and he said, "I have received this information from the president of the World Jewish Conference and that ends it." He didn't say anything else.

The next week I was to see him. I walked into his office. He had his aide with him. For the first time he didn't stand up and hug me. He's a Polish gentleman. He hugs everybody that he likes. I could sense a certain coolness there. We sat down and he started to talk and I said, "Wait a minute. Before we can talk about anything—" we had a long agenda of items— "I want you to know I don't like the way you handled this wire situation." He said, "What do you mean? We got this message and I said I didn't know. Then I got your wire, I said I got your wire, and that's the end of it."

I said, "That's not the end of it. You didn't say that you believed what I told you and as far as I'm concerned I have nothing to talk about. The agenda is off because if you don't believe what I have to say to you, then what's the use of us talking about anything?"

The man is very emotional. Very. And a very decent man. Tears started to get in his eyes and he turned to his aide and he said, "Take that secret file out and show the cable that we got." He had gotten the cable, and I won't identify the person, you all would know him, who was not present at the meeting [with Carter] and who had gotten some information from someone else. I don't know who it was. He apparently didn't like me or whatever it was. Begin said, "What would you have done if you got a cable like that?"

I said, "Menachem, you don't understand something. I'm not talking about Phil Klutznick. I'm talking about the president of the World Jewish Congress. This man is in your employ. I would have fired him." He said, "Why?" I said, "He should have at least picked up the telephone and asked me what my side of the story was. Did he do that? No. You'd better find out what his ulterior motive is, not mine."

Well you know, he stood up, put his arms around me, and embraced me. From that point on we had a discussion. He's just that kind of a man and that's why he broke up when his wife died. He was the kind of man who if I went over on the house of an evening to see him, his wife would always sit there just like Rosalynn Carter would come into the Cabinet room to sit. But she would sit there; she would never say anything, Rosalynn wouldn't. She didn't participate in any discussions. She sat there. But Aliza [Begin], his wife, would get into the discussion. And the other thing that happened to him about that time was his closest political friend had died. So he was pretty much in an uncomfortable position.

After that we had a discussion about what I thought. I said, "You know for a long time I thought that you were wasting money on those settlements. What's more, Teddy Kollek is beginning to wonder whether you're going to move all of his young people out in special deals over to the West Bank and he's going to have nothing but old people in Jerusalem and he isn't happy about it."

I said, "I don't think I would let something like that be a stumbling block. You are going to build a certain number of them. You've committed to it and there is a lot of negotiation that has to go after that. If that's standing in the way I don't think it's important. And besides, I think it's getting damned important that we make some sort of a deal with you and somebody and Sadat appears to be the best customer."

We had a long meeting and after that I went over and met with [Yitzhak] Shamir, which I did on several occasions, who incidentally, while we're on the subject, is apt to be more inclined to try to get a peace than people think he is. He's taking over this month. I think he's going to want to prove that he can do what Begin did. Of course, if he wants to get a peace it's easier for him than it was for [Shimon] Peres because Peres had to get his group to follow where he couldn't get a majority, but if Shamir leads he can be sure of getting for any reasonable lead a majority out of the labor group.

From time to time as these discussions went on we kept checking, and Cy Vance was especially deeply involved with it after Phil Habib had gone. I was in Europe when they were at the mountain,

on top of the mountain. As a matter of fact I was having a meeting at that time also with the European section of the World Jewish Congress, and when the news came out that they had gone up to Camp David, we made every effort in the world to try to find out what was happening because those people in Europe were so eager for something to happen. At that time we were in Brussels, I think. I called for our Ambassador, Mrs. [Anne] Cox [Chambers], as I remember. She was gone. I tried to reach my sources in Jerusalem and they were asleep. So I put one man to work checking press and checking reporters whom we knew and we got an inkling that things were going well.

To give you some notion of what this meant, here were people from all of the European countries and leaders of European Jewish community and I said, "Look, I know you want to know. I can't give you the real answer. All I can tell you is what our reading is. The minute we can get to the finite answer we'll give it to you, but things seem to be going well." I thought they thought I was the greatest hero in the world. They stood up and cheered. They had nothing. Everybody was watching it in the community over there. Finally, when we got the confirmation, it was a holiday. Many times the leaders don't know what their followers think. That's not exactly an accident. Jimmy Carter became a hero. He could have had anything he wanted at that time.

**Young:** During this period after the first approach by him where he asked a group of you for advice and help with Begin, between that time and the holding of the summit were you sort of in and out of his office or were you working through Vance?

**Klutznick:** No, I was working with Cy. Cy was more up to date on these things, as he always was. Cy was doing the leg work. I went into his office on a couple of occasions on other things because he was always very secretive if he had to be.

**Young:** But you always had to watch the neck!

**Klutznick:** I think I was as close as any—pick anyone else. First of all, most of them didn't live in the White House, didn't have an office in the White House—they had an office at the old office building across the way. Secondly, he assigned many, even in the steel problem when we were at an impasse, he used as between the Council of Economic Advisors and ourselves, Fritz was the man who was called on frequently. And when we brought the issue to the Cabinet, Fritz would be very vocal. There was a more than normal amount, a great deal, of mutual respect.

**McCleskey:** Could I ask about the eight people in each case? The first eight you had put together basically. What about the second eight? Who had put that together and to what extent did it overlap?

**Klutznick:** In that connection, I forget who it was who called me about the list, but the chairman of the conference of presidents was there. He had a distinguished Republican there, Max Fisher from Detroit, who is today very close to the present administration. He had the head of two of the religious organizations. He had a personal friend who had been active in the United Nations association but was not really—she was Jewish, but not deeply involved. I'm trying to think of the others. I didn't bring the list with me, but they were, what shall I say, reasonably representative. I would not have picked the same eight.

**McCleskey:** I guess that's the larger question that's in my mind. To what extent, based on your various experiences, did the President and his staff seem to have the knack for picking the right people for these kinds of purposes? I gather what you are saying now is, well, it was all right, but it could have been better in this particular case.

**Klutznick:** You must remember that Cy Vance had something to say although he was not at the meeting, because he had contacts with some of these people from time to time. I don't know where he picked up the others. Stu Eizenstat was not too close to it; as a matter of fact, he wasn't involved directly at this time. So Presidents, you know, have many sources of information, some reliable, some not so reliable. I would not have picked the same group. I would have added at least two or three or I would have dropped one or two who I knew would cause trouble—because you don't get a unanimous view on a thing like that at any time—but at this stage he needed unanimous support. If he'd had unanimous support it would have been easier to convince others.

Now the eight I had were an entirely different group. There was the president of the University of Pennsylvania, Martin Myers; there was one of the leading industrialists, Lester Crown; there was Max Kampelman because of his relationship with a number of things. It was that kind of group. This issue has to be discussed in an intellectual atmosphere as well as a political atmosphere. What was missing from his group was the intellectual atmosphere, and as a result the politicians took over. They were making statements really in the hopes that they would get out to their constituents. Jewish politics is very complicated, my friend, I've lived in it all my life.

**Mosher:** Was this meeting primarily to get advice from representatives of the Jewish leadership, or was it primarily to get support for something he already had in mind?

**Klutznick:** I don't think there is any question of what it was. He was asking for help. He said so.

**Mosher:** You mean help in what they think he ought to do or help in supporting what *he* wanted them to do?

**Klutznick:** He had made up his mind that he was going ahead with something if he could make both sides come together. There was no question about that. I had talked to him on one or two occasions before that and his intentions were clear from the beginning.

**Young:** He had almost unanimous advice, almost, within his own standard advisors against doing this. It was said to be much too risky and nobody's heart was really in it. Apparently at some point he decided that—when I asked him why he did it—he said because nothing else could be done. Everything else had been tried.

**Klutznick:** You must go back a step. Don't forget this administration in its Middle East policy was depending in large measure on the Brookings Report. That report was prepared in anticipation of a new administration. I worked on that Brookings Report and it was a sensible approach to the problem if you wanted to make peace. You can't make peace with people who are not involved and sooner or later you've got to get involved. I've made many a statement when someone asks, "Well, how's this going to happen?" Only if the leaders who are directly involved get together and decide. A lot of us can give advice, but there are only a few who can act.



I don't think there is any question in my mind at all that when that meeting was called, which was after the one we had, that he had made up his mind that he had to deal with potential and what he was looking for was support. That's why he interrupted. He was getting support from where he didn't need it. He didn't need to be told that Israel was in trouble. He knew it had difficulties and he knew he was facing the question of Arab arms and it was going to be tough, very tough. All I tried to do was to get the subject back to where he wanted it, which was to discuss how you make peace and how does Begin get into the show. I think that was achieved because even after he had been called to the phone we had an even more candid discussion and came back and we were able to be a bit constructive in that connection. But that is not unique. Other Presidents have done the same thing time and again. It's a normal technique.

**Thompson:** Was there any counter pressure to you, when you tried to channel efforts in this direction, from the Middle East desk and the State Department to resist this?

**Klutznick:** No, no.

**Thompson:** Were they with you?

**Klutznick:** Cy Vance was with the President and loyal to the President. Phil Habib was breaking his neck in trying to bring this about. As a matter of fact he had to resign, you know, because of his heart condition. As far as Cy and Phil, who was the real point man as far as Cy was concerned—he relied upon him more in my judgment than anybody else—they were of the opinion that something could be worked out. Now, what that something was, was still amorphous in the minds of people. And there are those who will contend to this day that it was a mistake to have done it, because it stopped the greater thing that some others wanted, a comprehensive settlement, which in my judgment was never in the cards at that time. Now the question as to whether it would have been in the cards later is one that nobody knows.

**Thompson:** What about the White House and the NSC [National Security Council]? Were they positive about what you and Cy and others were trying to do? And the President?

**Klutznick:** Well, you know you remind me of the fellow who was in the government and got a call: "This is the White House." He says, "The White House doesn't speak, who do you mean in the White House?"

**Thompson:** Well, [Zbigniew] Brzezinski. What about Brzezinski?

**Klutznick:** I don't think he was overly active, but he wasn't offensive on the issue. He was concerned with security. But Brzezinski—most of Brzezinski's boys, let's remember, were on the Brookings side.

**Thompson:** [William] Quandt surely is.

**Klutznick:** Quandt certainly was.

**Thompson:** Martha Derthick, as you know, was Brookings.

**Klutznick:** You know how good that study is and I'm proud to have been a part of it. The Atlantic Council was trying to come out with an equivalent. They will never reach an equivalent because—I was in a series of meetings last week in Washington and I think it's a worthwhile thing to do and the Atlantic Council is taking it seriously, the Mideast Council. But they made it clear that what they want is a modern Brookings study. The Brookings was the best thing that we've had in this area, from an independent group, if you can call us independent, and it was a thorough undertaking. The arguments were bitter and long and some compromises were made as they should be made.

So, no, I think the President had control of the situation. Now there is no taking away from it; when Jimmy Carter wanted to take control he could do some things that some thought were wrong. I think he did some things that were wrong on the budget and I said so to him, but he decided that was the way he wanted to go. He was not lacking in decisiveness; once the issue was put he'd make a decision. In this case, I think motivated by his religious background and by his natural tendency to want to achieve some measure of peace in the world, he gave it everything he had. Now whether he risked his Presidency there, I don't think he did.

**Riley:** I'm sort of jumping track here because most of what you've talked about thus far has focused on the informal relationship that you had with the President. Specifically, I want to get to the issue of the rationale for selecting you as a member of the Cabinet. Was it a concern for this informal relationship—were you to be, I guess bluntly speaking, the representative of the Jewish community in the Cabinet in the position that you were in?

**Klutznick:** There were a lot of people who said that, and I resented it. If that was the only reason he had, he chose the wrong person. I resented it deeply. Some of the Republicans used that in the campaign. I think against others who had been named, that my qualifications were as good or better. After all, I had been in government and been in business. And I wish I had had another year there; I might have done something significant.

**Riley:** Did the tone then of the types of activities that you were dealing with change after you actually got into the Cabinet position, or were you continuing to work on these other problems on sort of an ad hoc basis?

**Klutznick:** Let me tell you an amusing incident in that connection. Shortly after I got back in the Cabinet, Begin visited the United States. His office called up and he asked if I could come over for breakfast one of the days at the Blair House where he stayed. So I went over to have breakfast with him and he started out, being the gentleman that he was, "Phil, you don't know how happy I am that you are now in the President's Cabinet. It's a wonderful thing. Now, what you've got to do is pick a date and come visit us and I'll put on the biggest party in the Knesset that's ever been had, in your honor."

I said, "Menachem, you don't need that and I don't need it!" But that was his attitude, you see. Sure, he talked with me and what he was hoping to do with this and that, but in terms of what the Department of Commerce could do for Israel there was very little we could do that hadn't been done.

I tried to get them to do one thing and they said no. What was that? Right shortly after I came on, Ezer Weizman came over to try to get more money from the United States. Fritz was assigned the job of dealing with him. Fritz called me up and said, "What can you do to help me?" I said, "Look, I can't help you. If you mean am I against what he wants, I don't know what he wants. But if you want me to talk to him, I'll talk to him. I think they are making a serious mistake in coming out every two or three months and saying we need more. I think there is a better way to do this."

He said, "What's that?" I said, "Look, we have an economic commission with Morocco in which they have a certain number of representatives and we have a certain number. We have one with Hungary. We have one with Rumania. We have one with Poland. Why shouldn't we have one with Israel? Why shouldn't the President offer them an economic commission where they would meet once or twice a year, once here and once in Israel and consider the economic situation in Israel and make some mutual recommendations? We do that with other countries."

He said, "You know, that's what I want to recommend. Would you talk with the Ambassador Eppie [Efraim] Evron, about it?" I said I would be glad to. So I did. I called Eppie over and he came over. I said to Eppie, "I think sooner or later you are going to fall flat on your face with the constant visits over here, and it's not really good public relations. Why don't you establish a commission like Morocco has and others have?" They had avoided that for the simple reason that they would have gotten into a channel and they didn't want to be in the channel, so that was a kind of problem we had from time to time. It was not a comfortable position in terms of this issue and therefore I elected to stay out of it unless I was called in by one side or the other.

I'll tell you an amusing incident. One day I get a call from the Israeli Ambassador and Secretary of Congress who says, "You know our Minister of Housing?" I said, "Yes, I know him well." He said, "He wants to meet with you. He's going to be in Washington next week." I said that could be arranged. So before the date came up, I called Eppie and I said, "What does he want to talk about?" Eppie said, "Well, I'd rather leave it to him to say."

I shouldn't have made the date. He came over and sat down. He came from Morocco and is today a powerful Israeli leader. I incidentally had headed a quasi-public mission to get the Jews out of Morocco after they became free when they had thousands of them in a camp back in 1956, and he was one of the fellows who got out. He looked at me and he said, "I need a hundred million dollars for housing." I said, "I think that's a fair estimate of the scene; where are you going to get it?"

"Well, I've looked at your budget and you've got four and a half billion dollars to spend and you should certainly be able to find a hundred million dollars there, Klutznick." I said, "My friend, this is the Department of Commerce. There is not one item in my budget designated "housing," foreign or otherwise, and you are knocking at the wrong door. We do have a Secretary of Housing and Urban Development who is a very estimable gentleman. I don't think he has a dime in his budget for foreign housing, but if you want to talk about housing you better talk to Moon [Maurice] Landrieu, not to me."

He said, "Oh, but you know all about housing." I said, "But it's got nothing to do with me at this point." So he thought if he would knock at my door I would find a way to give him a hundred million dollars. In fairness to Begin, when Begin found out about this he laughed just like I did.

But those were the kind of things. When Begin came over and the President gave him a dinner, sure, I had to be there, my wife had to be there and I had breakfast with him over at Blair House. But I deliberately stayed away from any of the political sessions unless the President or Vice President called me for advice.

**McCleskey:** Did they ever do so?

**Klutznick:** Oh, yes. There was a point after when Andy Young got into the trouble with that vote in the UN when the President asked Stu to bring in a group of Jewish leaders so that he could talk to them. Then he called me up and said he wanted me to preside in that meeting. I said, "Mr. President, I'll do what you want me to do but I don't think this is the time to call that meeting. There is a lot of heat and we should let it die down a little." But he said, "I've called it, and I'd feel more comfortable if you were there."

So I went and presided over that meeting. And I must say that they did raise a lot of questions and I tried to keep it at low level. I was the chairman and I must say also that the President handled himself forthrightly. He didn't duck. He faced the issue and he paid his price for it.

I on an occasion paid a little price, too. Bob Strauss and I went out during the election of 1980 to my home community of Chicago where they called a large meeting. Bob and I were to talk to this group, which was a Jewish group convened for this purpose, and they started out from the beginning. After a point Bob couldn't take it anymore and I had to stand up and say, "Knock it off. You may not want to vote for the administration, that's your business. I think you are wrong, but you make that decision as individuals. But you've apparently fixed this meeting so that the other side is not being heard." People who got up to the microphone were all those who were against. And I said, "That's unfair and I don't think you are treating Bob Strauss right. I'm ashamed of you. I don't think we ought to spend any more time discussing this thing until the other side speaks."

That kind of thing I would do. I don't think the vote was a good vote. It didn't harm anybody that much but there had been a rather concerted effort to make that vote seem very important. Andy Young I've known for years. In the middle of the campaign—we were no longer in the administration at that time—he called me up said, "Phil, is there anything I can do? My friend is being hurt!" I said, "You've done all you can do. If I were you I'd stay away from him now."

And it was not a very comfortable campaign and I think it may have cost him the election. But it wasn't his fault. People get very vicious about those things some times. In my own community they try to box me in. But I'm an old guy—I had been there long enough so that I wasn't going to stay in the box!

Later on, we made a big mistake in that campaign. On reflection, we should not have made it. Before the campaign we had determined on a program, an economic program, for the next administration—on what it was to be. It had been worked out carefully and cautiously. Bill Miller

was closely involved in it. I was closely involved. Stu Eizenstat—I had all the people working on it. It was a constructive approach. We were suffering at that time. We couldn't sell some things abroad because there were no adequate port facilities. There was a dealer who had thirty million tons or more of coal and he was sitting around. He had deals in Europe and he couldn't deliver. I went out to the West Coast to meet with the lumber producers. They were complaining about their inability to get shipments out. Japan was buying lumber from the Russians and dealing with the Russians. And we had it to sell.

It was clear that our domestic roadbeds were in bad shape. So we worked out a program for reconstruction—roadbeds and whatnot—to give our economy a kind of a boost. But then the President looked at it, he agreed with it and said, “I don't think we ought to use it because it will become a debatable issue. We can't put it into Congress now because it's too late; Congress won't have time to act. Let's keep it until after we're elected.” That's the President's decision, we followed it.

I was up in Westchester County and I gave the normal speech—in a home, and a lot of people turned out. A little lady was sitting back there and she said, “I understand all of these international issues, but that's not going to save our country. What is your hope for the economic recovery of our country?” We were beginning to feel it then. It had started long before but we were beginning to feel it. So I threw caution to the winds, and I said, “Look, if the President comes back, I would predict that these kinds of things will happen.” You could have heard a pin drop. It meant something to these people. And they asked intelligent questions about it. I came back and reported this.

“We can't take the chance.” I said, “We either believe it or we don't. We're not getting across with these types of things. People want some hope. It was so different from some of the other meetings. It was an upswelling and we missed that. We've had a program. We've worked hard on it. We still don't have it out. If you take a look at our ships today, take a look at some of them, we can't get materials out.”

**Derthick:** It's too late to open up a new subject, which is not terribly relevant anyway. I was tantalized by your aside about Jewish politics. Ken hasn't really followed up the question about where pressures came from. You were asked about the White House and you said, “Yes, there were pressures.” But I'm not sure we ever settled where they did come from. Possibly from sources in the Jewish community?

**Klutznick:** Partially, yes, of course. The Jewish community is not as big as people think it is, first of all. But it's very active. It's lived through an extraordinary period. Don't forget I started growing up in the period where there was no Israel and there was not much hope for a lot of the people who were caught in what happened in Europe. I was in the government when people were blaming—it wasn't popular to be working for [Franklin D.] Roosevelt in a certain period of time, and I was completely upset over the arguments that were being used. After all, I was working on war housing while I was commissioner of the Federal Public Housing Authority. I knew how desperately short we were, and all of these people—one fellow got up and he said, “You know after Kristallnacht if the United States had sent a plane over and bombed Germany, that would have been the end of everything.” I said, “We didn't have a plane that could get there.”

Bomb Germany? We were not at war with Germany at the time. There was an awful lot of antagonism growing out of what had happened in the Roosevelt administration. I think the President sincerely made the right decisions. He had very little choice. He didn't have the material to work with. He had to choose to beat them or distract attention from what was the principle objective, which was defeat Germany. I know when we had our first rubber, our imitation rubber, the question arose: "Who gets it?" There was so little of it, we didn't have much of it, and the Requirements Committee at that time said—General Henry Clay and [Rear] Admiral [Richard D.] Williams said—"We need it desperately."

Who were claimants? Russia, Britain, and the United States. Obviously, the sixteen of us who sat there would favor each other if they made a good case for it. So we favored the American requests. [Julius A.] Krug, who was the chairman of the Requirements Committee and the Secretary of Interior, went over and reported to the President after every meeting. Now in fairness to Roosevelt, he never overruled us. If he had some suggestion he would say to Krug, "Take this back and let the committee take a look at it."

That was smart because that committee wouldn't have held together if we were overruled a couple of times. This time Krug came back. I got back to my office. I had a call to go back to another meeting, an emergency meeting. I went back and Krug reported that the President had pointed out to him, "Look, you forget that at this moment the Russians are at Stalingrad, they're bogged down and if they don't get rubber they are apt to be in trouble. Every day we can keep the Russians there means thousands of American lives when we finally get into the struggle." We reversed ourselves.

This was the issue and none of my friends in the Jewish community ever fully appreciated what the President's policy was. And that was—a few knew who were there—that he had to make up his mind how we could save the most the quickest, including ourselves. Certainly, I've been to Auschwitz. The strength the Russians had at that time would have cost us a lot of lives and certainly I deplored this. But the President has to make decisions that are good for everybody, and sometimes he offends somebody or he offends someone else. I don't know what I would have done, but I think he could justify the decision in light of the way we got into the war and the things that were happening.

People just didn't realize why we went. At the very same time we were fighting over there we had to get ready for the biggest attack on the Pacific. We weren't prepared for it. We had to build a town of 85,000 people at Vanport in order to get small carriers to transport planes over there. People talked about flying. I flew to Hawaii near the end of the war and I had an assistant with me and he nearly died because of what he was told by the lieutenant who was flying the plane. John Dobbs from Boston, our Boston director asks, "What happens if you have a limited flying capacity?" The lieutenant said to this poor fellow, "We'll make it. If we don't, we just don't." This poor fellow didn't sleep that night. But the fact was we just didn't have the equipment then that we have now.

I recall when we had to build housing for war workers with two thousand board feet of lumber because all the lumber was needed to ship planes. We were shipping many planes during the war. They didn't fly them over. People forget that. We went into this war stripped.

**Fowler:** The theme seems to have surfaced in both of your talks that Carter was wonderful in dealing with people, as a communicator. In particular you talked about his persuasiveness, his determination.

**Klutznick:** Face to face. He was not as good on the platform.

**Fowler:** What I wondered if you would address particularly was President Carter as a negotiator. What attributes aside from his eloquence and his will power were there that made him such skillful negotiator? In the Middle East context or in other contexts.

**Klutznick:** I think his greatest capacity was when he believed something, he was persistent. I don't think he was the greatest negotiator that I ever saw. He had several in his administration who I think were helpful on this aspect. But I don't know very many Presidents who have been such great negotiators because of the things they have to negotiate, the stakes are so high. Normally most of the negotiations are done on a lower level for the President, and all he has to do is approve or disapprove. No, he was not trained as a negotiator. I remember when he said, "Do you like administration?" Apparently, he didn't like administration.

**Young:** You said he was convincing, a very convincing person.

**Klutznick:** Face to face. Now I think when he made a speech at the time he announced the increase of the Soviet threat and that he was going to increase the budget for armaments he missed a great opportunity. I think he should have gone to the people instead of the group of three hundred and fifty business people. There was a tendency in the administration to lean over backwards because of the fact that the Democrats are supposed to be what people call liberals; of course with liberals—I don't know what that means anymore so I can't explain it to you—there was a tendency to overestimate the business interests.

We used to have a meeting every few weeks that Anne Wexler would put together and Bill Miller and I had to be there because of the businesspeople. The people who were in that room. Yes, there were "not-for-profit" people, there were people from social agencies, but in the main they were people who were concerned with the budget and he decided to change the budget. People don't give him credit for it because not enough people heard. Now that was a dramatic change. But it never got through. To this day, the only one who has increased the budget for expenditures, right or wrong, and he just really went wild, and that's the present President. My recollection was an increase of six plus percent of the gross.

**Thompson:** Could you say a little about your relations with other Cabinet members? Was there cordiality and cooperation among members of the Cabinet?

**Klutznick:** Generally speaking all of us had problems, so that made us friends. Generally speaking the greatest difficulties that Cabinet members had was not with the President, but with his staff. That is typical of the government because once you got to the President you felt that you were talking to authority and the Cabinet member can seize the opportunity and that makes it possible to get answers. But I cried a bit when Cy Vance quit. I'll never forget the night that that happened. I had gone to Chicago to deliver an economic speech and was only going to be overnight so I left my wife

at home and I went up to our Chicago apartment and went to sleep. At about 4:00 in the morning, the phone rang. There were about three or four other Cabinet members out of Washington so the President was calling a meeting of the Cabinet by telephone. He read a statement to us then. He said, "I'm issuing this statement at 6:00 in the morning."

That was the statement of the disaster of the rescue mission. That virtually destroyed him election-wise. The hostages being held in Iran was almost the worst thing that could ever have happened to him. You almost felt the tears in his voice as he spoke and he read it and said, "I'm not asking anybody to take a part of this problem. This was my decision and my decision alone. I will be issuing this statement in the morning and I want you to know that I'm taking full responsibility."

But this was typical of him. What was more typical was, you know—this doesn't gain a lot of press—those hostages were released before the new administration took over on the last night of the [Carter] administration, he was so happy that even though he was leaving his post that for the first time to my knowledge in the White House he served hard liquor! I had a plane waiting for me. My son's plane had come down and was going to take my wife and me home, but the notion of having the scotch in the White House President's apartment delayed my departure.

**McCleskey:** Can I follow up what you were saying about the staff and going to the President? It could be construed in two different ways. One is that when you did get to the President one would be able to get some reversal of what it was the staff had been pushing him on. And that implies that in some way then the staff was not mirroring the Presidency.

**Klutznick:** I don't want to leave that impression. I can understand that. Don't forget there is something that happens to a man who becomes a member of a Cabinet. I've had a lot of business experience, but I never handled a four and a half billion dollar budget until I got into the Department of Commerce. I had people who kowtowed to me that made me ill with their kowtowing. But something happens to a person. He's running a big public enterprise and risking his reputation. It's a bit of a set down when somebody who is merely advising the President says, "Well, that doesn't make sense." He hasn't gone through the whole process of reaching that conclusion.

Now that isn't true of all the people who report to the White House. I've had my experiences with it over the years, but it starts out with the ego of the Cabinet member, which gets rather large and they're trying to match it. It's natural that a Cabinet member would think that if he had gone to the President first he might have gotten a different decision. After all, a Cabinet member feels that he is responsible to only one man and there are a lot of people hanging around the White House who try to disabuse that notion every so often in pursuit of their own dignity.

Frankly, I think this President was more considerate in the sense that he had frequent Cabinet meetings, which other Presidents didn't have. But toward the end that wasn't available because we were campaigning and too many of us were away. I think when Ham Jordan was there he tried to save the President to a point beyond that with Jack Watson. They were two different types of people. Jack Watson was more orderly. Ham Jordan, perhaps, had more inspiration. So you couldn't combine the two.



You had different types to deal with. Or when you are setting up a major program, economic program, the Secretary of the Treasury and Secretary of Commerce are sitting there with Chairman of the Council of Economic Advisors, it's a little tough for the man from the White House, and therefore sometimes he tries to overreact and show his authority. It's very human. You go back and you say, "What am I working for if that so and so is just going to take it to the President and say no?" We were working on economic programs constantly. It was like the case about going up to Detroit for a meeting. We should never have had that meeting there without having an understanding at least of what the agenda was going to be. But they wanted to do something for him and this was a way we could. But someone overlooked that there had been a decision of the court saying that this isn't something you could discuss among yourselves.

**Young:** Did you ever feel that Carter, among the Presidents you've served, was unduly dependent or leaned on his staff, or to put it another way that he was overly influenced by his staff, let himself be overly influenced by his staff on any occasion?

**Klutznick:** I don't think it would be fair for me to evaluate the degree. I think every President has a right to rely on the people who are next to him to the greatest possible extent until they prove it should be otherwise. One President that I knew among all of them who was less inclined to be that way, although he had a good staff, was Harry Truman. First of all, he's the only President I ever worked for that if you called up the secretary and said to him, "Look, I've got something very important to talk to the President about if you would give me a date," you'd get a date in 48 hours or less. The toughest one, of course, was Roosevelt. He was so deeply involved in the war and he could justify it, especially in the last days of his administration. The President generally—Jimmy Carter was in that respect no different.

I think the only one that I would call different in that respect would be Harry Truman. He always treated his Cabinet as family. I felt this although I was only a junior in my position short of Cabinet rank. If George Marshall said something, that was it, period, and he'd support him unless somebody could knock the door down and prove otherwise. I had a small operation. I was faced with a critical situation in Detroit where we might have had a race riot. This was before Truman became President. I called General Pat Nash when I came back from a visit to Detroit. I had set up a way of moving in some black people, because we had empty houses there, the war was beginning to heat up, and they were without housing near the heart of Detroit. But I didn't want to do that with the possibility that there might be a riot. So I made arrangements with sheriffs and everything else and our own police but I said, "Don't do it until I've talked to the President."

I got back to Washington and tried to get an appointment through Pat Nash and he said, "When do you need it?" I said, "Now." He said, "The earliest I could give you is twenty or thirty days, we are in the midst of these final discussions looking toward peace." So I telephoned Mrs. [Eleanor] Roosevelt and went over and told her my predicament. I said, "What will I do?" She said, "I'll see him tonight." I got an answer from her the next morning.

But I can understand that the President was in the midst of those final negotiations. That was the worst thing that ever happened and it was justified. With Harry Truman, the minute he came in if you called up you'd see him that day or the next day if he was in town. He was the only President I know who called together all of his appointees the minute he became President.

The average stay of a Presidential appointee is down to eighteen months. There was a study made of about seventeen hundred cases that held in the main before they were appointed, they were pursued by everybody from the President on down. After they were appointed many didn't even see the President. Actually it is a very interesting study. If you haven't read it you ought to read it. It is a very authentic study because there were enough cases.

**Thompson:** Martha is a member of the National Academy.

**Klutznick:** Have you seen it? What do you think of it?

**Derthick:** Yes, it's very good. It's very useful.

**Young:** I think it's time that we gave you a rest. Thank you very much.