

LLOYD CUTLER EXIT INTERVIEW

This is an interview on March 2, 1981, with Lloyd Cutler in his office, 1666 K Street in Washington, D.C. [The] interviewer is Marie Allen.

ALLEN: I wanted to ask you a brief background question first. Your personal background is well-known. There are many newspaper articles about you in our files, but just as far as your background with previous Presidential administrations, I've heard you say that you were close to the Kennedy Administration. What did that mean?

CUTLER: Well, I had known General Eisenhower before he became President. I knew President Kennedy, actually we were the same age. And one of my partners, Lou Oberdorfer, became Assistant Attorney General with Bobby Kennedy; through him I met Bobby and got to know him well. I'd already known Byron White and helped Bobby Kennedy and Byron White select people for the Justice Department. I had previously worked in that campaign. Oddly enough, one of the things that I had looked into was what we could learn about the relationships between Richard Nixon and Bebe Rebozo, which turned out much later to have some significance. And--

ALLEN: Why were you looking into that at that time?

CUTLER: This was in the campaign.

ALLEN: Just because they were mentioned together?

CUTLER: In the 1960 campaign, yes. And I have good friends in Miami and I'm on the board of a large bank down there, so I know a good number of people in Miami and I was just assigned to look into the matter. Ibcor Rebozo--this is totally irrelevant--was a great friend of Senator Smathers, and Nixon had gotten to know Rebozo through Senator Smathers, but we also found out so had Senator [Jack] Kennedy, so we had to drop all that. In any event, during that administration, I worked with the Justice Department people, both on the return of the Bay of Pigs prisoners which is an odd coincidence in the light of the subsequent Iranian hostages, and my particular part was to work with the pharmaceutical companies who were clients of mine to arrange the delivery of medicines to Cuba in return for those prisoners. And some of the anti-trust tax issues that we all know now. I also worked on the settlement of a large litigation which had been kicking around ever since World War II relating to the American seizure of the I.G.Farben assets of World War II and a Swiss claim to be the true owners of those assets. Later in that administration, I was asked to take a job which I had to turn down as Assistant Secretary of State for Economic Affairs because we were just then putting together the merger of two small law firms that became this law firm. I couldn't leave them at that point. So those are my relationships with Kennedy. I knew President Johnson, of course. I served as the counsel for one of his principal commissions that

he created and this was on urban housing. And later I became Executive Director of the so-called Byron's Commission which he created toward the end of his time after the assassination of Martin Luther King and Bobby Kennedy.

ALLEN: I've read that you met Jimmy Carter through the Trilateral Commission. Is that accurate?

CUTLER: That's correct.

ALLEN: What was the nature of your contacts with him at that time?

CUTLER: I joined the commission shortly after it was founded. The first American chairman was Gerrard Smith, who, at that very same time had joined our law firm as counsel. He and I are old friends. And I knew that he had recruited then-Governor or ex-Governor Carter to join. And I attended several meetings which Governor Carter attended and I made one trip to Japan with him, I think, my recollection was 1975. Because although he was already running, it was just a gleam in his eye.

ALLEN: Do you remember what impressed you about him at that point? Did you sense that he might make the race successfully?

CUTLER: Yes. I was impressed by his sincerity, his decency, his compassion. And I thought he was very intelligent, and I haven't seen any reason to change those ideas. I did not do very much in the campaign itself. I worked for him and I submitted papers to the transition team, etc., but I had no, really, active relationship. I had some correspondence with him between the transition, between the election, and the inauguration.

ALLEN: Did you ever discuss joining the administration with him at an early point?

CUTLER: No one ever asked me.

ALLEN: Apparently you became involved with some administration programs without officially joining the administration, for instance, SALT II. How did that come about?

CUTLER: It came about when Harold Brown in the Spring of '79 asked me if I would consider becoming the Under Secretary of Defense for Policy, which was the number three job in Defense and a newly created job. And one of its responsibilities was going to include arms control. I looked at that rather seriously and finally concluded that late in the administration, I did not want to take it on and it would have involved all sorts of jurisdictional battles inside the Pentagon. But I did say to him, I thought that SALT needed an advocate, someone who could tie together all the different interests in the administration, which was to be one of the jobs of this Under Secretary--that I thought that could better be done not in the Defense Department and should they ever need somebody to do that I'd be interested in doing it. And a couple of weeks later I had a call from Cy Vance which followed the foreign policy breakfast, in which he asked on

behalf of the President. That was in June and I agreed. Before that I had worked for Mr. Vance while still in the law firm as what technically is called the President's Special Representative for the negotiation of two treaties with the Canadians on maritime boundaries and fisheries.

ALLEN: Now, how did that come about?

CUTLER: That came about through Mr. Vance and Herb Hansel who was then the lead organizer of that state.

ALLEN: Not through your knowing something in advance about substance, but through the persons--

CUTLER: We didn't even know about the issue that it was a burning issue in the department, and they became convinced it needed the full-time of some single representative in order to pull all of the despairing in U.S. interests together and to get the Canadians to _____(?) about this number. And after a year-and-a-half--it was supposed to be a six month job--we finally did get a pair of treaties, but we never got them ratified.

ALLEN: Was arms control a particular interest of yours? Is it why you're interested in SALT?

CUTLER: Yes. It's certainly not a field in which I had any expertise. I had, really, a citizen's interest in it, and Gerrard Smith, who I'd mentioned earlier had negotiated SALT I and I'd read his draftbook and I'd talked to about it.

ALLEN: So it was a personal interest primarily?

CUTLER: Sure.

ALLEN: When did you--after the discussion with Cy Vance--how did you begin your responsibilities for SALT? He called you after this foreign policy breakfast?

CUTLER: He asked if I would take that on. It was agreed I could do it staying in the law firm and I went and had a meeting with the President. [I] liked the meeting, liked my assignment, drafted my letter, got them to approve it.

ALLEN: What was it about the atmosphere that you liked and the assignment?

CUTLER: Well, that's just a marvelous lawyer's assignment. It was as good a cause as, at least I thought, that one could ask for. And it did take the job of advocacy and the presentation of some very complex facts, and the negotiation of proposed changes in the treaties. It was just made to order for a lawyer.

ALLEN: What were the President's particular instructions to you?

CUTLER: He did want a unified administration approach. He wanted some single point of contact to deal with the Senators and to clear, for him, the detailed presentation, that is our position on proposed amendments, the reasons why the treaty should be approved, etc. And I was given an office and a staff, mainly a staff of existing inter-agency committees.

ALLEN: Was this in the White House complex?

CUTLER: Yes. The little office was in the EOB next to where Admiral [Stansfield] Turner's office was. And I spent virtually all of my time on it in June and July. And then in August I was off on a barge in a French canal when I got a call from Hamilton [Jordan] and the White House operators literally succeeded in finding me on a barge, although by that time I had left the barge and was driving to Paris and they found me in my hotel in Paris.

ALLEN: And asked you to assume a job permanently?

CUTLER: Well, they just asked me to come back and talk. That was mid-August when all the talk about some changes was going on. And I had some innovations to work on.

ALLEN: Before we go into your role as White House Counsel, in the SALT fight, were there several ways you organized going about that fight that you thought were particularly important or successful? Ways in which you approached the Senators or--?

CUTLER: Well, we were only moderately successful. That is, we did succeed in getting the treaty through the Foreign Relations Committee by a fairly strong vote, a nine to six vote, I think, but we fell short by one vote of the two-thirds that would have reflected the two-thirds we had on the floor before. We had enormous problems of the right wing and the opposition of any treaty with the Russians. We had this terrible issue of the Soviet brigade in Cuba. We had, ultimately of course, Afghanistan which just made it totally impractical to get the two-thirds vote. But the job was in large part a job of organizing and presenting material and selecting witnesses, preparing the witnesses, and persuading those Senators. This was all during the so-called hearing period. After that there was a mark-up session and under the Senate rules during the mark-up session, the administration couldn't be present to answer questions. And despite the fact that I was the President's Counsel by that time and the tradition that as the President's personal staff I'm not to go up and testify on the Hill, I came to a conclusion and Vance and Christopher agreed; Harold Brown agreed, that it was better if I did go up and be the administration spokesman in that mark-up session to deal with all the arguments on particular amendments and why amendments should not be adopted, etc. And I did that. I think that was important and that did help us get the nine-six vote and did defeat the worst amendments. So we got it through with no crippling event, nothing that would have worried the Soviets.

ALLEN: This was a complex treaty with all of the arms negotiations involved. You had

briefed yourself well on the issues, but there must have been an additional role of being an effective communicator that made you particularly--

CUTLER: Oh, there was a coordinating and communicating, and no question, editing role. And an awful lot of decisions to make because would we adopt or go along with a particular amendment out of a talk with Senator _____(?) pet and I spent a fair part of my life on that type of problem even though it was not in an arms control context and I think we would have gotten it ratified, I really do.

ALLEN: If it had not been--?

CUTLER: Well first, for the Soviet brigade which I do think was basically within the administration and less than [Senator Frank] Church and then, of course, Afghanistan which destroyed it.

ALLEN: Can you say briefly how you think the Soviet brigade issue was mishandled?

CUTLER: This is a--I just don't know how highly classified this is.

ALLEN: Do you want me to turn it off for a minute?

CUTLER: Yes.

ALLEN: There's been a good deal of discussion about the Goldwater relationship with the U.S. and the Soviet Union. Did you sense a change in the Senate with the Soviet brigade and the Afghanistan thing and then the issue of the Olympics, what can you say about the shifting attitude in the Senate?

CUTLER: Well, I don't think that there were ever any great illusions in the Senate or in the White House about Soviet behavior. We all differ in our assessments of how much we thought the treaty was in their interests so that they would live up to it, of course. I believe it was and is in their interest and that they would live up to it in the end and we have the means of verifying that they did live up to it. But there's no question that the issue of linkage which had always plagued us became an impossible issue once the brigade surfaced, which I think is pure accident. I believe it was there ever since 1962 and that the intelligence people rediscovered it without appreciating all its meaning and that that led to the impression that it was something brand new and literally provocative. I don't believe that was true. Afghanistan was something else in that it was a major development, a new departure in Soviet policy, and even though it remained in our interest to ratify SALT II, it just became totally impractical. In effect, linkage triumphed.

ALLEN: You were involved in some of the administration responses to that invasion of Afghanistan. For instance, the Olympics boycott.

CUTLER: Yes. And the grain embargo.

ALLEN: How did those two things--could you describe the White House response to Afghanistan, those two issues particularly?

CUTLER: We were all very alarmed by Afghanistan--most in the sense of what its implications might be for every country on the borders of the Soviet Union if it wasn't thrown back. And also in the sense of its impact on [the] SALT [treaty]. So we were doing everything we could to try to persuade the Soviets to roll back, or, at the very least, to register our strong disapproval of what they were doing and the point that they could not expect to go on doing business as usual with the United States if they were going to engage in such conduct. From that point of view the grain embargo, we thought, would be a very effective measure. We had gone through lists of things we might do, that I might mention in this connection, both in the Iranian situation and in the case of Afghanistan. I became persuaded that we had reached a time when our enormous military power, even when it was clearly superior to the power of the other side as in the case in Berlin, was essentially unusable to deal with the practical problem that we had. And while it had to be deployed and it was important that it existed, the actual use of it turned out to be impractical, which in the case with Afghanistan there was really no way in which we could use our military priority without getting ourselves into a shooting war with Soviet forces, even if it were with conventional weapons. And once that began there was no way to predict where it would turn out or whether both sides would observe equivalency. Certainly the existence of these huge nuclear forces was important for the ultimate confrontation, let's say, over western Europe. You just can't use them to deal with a situation like Afghanistan.

ALLEN: Half-way across the world.

CUTLER: Well, and also while of importance, not of the kind of fundamental importance in which you've got your whole staff and you've got New York against Moscow. You just couldn't do that. So we had to develop other weapons and the most weapons that come best to hand for us--and that's part of the situation--are those that derive from growing world interdependence and the Soviets in particular have on us and only us for claim. We're the only continuous export source--our environment is large enough to tide them over the periodic poor harvests they have. They have a very rigorous climate. They have a very poorly-organized agricultural system, and as a result of one or both, every fourth or fifth year they have a very serious shortage which they can only replenish from us, and this happened to be a period of two consecutive years in which they ran into such shortages, both '79 and '80. So, that it was a way to make known this displeasure clear but to impose a cost. Like all economic sanctions, you can only impose a cost by taking some cost yourself, and it cost the President very dearly in political support of farmers and it cost us and the government a certain amount since we had to spend several billion dollars buying up those farm surpluses even though the ones that would have been exported, even though in the end all that was ultimately re-sold at a higher price. So that's--with respect to the Olympic boycott, there again there is a kind of world interdependence and communication and prestige or here was something about to be watched by something in the order of a billion people, and we--oddly enough the first recommendations that we should not go to Moscow came

from the American reporters who had spent time in the Soviet Union--people like Rick Smith and Bob Kaiser, both are foreign correspondents in Moscow, who knew how much the Soviets were counting on this Olympics to show that they were equal or better, that they were now accepted throughout the world. How much they had emphasized in the words of their own propaganda booklets, we've got confirmed world recognition of the Soviet contribution to world peace. We knew that to do it we'd have to fight the entire world sports lobby, which is very tied up with the sporting goods manufacturers, the broadcasters, the consumers. But it turned out to be a very popular thing in this country and through most of the West, although we never did win over public opinion, we came close but not quite in France and Great Britain.

ALLEN: Did you have some trouble with the U.S. Olympic Committee?

CUTLER: We sure did.

ALLEN: Can you recount the--

CUTLER: They thought we were out of our minds, and, of course, they live for the quadrennial Olympics and to say that you must not go to Moscow was like saying to a politician that you must not have an election. And--

ALLEN: Was that true of all the members or were there particular--?

CUTLER: No, not all. And as public sentiment clearly built in this country--sports writers agreed, many sports writers became very cynical about the Olympics in the use of drugs and the importance of nationalism anyway. And as public sentiment built up and as the Soviets clearly showed no sign of getting out of Afghanistan, we were able to bring them around, but the most difficult were the athletes, of course, and the coaches and the athlete's families. I remember how angry Marion White, Byron White's wife, once got with me on this subject, saying, "You don't realize what you're doing to those kids." Because her daughter, who was almost as good an athlete as her father, was on the U.S. Women's field hockey team and this was her only chance and she wasn't going to get to go. And, of course, in the end they didn't go.

ALLEN: There was some discussion, I remember in at least the print media, that you were able to apply an almost economic sanction to the U.S. Olympic Committee to bring them around. Was that true?

CUTLER: Well, not quite, not quite. There were a lot of ideas exchanged. We had very strong congressional backing--Votes in the order of three hundred ninety to twenty-four, eighty-eight to two in Congress. The Congress created the U.S. Olympic Committee. The Olympic Committee gets a certain modest amount of funds from the Congress. If it didn't go, it was probably going to lose a number of the contributions that it normally gets during the Olympic year from corporations. And if it did go it was going to incur the wrath of a number of those companies who backed the administration policy, on this. And probably lose the contributions anyway. And we made that clear

enough to them. And at one point when we went up to consult with congressional leaders, they asked us, "What can we do?", and we compiled some lists of things you could do, which we didn't recommend, such as eliminating the charitable deduction and other things for gifts --and news of that list got out, so someone leaked it to put pressure. With that kind of a fight you never know which of all the punches and swings you take is going to land. And even though we finally won it in the vote within the Olympic Committee with something close to a two-to-one margin, we didn't know that. We just couldn't afford to lose it. When you have the prestige of the President involved, just think how ridiculous the United States would have looked, if not withstanding an appeal from the President, if the team then decided to go anyway. And that happened in Britain. It almost happened in Germany, but for Schmidt's prestige in reasoning with Germans in the same way we were reasoning here. And in the end I think it was quite effective. It was very costly to the Russians. And we did keep away roughly--because we made some calculations of the non-Soviet block athletes and medal winners--we kept away more than half. A considerable amount.

ALLEN: What were there occasions in the White House in which this strategy of response to Afghanistan was formulated. Did you work these ideas out at the foreign policy breakfasts?

CUTLER: Most of them were done in meetings of subcommittees of the National Security Council, and they were meetings usually attended by all the interested government departments--the Agriculture people as far as the grain embargo was concerned, and the Commerce people as far as the Olympic boycott and the restrictions on high technology exports, Treasury, when we were freezing assets. It was an area in which, I think, the NSC committee system worked quite well, even though there were lots of skeptics within the government as to whether we should take particular actions. And the ultimate decisions were made by the President, with, well almost always, the full agreement of Vance, Brzezinski, Brown, and whatever other Cabinet member would be involved. I don't recall anybody really being over-ruled.

ALLEN: You mentioned at least two prongs of this response to Afghanistan; one was the Olympics, the other was the grain embargo. Were there other parts of it?

CUTLER: Well, one, there were lots of economic prongs. We didn't go to the point of freezing Soviet assets, but we blocked an awful lot of trade that was related deeply to the Soviet military establishment or to the Olympics. And, of course, in the case of Iran we blocked virtually everything from Iran. And in both cases, we persuaded our allies to follow a substantial number of the same measures, and in the Iranian case, contrary to most of the complaints and disappointments that were publically expressed about the allies not supporting us; it was their sanctions added on top of ours that I think finally made the difference when Iraq invaded Iran and the Iranians had no place to turn for money or spare parts or new weapons or anything.

ALLEN: It's a good time, perhaps, to get into Iran. At what point did you get involved in the Iranian situation? Were you in the White House at the time the Shah came to this

country for medical treatment? Were you part of that decision?

CUTLER: No, I was not part of that decision. I don't even think I was present at the foreign policy meeting breakfast that there it was referred to, but it was a decision made on the recommendation of the State Department with everybody's concurrence, after a full investigation of the medical case of the Iranian leader, and after we had instructed our embassy in Teheran to discuss it with the Iranians, they didn't like it much but did say they would protect the embassy. I am convinced myself that if we had not admitted the Shah, within a month the embassy would have been seized and the hostages taken anyway. The whole thing was done for internal political reasons to galvanize and unify the country against the Americans, and if they hadn't had that immediate opportunity they would have found another one.

ALLEN: Do you remember where you were when you first heard about the takeover of the embassy and what the events were in the White House the next day or so after that?

CUTLER: My recollection is it all happened over a Saturday night or a Sunday night, I'm not quite clear which one. But, in the beginning, of course, all of our efforts were to help, indeed, what we thought to assist the Iranian government in recapturing the embassy. We, first, thought of it very much like the Columbian situation that came along later or other terrorist seizures of embassies as it happened in the Sudan, where the local government deplores what happened just as much as you do and does everything it can to bring it to an end. Within a very few days it became clear, then, in this case, at least, the militants, as we called them, were national heroes and that government, such as it was, was going to support them, at least the Ayatollah was going to support them. And even though [Bruce] Laingen and the others who happened to be in the Foreign Ministry were treated very well and actually allowed to have an open telephone line to the State Department in Washington twenty-four hours a day. In the end, the Foreign Ministry had no power at all to do anything.

Then, our first step, other than recourse to the UN which was being pursued throughout, was to stop all imports of Iranian oil because there were lots of claims from the Iranians at that time that we could never do without their oil. We always thought it was going to last just a relatively short period of time. As you recall, thirteen of them were released just about Thanksgiving or a little before then. And we considered almost from the beginning among the measures we might take in addition to potential military measures--all of which, again, became irrelevant for the same reason I mentioned before under different reasons--the freezing of assets and various kinds of embargos in trade and we had drafts of orders all ready, but had not yet reached agreement on whether we would take the initiative when at five o'clock or four o'clock in the morning on November 14, we heard of that eight hour time advantage the Iranians have that Bani Sadir, who was then the finance minister had announced that day that the Iranians would take all of their deposits out of the American banks in the U.S. and Europe and that would do very serious damage to the dollar. And between four and six when we all got down there we reached the conclusion that we would go ahead with the freeze on

ourselves before they could take it out. And we decided--an issue which had been hotly debated whether we ought to reach for the assets in the branches of the banks abroad which would raise difficult questions of the outreach of American jurisdiction of the bank deposits located in France and Germany. We knew the Europeans or we always worried the Europeans wouldn't like that, but we thought we had enough provocation then to go ahead. We decided finally. And we also ended the debate which had been raging about whether freezing all the assets would start the crash of 1979--remember that book. Nobody knew what the Saudis would do, the Kuwaitis would do, what the faceless gnomes of Zurich would do with all their deposits in the U.S. if we froze somebody's assets for political reasons. And we decided that Bill Miller would talk, first, to the Saudis and several of the other central bankers. And he did that between six and eight that morning and made sure they, at least, understood what we were doing. And by a little after eight we had the order ready and signed.

ALLEN: So you did most of this planning by telephone or did you have a meeting with the White House?

CUTLER: We were back there by six.

ALLEN: Who was present at that meeting? Do you remember?

CUTLER: Miller, [the] President, Vance, [Warren] Christopher, Brzezinski, and either Bob Carswell or Bob London, I think.

ALLEN: In retrospect it seems as though that freezing worked very well because that became an issue then that we could negotiate with--

CUTLER: I think it did. And it applied pressure which was felt only slowly, but which in the end was very difficult for the Iranians to handle. I don't think that alone could have achieved the result unless meanwhile some sort of political settlement had been reached or almost reached either way. There wasn't a majority in power with the courage to take the decision. And that didn't happen until the majlis was elected sometime in the late summer.

ALLEN: What do you remember about the next several months in the White House and the planning between that time and the rescue mission. Did the idea of a rescue mission come about late or was it mentioned early?

CUTLER: No. It was thought of very early on. It was considered in a separate military group and held very closely. And I was not, myself, involved in it all as there were discussions until a week to ten days before it actually happened.

ALLEN: There's been some discussion, of course, that Cy Vance did not support that move. Is that accurate and if so were there other persons who--?

CUTLER: Oh, yes. It's quite accurate and quite public and I think as much as anything

he was unhappy at--

ALLEN: Excuse me. We'd just said that Cy Vance was opposed to the rescue mission.

CUTLER: Yes, on its merits both in thoughts of the contingencies of success and the difficulties of accomplishing it and also the consequences even if you were successful. But he was equally concerned about the process because the final decision was taken at a meeting while he was in Florida, even though his opposition was known.

ALLEN: Were you present at that final meeting?

CUTLER: No. I was aware of the process, but I was not part of the process. And I was brought in five to seven days beforehand to pass a question of whether under the War Powers Resolution we had a duty to consult with Congress in advance. And I was told I had to do that by myself, not to discuss it with anybody. And I had to go--I remember going to the Executive Office Building law library looking up my own laws.

ALLEN: You've had some assistance in doing that kind of thing for the last few years.

CUTLER: That's right, but I couldn't talk to anybody. I finally did get permission to consult the Attorney General.

ALLEN: And what was your recommendation?

CUTLER: Well, all we concluded was that in these circumstances it was not necessary to consult in advance. Where we finally came out was that the very morning--the moment of permission--was just about the time in the process that the President would consult one or two leaders, which he had actually done. He did, in fact, consult with Senator Byrd. And it was more in an informing matter than a consulting matter.E

ALLEN: Were there any allies who were consulted by the President?

CUTLER: Not beforehand. Once again, there was some informing, but I don't think I want to talk too much about that.

ALLEN: What was your role? Were there aspects of your advice provided in areas that we haven't touched on with relation to Iran; were there other areas that you were active--?

CUTLER: Oh, there was a continuous set of Iranian problems. I did talk on a number of these, which has been printed. If you want I can give you that.

ALLEN: I'd like to have that.

CUTLER: But almost from the time of the seizure of the hostages we had an endless succession of Iranian problems--what to do about the students in this country, and how

to handle the demands for the deportation. What to do about demonstrations, either pro-Iranian or anti-Iranian, which might have led to incidents that would be televised and appear on television screens in Teheran and possibly inflame the militants or others who could cause damage or harm to the hostages. And we made decisions on each of those matters which were ultimately upheld by the courts.

ALLEN: Was your advice primarily in legal areas or did you--?

CUTLER: Well these are mixed legal policy questions. It's awfully hard to say where one leaves off and the other begins.

ALLEN: And who were the primary persons within the White House who were involved in the--?

CUTLER: [The] same group; Brzezinski, Vance, Harold Brown, Christopher. In these cases, the Attorney General.

ALLEN: What about Hamilton Jordan? Was he--?

CUTLER: Hamilton was in a number of these meetings. I also had the responsibility of dealing with the Shah and getting him to leave New York and go to Texas. And getting him to go from Texas to Panama and getting him to go from Panama to Cairo; in fact, I felt almost like Typhoid maryiagis whenever I showed up and he was about to take a trip someplace.

ALLEN: Did you have personal meetings with him on these occasions?

CUTLER: Yes.

ALLEN: Well can you just recall one of them for us?

CUTLER: Well I could go on indefinitely on this. I had never met him before, although I had done a fair amount of lawyer's work with Iranians, but I was struck by his--in the first place he can be a very nice man. He's quite bright. He was educated in Europe. He's half a European, but the other half is pure Iranian. He was indecisive or by then he was indecisive. [He was] deeply offended both by what these few leaders--he was never ready to believe the people had turned against him, there was always this feeling about crazy leaders by what they had done; totally ignorant or unconcerned about charges relating to the Saraki. And quietly, angry, clearly hurt by the change in the attitude of world leaders who had fawned all over him in the previous years. I was with him at a stage where no one wanted to come to his company. He wouldn't even go out and occupy houses he owned in the printed reports.

ALLEN: Con you remember specifically what he had to say to you or what his appearance was?

CUTLER: He was a dying man by that time.

ALLEN: And he looked ill?

CUTLER: [He] looked ill and gradually more ill and you may have seen some of the "60 Minutes" television interviews he's had. He has almost a megalomania look in his eyes. If you say something that offends him, he just stares right through you.

ALLEN: Without responding?

CUTLER: Without responding. He's had some--it's hard enough to go from being President of the United States to ordinary citizen. But to go from being absolute monarch of one of the richest and most important countries in the world to a man without a country, in a literal sense, is very hard to take.

ALLEN: How did you persuade him to move?

CUTLER: Well, I suppose to begin with he didn't have much choice, but it was reasoned, our desire to be fair to him; to assure he had all the medical attention he needed, but at the same time not to do anything provocative about our hostages. He felt very deeply about the hostages.

ALLEN: Did he?

CUTLER: He wanted to cooperate with anything that would help bring about their return. And in the case of the move from New York to San Antonio, that he acquiesced in quite readily because his position in--as you may recall, the hospital staff and all sorts of other people were getting very frantic about his continuing to remain there. And the security on the American military base which he happened to know very well because he had spent a variable----(?) in his country, it was quite poor, appealed to him. The move to Panama was a lot harder because at that point he was still exploring several countries where he might go. And while we were able to persuade him to go to Panama and it worked well for a while, as his health deteriorated he got into those problems with the Panamanian doctors, it became very difficult. At that point he received a renewed invitation from Sadat. We just decided it was better to let him go there rather than come back to the U.S.

ALLEN: You've touched on several areas, are there any others that we haven't discussed that you were involved in while you were Counsel that you'd like to talk about a little?

CUTLER: I think those were the major areas of interest that--the whole Billy Carter episode is another story itself. Someday I'll talk about regulation and how I felt about that.

ALLEN: Can you just volunteer quickly about the Billy Carter affair? How you got into

that? Did the President ask you to get into it?

CUTLER: I just wish I'd had an opportunity to get into it earlier, but the first I knew about it was in June of 1980, I guess. And all of this is set forth in testimony and depositions. Once again it was a straight lawyer's job and it was critical to get your facts right and we'd had a few misunderstandings within the government that you know about. It was very hard to get your fact right on a running story. The allegations get made at two o'clock and you have to have an answer in time for the six o'clock news. We were able to persuade the President to prepare himself thoroughly. After we did all of our work we spent a whole weekend on the campaign which we did nothing else but work with this.

ALLEN: Did you find that he was--?

CUTLER: I think in the end although he acquitted himself very very well that he was totally honest about a move at the time, but later a certain amount of sympathy broke up for him. I think on the whole it was very harmful.

ALLEN: It was very--?

CUTLER: Harmful. I just wish I'd had a shot at trying to take care of it earlier, but I didn't know enough to do that.

ALLEN: Did you sense the President was somewhat bewildered with how big an issue had become?

CUTLER: Not bewildered, dismayed might be better. Well--let me just content myself in saying I think it could have been corrected earlier, but it wasn't without saying who should have done that.

ALLEN: As you--

CUTLER: But I wasn't there.

ALLEN: Well you've been the White House Counsel now for--what, you were Council for about a year-and-a-half or was it two years?

CUTLER: Technically, I left the first of December which would have been fourteen months, but in fact, I was still there right up through the afternoon of January 20, so it's really been over fifteen months.

ALLEN: Do you have any final comment about this experience and what you learned from it?

CUTLER: Well, I learned running the government for the Presidency, which I always thought was difficult, is even more difficult than I thought. I think the President himself is

a remarkably intelligent, decent, ethical man. I think he did very well, but I think the job builds up over expectations which all candidates contribute to including this President that simply cannot be fulfilled.

ALLEN: Thank you.