

**EXIT INTERVIEW
ROBERT J. LIPSHUTZ**

This is an interview with Robert Lipshutz on September 29, 1979, in [the] West Wing [of the White House], second floor. [The interviewer is] Marie Allen, [Presidential Papers Staff].

ALLEN: First, I'd like to ask you questions about your personal background. Where did you grow up? Where did you go to school?

LIPSHUTZ: Well, I was born in Atlanta in 1921, and Atlanta has been my home all of my life. I went to the public schools of Atlanta all the way through--graduated in 1939 and went to the University of Georgia for both undergraduate and law school. My undergraduate years were very limited and relative because of the war years. And so I actually only had two years of undergraduate before going into law at that time of combining my degrees, although I never combined the degrees as such. But I was able, by doing that, to finish law school before going into the Army. I had taken ROTC at the University of Georgia, where I was very active as a commanding officer of the unit there, but I still was required to go to Officer Candidate School under the requirements at that time. I went to Fort Riley, Kansas, in the Cavalry School and graduated from that and became a lieutenant in the cavalry and served in the Army for three years. [I had] come back to Atlanta in 1946 and worked for [a] little less than a year--although I already had my law degree and I already was admitted to the bar; did not start right in the practice of law but worked for an uncle of mine in a business matter--That was almost a year, primarily in sales work. And then when a fellow named Morris Macey, whom I had gone through school and law school with, finished some post-Army education, I established a law firm in 1947, which was Lipshutz and Macey. It is a firm which is still in existence under the name of Macey and Zusmann [with] approximately twenty or thirty lawyers. We established the law firm in a big, open, secretarial office, in a downtown office building with a double desk; each one of us looking at the other, very few clients to look at or talk with. And [we] stayed in that open office arrangement for about a year before getting a small office elsewhere.

ALLEN: And this is the law firm that you're going back to?

LIPSHUTZ: No, I stayed with this firm and was the senior partner in it until I severed my connections in order to come to work with the President at the time of his inaugural in January of '77. So I was with the firm as a senior partner, well, the partner, for almost thirty years. But when I go back to Atlanta, I will be going with a different firm of about twelve or fifteen lawyers which actually is a firm that's been in existence longer than my old firm. It was started in 1905. And [I] will be able to participate actively, not only in firm activities as a practicing partner lawyer, but in community activities as well.

ALLEN: When did you first meet Jimmy Carter?

LIPSHUTZ: I was introduced to Jimmy Carter in 1966. Soon after he announced that he was going to run for governor--he announced that rather late in the campaign when one of the major candidates suddenly dropped out because of a heart attack--a former governor named Ernest Vandiver. And Ernest Vandiver had been pretty-well favored to win strongly. But when he dropped out, Jimmy Carter decided to get into the race. He was a state senator at the time. I was introduced to him by a close mutual friend of ours, Bill Gunter, who later became a State Supreme Court Justice in Georgia. I had not decided to support anyone else in that race. As a matter of fact, I decided not to support anybody else in the race for different reasons. One of them, Lester Maddox, there were some very strong ideological reasons. The other was Ellis Arnall whom I was ideologically attuned to but had personal reservations about. And I was a Democrat, and therefore I wasn't looking for a Republican candidate.

So anyway, when I met Jimmy Carter I was quite impressed with him; recognized that he probably was a long shot to even make a serious run at it; wasn't known state-wide. He got in late--got in the race late, as I said, and obviously had minimum financial backing and so forth. But nevertheless, I was impressed with him. Bill Gunter and others whom I found were supporting him, told me a little more about him; it wasn't just a matter of personality impression.

And so I decided to help him, helped relatively limited to a degree, but openly and much as I could at that time. He ran a very strong third and therefore did not get in the run-off but made a better showing than most people really thought he would. That was my first contact with him. And after he lost that race, he immediately started running again for the next governor's race which was four years off. And he went about it very methodically, very determinedly. And I committed myself to help him in that race, while I didn't take any official role, I was much more active in the second race than the first. So, that's the beginning of our relationship.

ALLEN: And then when he was elected governor of Georgia.

LIPSHUTZ: Well, when he was elected governor, one of the first things he asked me to do, [for] which I was quite flattered, was to help him prepare the inaugural address. He asked about four of us to do that. And we worked together on it. I think it turned out to be really a very historic address. The thing that sticks most in my mind without looking back at the entire text are his remarks about this is in effect the end of an era, the beginning of a better era in racial relations in Georgia. And he meant it. He practiced it. But it was a dramatic inaugural address, and I feel very good that I played a part in it and played a part in that particular aspect of the inaugural address, not only because of the speech, because I think it set a tone for his administration and established more publicly than ever the kind of a person he was on issues of this type--critical social, personal dynamics issues.

ALLEN: Who were the other persons, you mentioned four?

LIPSHUTZ: Charlie Kirbo was involved in that speech. And frankly, I really don't recall. The others--either one or two people were staff people, but I frankly don't remember who they were. I don't think any of them were the people whom we think of now as speechwriters or image makers or--although Gerald Rafshoon may have played some part in it. I'm not certain.

ALLEN: And during the term of Governor--

LIPSHUTZ: Excuse me, if I may interject, in the end as is still the case, Jimmy Carter wrote the speech. I mean he really plays a substantive role in his important speeches. And he did in this one; there's no question about it. He helped to set the themes he wanted to say and finally polished-up the language he wanted to use and did use. So, when you think of Jimmy Carter and people helping him write his speeches, you really always have to remember that. And even now as President he has still continued that.

ALLEN: The language about putting an end to an era of racial discrimination in Georgia, was this directly from Governor Carter or was it--

LIPSHUTZ: Well,--

ALLEN: Or was it from yourself and Mr. Kirbo, do you remember?

LIPSHUTZ: As far as that issue is concerned he and I have always thought very much alike --I want to say very much, we've always thought alike. So, it wasn't a question of who said it first, or who came up with the phrases, it was just a natural development coming from either him or me and working together perhaps with even more emphasis. But it was not as something that I said to him, "This is something you ought to say," or he said to me, "This is something you should write out in my thoughts." These were our mutual thoughts. But obviously he was the person who was propounding and had been. I meant them too, but I was kind of behind the scenes on it.

ALLEN: What do you remember about the term of governor? Were you involved with state government?

LIPSHUTZ: Yes, yes I was. He asked me to work with him, and I did on a volunteer basis in a few different situations. One of the first things that we worked on together was his effort to get the legislature to reorganize the state government in a very meaningful way. And specifically, I worked with him in charge of what we called the grass roots lobbying effort to get the legislature to approve his reorganization method and specifically in the area of human resources, which he wanted to organize [and] faced a lot of opposition because it was consolidating all of the major social and medical programs of the state. As I recall, the Department of Public Health, the Department of Mental Health, the Department of Welfare and Vocational Rehabilitation programs and other similar programs were all to be consolidated because they had such an inter-relationship that it was the obvious thing to do. But each one heretofore had been a fiefdom, and a fiefdom dominated by one group or the other one.

The most difficult [program] that we had to deal with was the medical--Department of Public Health and the Georgia Medical Association which had completely dominated it, even though ideologically and philosophically most of the leadership of the Georgia Medical Association really didn't believe too much in public health. It was just sort of a grudging acceptance of some kind of public health instead of considering it a major responsibility of the medical profession and the state. So we had quite a battle to get rid of this dominance by the organized medical profession of public health, in order to get better public health services to the people who needed it--And in order to coordinate and consolidate all of the health and welfare types [of] programs to the very people that needed state support for various reasons, (economic, their own physical disabilities, and so forth).

So the grassroots lobbying effort which I undertook in connection with that was really to try to get the local people in effect to be knowledgeable about [health care] and put the pressure on the state legislators who otherwise [were] being pressured by the organized lobbyists, in particular from the Georgia Medical Association. And we went out in an all-out, state-wide effort to do that. I like to think that I played a very major role in that because the key vote in the state senate was won by only one vote. I guess anyone who's played a major role in lobbying or in campaigning for something and it comes out that close can say, "Well it was always that one vote that made the difference." We had something to do with it. I think we did. And we financed it privately. We got a lot of volunteers to work on it. It was successful. So that was the first thing I did after the Governor went in.

Well, those were the first things, the inaugural address and then that. After the Department of Human Resources was formed, he asked me to serve as a member of the Medical Professions Board. There were a lot of public members, and I was one of the public members. I served as acting chairman for a short time and then Jack Watson was brought in as chairman. I was made permanent vice-chairman. Jack and I worked together on that from then on until we both came to Washington. That was an ongoing area of responsibility which I had with not only Governor Carter but actually carried over into Governor Busbee's term for a short time until the Presidential election.

I served in another capacity again on a voluntary basis as a member of the Georgia Compensation Commission. The purpose of that commission was to establish the salary levels for the highest state officials in the judiciary, in the executive branch, and in the legislature. And heretofore it had been just a constant political log-rolling approach to changing compensation. As a result, it was not only uneven, but it was inequitable in many situations because the politics didn't necessarily relate to the value of the service being rendered and so forth. So I served on that for four years also as a member of that commission. And we were able, frankly, to put the compensation levels at a much more appropriate level in order to attract good people, in particular to the judiciary, by getting as much of the politics out of it as we could and looking at it more objectively. The legislature had the right to veto what we did, but we were able to get some things done there without that. Those are the major things that I did in state government while Carter was governor.

ALLEN: How did it come about that you became national treasurer of the 1976 campaign?

LIPSHUTZ: Well, I was in on the earlier discussions about the Presidential race going back to 1974, though, if you recall, Jimmy Carter was asked by the Democratic Party to be the chairman of the committee to help Democratic candidates for the Senate and for the House of Representatives and governors, and yet the Democratic party under Mr.[Robert] Strauss neglected to give him any money to do it with, not even to pay his plane fare, much less secretarial expenses or other obvious expenses related to it. So, I was asked to chair and did chair a political action committee. Really, it was an official committee in which we filed at the Federal Election Commission so that we could raise private funds to finance then-Governor Carter's efforts on behalf of the Democratic party, nationally. And we formed that committee. We raised funds. We reported to the Federal Election Commission. I managed the funds. It was a relatively small financial operation. There were no salaries set except, I think for the one clerical person. This enabled the then-Governor to travel around the country and carry out the responsibility which the Democratic National Committee had given to him but had failed to finance. So, that was the first thing that was a prelude to the Presidential campaign.

When he did decide definitely to run for President--and this goes back quite a few years, while he was still governor, of course--that the basic decision was made, he asked me to be the treasurer of the campaign. While I had never been treasurer of any political campaign, my background in managing finances, fund-raising to some extent, and legal aspects which were very much involved under the new campaign laws, seemed to suit my experience and temperament and interests, and I was glad to take it on. I don't think I envisioned quite how much of my time would ultimately become involved in it; I didn't even think twice about whether it was going to be a successful race or not successful. I didn't try to evaluate it on that basis at all. I just felt that we had a good person, Jimmy Carter, to be a political leader if he wanted to go from being governor, which I tried to help him become and to help perform, to becoming a President, then so be it. We would go ahead and do it. So, in a somewhat casual way, how I became treasurer in the campaign as I say, it started out obviously slow.

We, from the very beginning, something that comes natural to both Carter and me, and that is we really tried to manage our money on a very tight, fiscally-sound basis. First of all because we didn't have any more. And second, because it just came natural. So, we were able to get a tremendous amount of volunteer help. We were able to get my law firm to rent space very cheaply and then I was able to get my law partners to turn around and give the money back in legal campaign contributions, even to offset that, and as I said, we had a lot of volunteer time that went into it so that we kept down the overhead. Carter and anybody traveled tourist class and stayed in homes free in practically every place we went; got people to drive them around instead of renting limousines; all the things that most folks don't think about when you're running a Presidential campaign. And we did them differently. And we had to do them differently if we were going to carry out the aggressive kind of a campaign that we wanted to carry out. And so, that was sort of the beginning of being treasurer of a Presidential

campaign, and it just grew from then on.

ALLEN: Your headquarters were in Atlanta, campaign headquarters--

LIPSHUTZ: The campaign headquarters were in my law office throughout the primaries. When we got to the general election later on, we rented a very large space elsewhere to get more space--and as a matter of fact, during the campaign, as we grew and grew in activity and people and need for space, we expanded from the law office to adjacent buildings as well, and so we campaigned with the headquarters still in our law office building but with adjacent space tied in either next door or across the street, both.

ALLEN: Were you heavily involved in the fundraising as well as the accounting?

LIPSHUTZ: I was involved in the fundraising, but I was never primarily responsible for fundraising; others were. I obviously helped a lot and did a lot of it, but the responsibility which I was the one primarily responsible for was to manage the funds, make sure everything was done legally, and--of course, tie all of this in to both the ability to raise money and the political necessities. And I had to make a lot of judgements all the way down, from the beginning on, as to how to allocate resources or how to get resources either by additional fundraising or by reallocation and make judgements on that as the political needs developed.

But, once again, we ran a very, very tight ship from the beginning, and we never got out of the habit, even when we had more money, and I think even in the general election; well, we had a substantial amount from day one, but particularly, of course, during the primaries. And it paid off. We were able to do things during the tightest times that some other candidates claimed they were broke and couldn't do. And it made a difference. I think the one that's gotten the most attention was the Pennsylvania primary, when we were able to finance an intensive campaign even though the Federal Election Commission's funds were temporarily cut off. And I think we did it by a tighter management of our money on the one hand and a little bit of creative financing, which has gotten a lot of publicity--but was perfectly proper--and that was to arrange to borrow money from banks by using normal commercial techniques of accounts receivable financing. We had massive amounts of money required to be put up in advance. There were really, two things we had to put up money [for] in advance--one was the telephone company money; well, that we couldn't use for financing because it was really just a reserve that we didn't have a call on until our phone bills were paid. So, that was not a source of our financing. But, we also had to put out money for airplanes, not only for the campaign but for the Secret Service and for the press in advance, and we got paid back the share that was due by the Secret Service and the press only later, maybe thirty days or so later. But that was an account receivable in each case that any business could have gone to a bank and financed, and we did; for some reason other candidates didn't.

That was one of the major sources that we had of borrowing in a normal commercial manner that helped us to have money when we needed it, and the second was that

when you filed your claim for matching funds once the Federal Election Commission was in business, there was necessarily a waiting period in which they had to do a certain amount of auditing and processing, and that waiting period could prove critical and would have proved critical, but we established a line of credit with a bank that when we submitted our claim for matching funds, it was handled just like a factoring business would be handled--a factoring account--and they would immediately advance us the eighty percent of the funds that we claimed were owed us by the Federal Election Commission.

They relied on our integrity in submitting honest claims for matching funds, and they were willing to do that because they knew us well from past experience. They knew the President and they knew me. And they knew that we weren't going to misrepresent what we were claiming as being honestly owed by the Federal Election Commission, so they were willing to, in effect, factor these accounts, and so the very day we would submit a claim to the Federal Election Commission we were able to go to the bank and get eighty percent of that amount for immediate use. Well, in campaigning the biggest monies are needed in advance, whether it's for telephones, whether it's for television, radio time or whether it's for travel-- that's right, telephones and travel and television, radio time. Those are the major categories, and in every case you had to pay in, before you got the service. And so, we tried to figure out and did figure out a way that we could also get monies that were owed to us more quickly, and that was the creative financing we used in the campaign that other candidates apparently did not use. It enabled us to have monies in Pennsylvania and other places at critical times.

ALLEN: Had this financing been the source of problems with the Federal Election Commission?

LIPSHUTZ: It has not been a source of problems with the Federal Election Commission. It's been a source of continuous inquiry by the press and things of that type which have kept alive the campaign finances [issue], but fortunately, to say we did right, we did, not illegally, but it was normal as it turns out. I didn't think it was normal at the time we were doing it, and it wasn't normal from a businessman's sense--maybe it's just because I wasn't a politically-experienced person that I thought in business terms rather than political terms in financing. It was perfectly legal and perfectly proper and despite all the inquiries, I'm satisfied that everything will be proven correct. [The] Federal Election Commission has already finished its audit and signed off and found nothing of this type at all out of line. The only complaints they had were minor technical things that had nothing to do with the financing. And the Paul Kern investigation which was precipitated, again, by the news media contending that something [was] illegal through the warehouse in order to finance our campaign, is just completely wrong--100% wrong. I'm sure the Paul Kern investigation will show that; as has every other inquiry once the person really went into it. We tried to give out as much information as we could. Federal Election Commission records are there for the world to see and the world has seen them time and time again. And it's just the fact that we did things, as I say, in a way that a businessman would have done them rather than the way a typical political financial person would have done them.

ALLEN: Why did the Federal Election Commission take so long to resolve all these matters? They just recently closed the books.

LIPSHUTZ: The Federal Election Commission, as you know, really just went into business with this election in [19]76, seriously went into business. And so they were learning themselves. So, giving them the benefit of the doubt, I would say because they were new at it, but I am still very critical of the slow, what I considered, unprofessional, amateurish auditing procedures that they employed in this campaign. We employed the Arthur Anderson Company, one of the top CPA firms from the very beginning of our campaign, to help us establish procedures, to advise us, to monitor what we were doing, and finally to audit the results of our efforts at the end of the campaign. They performed in about four or five months after the primary was over, what it took the Federal Election Commission two-and-a-half years to do. And, I am convinced that the sole reason is the difference between professional accountants and amateur bookkeepers. And it's very unfortunate that it took the Federal Election Commission about three years to finally recognize this. They now have employed the Arthur Anderson Company, who incidentally not only handled our campaign but handled President Ford's campaign, so it was not a part of [our campaign]; they knew what they were doing. It took them that long to realize it--the Federal Election Commission--they finally employed Arthur Anderson Company. I've just received a copy of their report and recommendations to the Federal Election Commission on how to change and improve the auditing process. Although I haven't read it yet, I have enough confidence in this CPA firm to hope that the FEC will listen to that advice and drastically revise this auditing procedure. It was just a matter of being amateurs. There was nothing malicious about it or what, but it was just unfortunate. And so as a result on our campaign, for instance, first of all, they had not established what they wanted to be the auditing guidelines, the bookkeeping guidelines.

So we went about it in the way that Arthur Anderson Company advised us, which is a perfectly sound way of doing. After the campaign was practically over then the FEC said, "No, we want you to do it a different way." Either way would have been perfectly all right. And so, we had to go back to satisfy them and just literally re-write every FEC report that we had ever filed, simply because there were two ways to do it or maybe there were three ways to do it, any of which is correct, but because of their requirement and they were in charge, we had to go back and re-do all this. Well, this took a lot of time. Secondly, when they audited, they did one thing I know they did which is an indication of how much they lacked in knowledge about how to handle auditing in they would go through every minute little transaction and detail and spend lots of time on it, when instead of going about the sampling approach which all CPA firms do with the largest corporations, and doing it professionally. And so, they kept people working, as I say, for two-and-a-half years to do the same job that Arthur Anderson Company did in the four or five months. That's my criticism. I like to be generous and say it's because they were new at it. It's unfortunate, though, that it took so long. But, that is the primary reason. It was not because of complaints against us that it took so long; it was just the massive amount of detailed, time-consuming work that was unnecessary.

ALLEN: Do you remember election night in Atlanta, and then the early morning speech from Plains?

LIPSHUTZ: I wasn't in Plains. I was in Atlanta and of course, sure I remember it quite well. I remember not being able to go to sleep until Mississippi came in and also Hawaii, even those were a couple of the last critical states to come in general election night. But, I guess, I really remember more the nominating campaign climax in New York. Of course, by then, by the time we got to New York we were pretty confident we had [won], and we really did have it pretty well locked up. But, I remember some of the critical primary nights even more so.

ALLEN: Are there specific things that stick in your mind about that New York convention?

LIPSHUTZ: Well, I, of course, remember, you know, the platform after the nomination, Vice-President, as well and all that. I remember being introduced by Bob Strauss as the unsung hero of the campaign. I didn't sing. And, no, I suppose, you know, the performance, sitting up there on the podium as the President was giving his speech and all--All those were exciting times.

ALLEN: Do you remember the circumstances under which you first started thinking about the Counsel's job. Do you remember when it was mentioned to you?

LIPSHUTZ: Well, of course, after the election, and it really was only after the election that I began to sit back and think seriously about whether I even wanted to go to Washington with the President. That was not the reason I got into the campaign; that was not the reason I stuck with it. And then obviously though, the question came up, "Well you've gone this far, do you want to go ahead and have this experience in Washington, work with the President, as a President." And so I thought about it and had a few discussions, some with Kirbo and some with the President in general. And then one day, I think either four or five of us went down and met with the President--four or five of the really close, key people at his home and Charlie was with us too. Charlie was his constant liaison with many of us on many matters. And so we met and just talked in general and then began to talk a little bit more in specifics. And he asked each one of us, said, "What would you like to do; I'd like to know before deciding what I want to ask people to do." And, I said that if I came to Washington, I would want to come in a lawyer's capacity. I did not want to go in any other type of capacity. At first, I was not that specific; I didn't know that much about the organization of the White House or government really, because I'd never been involved in it. But that was, to me, an essential element of leaving my law practice--that I'd not lose my identity as a lawyer neither in perception nor in reality. And so, others, Jack Watson, who is a lawyer, Stu Eizenstat who is a lawyer and expressed themselves and did not, in effect, compete, as I recall--that I don't think either of them--I think that they were the two key lawyers on the assumption that Kirbo did not want to come to Washington, which was his position all along, of the people closest to the President.

So then we got down to specifics, and I talked to the President and to Kirbo about what I ultimately found out was the Counsel's job or as about as close to it as you could have in the White House and either that or going out into the administration somewhere. I later then came back and talked with the President about the Counsel's job, and I don't recall how he first said, "You know, if you'd like to be Counsel, I'd like for you to be Counsel." I don't remember how that really [was said] because our relationships were always pretty casual, informal and they were then and I think that they remain that way for the most part. I discussed it with my wife and she had some qualms, she said, "Does that mean that it's going to be worse than ever? That you're going to be coming home at 10 and 11 o'clock every night, and you're never around, and I'm in Washington where I don't even have the base that I've got here where I have, you know, family and friends and a familiar environment and just, in effect, be alone."

So I went down to Plains one day and talked with the President, sat--just the two of us--and said, "Mr. President, I would like to become your Counsel, but I have one condition that I just must ask you. Before I make it final." I said, "I really want to be able to go home no later than 8 o'clock every night unless, of course, there's some emergency so I can plan on a regular life with my wife." He laughed and he said, "That's the most unusual condition I've heard from anybody that I've talked to about anything." And he said, "Of course, that was fine," he said he respected family life very much including his own and he planned to do that, which he's done. So that was the only condition that I imposed on him. And he has never violated it. And if I violated it, it hasn't been too often.

ALLEN: You just mentioned that you have some family concerns on coming to Washington. Would you stop for a minute and tell me about your family and how many children you have and where they were at that point in time?

LIPSHUTZ: Betty and I have six children between us and I'll explain. I was married in 1950, and my first wife died in 1970; we have four children. Betty was married at about the same time and her husband died about a year after my wife died. We had all been friends. She has two children. So that's where the six children come from. At the time we came to Washington, all of them either were in college or had completed their college education.

ALLEN: So their ages were close together?

LIPSHUTZ: [Their] ages are close together and at the present time they range from ages twenty-one to twenty-eight. And at the present time the two youngest are seniors in college. And the oldest has been practicing law in Atlanta for three years. And there are two boys--the one boy who has finished his first year up at Harvard Law School--my stepson. The two girls I mentioned too--youngest are practically the same age and at the same school--Wesleyan University in Middletown, Connecticut. And they have been personal friends since preschool days in Atlanta because our families were friends. So Betty and I were no strangers. And our two other girls--one has been out of college now four years; she was already working here in Washington before we ever came to

Washington. She had graduated from Mt. Holyoke and had not decided what career to go into. She has now since developed an interest in and is in the career of public health work. After working in Washington for a while she went down to the Texas-Mexican border and worked in a public health clinic there for a year-and-a-half and now has just enrolled to get her masters degree in public health at the University of Michigan. The other girl, who has been out of college for two years, graduated from Northwestern University, and she has been working as a volunteer in the VISTA program for almost two years and will finish two years in December. And [she] is one of those who's at the stage of life, hasn't quite decided what direction to go after that, but that pretty well summarizes it.

ALLEN: Now, she's the only one you'll be leaving behind in Washington now?

LIPSHUTZ: No, there's none in Washington now--the one in the VISTA program is out in the field--she's not in Washington. She's worked in New Orleans and now is in Hot Springs, Arkansas--strictly community work in the VISTA program, but in the field operation, not in Washington.

ALLEN: And you had mentioned to me that your wife, Betty, is involved herself in several voluntary areas.

LIPSHUTZ: Yes. Betty graduated in business administration from the University of Alabama. At that time when she graduated very few women were in business administration, but she was. She worked in a department store in merchandising prior to her marriage and then was basically a housewife and mother until we came to Washington. She has planned to go back to work in business or business-related matters as soon as the youngest children went off to college. It coincided more or less with our coming to Washington. So she went to work here in Washington--First in consumer work, both in a private group and most of all with the District of Columbia's Consumer Affairs Office. After about a year or so of that, she then moved to the Small Business Administration's White House Conference for Small Business and worked in that until just recently.

ALLEN: Has she enjoyed those experiences?

LIPSHUTZ: Yes. She's enjoyed those experiences quite a bit, and she will work when she goes back to Atlanta, probably in a business-related or consumer-related field, and they overlap frequently.

ALLEN: I miss seeing her picture right up there. She's a lovely lady.

LIPSHUTZ: Well, thank you. Thank you. Yep, she's packed, on the way back to Atlanta.

ALLEN: That's a nice picture--the one with her arms over her chair.

LIPSHUTZ: Yes, it is nice.

ALLEN: We had just started talking about your coming to Washington and becoming Counsel for the President. As you took over that job and started picking the people who were going to be on the staff with you what did you see that job as being?

LIPSHUTZ: Well, as I said, when I talked to the President, if I was going to come here, I wanted a job that was primarily a legal job--a lawyer's job. And that's what I envisioned this to be and that's, in fact, what it has been primarily. But I also had learned from my campaign experiences--well a little bit from early experiences with the President while he was governor--that in political matters you, perhaps, have to understand a lot more about the political ramifications of decisions you make than you would perhaps, than you certainly would in private life. There's a different dimension that has to be understood as best you can. I was quite used to making judgements and giving opinions as a lawyer--taking into consideration, not only the legal ramifications but the business ramifications; this was necessary to adapt the legal ramifications to the political ramifications. And I understood that that was the challenge of the job--the challenge, I guess, of any lawyer in government. And so, I looked on it as being somewhat a member of the board of directors, so to speak, if I would have been in business where you have to consider both the pure legal aspects and the political aspects--and by political I'm speaking broader in terms than just campaign type politics--I'm talking about governmental operations, governmental implementation, etc...

ALLEN: How did you select the people who were going to be on the staff with you?

LIPSHUTZ: During the transition period, I spent some time with my predecessor, Mr. Phil Buchen, who served President Ford, and got some ideas from him. I tried to learn a little bit about what was going on and then just formulated a basic judgement that I wanted able lawyers, vigorous lawyers, and preferably, relatively young lawyers who were politically sensitive, academically, professionally well-qualified and vigorous enough to take on, what I considered to be, the likely rigors of this kind of a position. And I looked primarily around among the large number of lawyers who had been involved either in the campaign or transition. I wanted a diversity of background and interests so that I ended up with, out of a total of four lawyers, three who had average experience of about six to eight years, somewhere along in there--One of whom is a woman. One's from Rhode Island. One's from [the] District of Columbia. One's from Virginia. And then, plus a fourth, younger lawyer who had been practicing only a year here in the District but who was a native of New Mexico--of a Mexican-American background, but one whom I always kidded about as being our affirmative action example, and then I would say, because he went to Harvard Law School and he was our only Harvard graduate. So I was looking for that kind of a combination of not only experience but certain sensitivities; a few, came with the types of people that we put together. And it proved to be, I think, a very effective team. We stuck together all the time. I think that [we] performed well as a team. And I think each one contributed the kinds of things that I'd hoped that they would.

ALLEN: How did you divide the work of the office among these four lawyers?

LIPSHUTZ: Well, of course, Margaret McKenna served as my deputy. I looked on her as kind of second in command overall. And then, quite frankly, we just began to divide responsibilities as the responsibilities appeared. There was no great master plan at the beginning about the whole thing.

ALLEN: Okay. You've been a long-time member of the senior staff, looking at a larger organization within the White House, when you first got here, and you've seen the organization of the senior staff evolve from the beginning days, the early days, to now. How would you describe your organization?

LIPSHUTZ: Well, in the beginning and for a long time afterwards we relied a great deal on the--and the President relied a great deal on the fact that most senior staff had been working together in a relatively unstructured fashion throughout the campaign. Many of us had even known each other and worked, in one way or another, while he was governor, but particularly in the campaign, and worked successfully. This was consistent with his idea--the spokes of the wheel for the staff. As far as our relationship, the relationship among the members of the senior staff, this continued to be harmonious and reasonably effective, but I think that perhaps, in retrospect, it was a little too unstructured for the job we had to do simply because we had no serious frictions among ourselves, no fights over turf or things in White House staffs, and in government the lack of this structure probably caused some other things to be duplicated. And so as I look back on it I think that it would have probably been better had we imposed on ourselves a little bit more of a structure--not discipline in that sense of the word because I don't think we needed the discipline. I think that we'd worked together too well continuously and always did all the way through as far as the harmonious part was concerned, so that if we had had a little bit more of a structure to begin with, we probably would have been more effective. Also, in retrospect, we probably would have been wiser to have asked the President to bring in a few more at the senior level whom we didn't know as well, whom he didn't know as well, but who brought in, again, the diversity that I mentioned on my own staff, but the diversity at the senior staff level that would have, most of all, given us an image of diversity, but secondarily might have brought in some perspectives that we only could get from our subordinates within the staff.

ALLEN: What was the structure? Did you have more than one meeting a week to touch base?E

LIPSHUTZ: The meetings really were more information-giving meetings. They weren't meetings at which things were really organized or planned --I mean the whole staff meetings. There were smaller meetings that planning went on [in] and all that. But, the meetings were really primarily there to keep people as informed as we could about what everybody else was doing. It probably was a kind of a subconscious way to overcome the lack of a structured situation where that might have flowed more easily, just as a routine matter.

ALLEN: What are the areas in the last two years that have occupied most of your time--We've discussed some of these. What would you describe?

LIPSHUTZ: Well, as I said our primary responsibility was to serve as legal advisor [on] legal matters for the President, and not only the President, but the White House staff as a whole. And in order to do that, since we only had a total of five lawyers and since we had such a tremendous variety of matters to consider, many of which none of us had any legal experience in, we had to get into it new. But we relied very heavily on, for our background legal work, the Department of Justice, and also on the legal staffs of the departments where we established a very close rapport. [The] Department of Justice has the Office of Legal Counsel which is assigned to service the President and the White House and would respond extremely well; they would respond promptly; they would respond quite accurately because they would have it backed up by the necessary research and citations and experiences and all--on just the myriad of questions that would come up. So we had that kind of backup in depth.

But if we had a question in the area of the Department of State, the legal advisor to the Secretary of State, who was very close to me and very cooperative, would render us that kind of legal assistance. [The] same thing is true of the General Counsel for the Treasury Department, General Counsel for the Department of Commerce, General Counsel for the Department of Defense--All of these were people with whom we had established and I established a very close rapport, and they were very helpful to me, not only in the legal work that they would do for us because they had the experts in their particular areas who already had the experience or already had the research memoranda, who had the judgement based on this that they could feed into me and our office and assist us in responding to our questions. And then I was helpful to them, I think, in that whenever differences would come up between their department and the White House or their department and another department, or their department and the Department of Justice, I played a role in mediating many of those things and working them out. And it proved to be a very good system because you can't, in private life, have access to the 16,000 lawyers whom we have access to from the White House, who work for the federal government. I mean that's the number; obviously, I didn't really work with that many. But, it was a good relationship and in structuring our staff we were determined to keep it small, not to try to do the same things that we were able to get done elsewhere. I could probably have had 200 on my staff and had less adequate legal work behind me than I had under this system, and I certainly wouldn't have had. [I] wouldn't have had the expertise, wouldn't have had the person power, wouldn't have had the experience in these areas and all to call on.

ALLEN: Thank you. I love that word "person power". Was the relationship between yourself and Judge [Griffin] Bell an important part of that working relationship?

LIPSHUTZ: Yes, it really was. Judge Bell and I, while not intimate friends, have been good friends for many, many years and, of course, that obviously helped us in our relationship with him and the Department of Justice. It was always a candid relationship. We didn't always agree on judgement calls. But, we don't necessarily

have identical philosophies about certain matters, but we have had a very good, genuine rapport and relationship and we both had the same objective of really serving the President well. And so that was a very valuable relationship, I think. It certainly was for me; I like to think it was for him and I really, clearly know that it was for the President that we were able to have that type of a relationship. He was independent, but at the same time I was independent in dealing with him and so that we were able to, I'd say, really be candid and effective and honest with each other and whether we differed or whether we agreed, ultimately come out with an amicable method of resolving whatever had to be resolved. For instance, I clearly respected his absolute authority without any interference from the White House, including the President, on criminal matters. The President wanted it that way; it should be that way. [The] President wanted it that way; I wanted it that way, insisted it be that way. I monitored the White House to make sure it was kept that way. And, on the other hand, the Attorney General expected it and appreciated the fact that that's the way we operated because one of the most undermining things I think that we've had in recent years is the involvement of the White House in matters involving criminal justice which should be exclusively the purview of the Department of Justice. So we stayed out of that. On the other hand--and we had some differences about this--on key civil matters, particularly in the Supreme Court, where there were fundamental policy decisions to be made and which could be honestly argued on either side by the Department of Justice, the Attorney General and I, from time to time, had differences to how involved the White House should be. I think towards the latter part of the time that he and I had been here, those differences about how much involvement had been resolved. But early on in the Baake case, and in the case of Tellico Dam, the veteran's preference case, out of Massachusetts, the Peetes, the Phoebe case, and the more recent Wyberry case, there was some difference of opinion about how much involvement we should have from the White House. I insisted, and ultimately the Attorney General agreed, that the White House should play a major role in determining which side of those issues the Justice Department should be on because there were policy judgements in which the law was not black or white--it was law being evolved by those very cases, and the position of the Justice Department should reflect the President's position.

In each case we finally worked it out a little differently as to how to be involved. It was very interesting because in the Baake case the Solicitor's Office, which is under the Attorney General, initially developed a position which would have basically supported Baake, and that's an oversimplification but it would have. We finally--Stu Eizenstat and I particularly--worked closely together against, if you will, this position. And finally when the Justice Department submitted its brief, it really was the other way around--it came out very strongly for affirmative action, which fundamentally is what the Supreme Court ruled. We thought that was a key policy judgement to be made, and we differed with the original position that would have been taken by the Solicitor's Office for the Justice Department and reversed it.

Then we came to the Tellico Dam Snail Darter Case, and in that case the Justice Department had already, in the lower court, represented one side of that issue by representing the TVA. We felt here, and the Interior Department felt, that we really

should not be in that position but Justice ethically was already committed; it was already in the case; so we had quite a dilemma. We resolved that dilemma by the Attorney General agreeing to let the Interior Department, who was primarily interested in protecting the Endangered Species Act, file its own brief, but attach it as an appendix to the Justice Department's brief so that, in effect, the Justice Department submitted both arguments, both sides of the argument to the Supreme Court; the Attorney General personally appeared and explained what he was doing to the Supreme Court because it was a unique approach in which you really didn't have the government, quote end quote, clearly on one side or the other of a case, and as it turns out the Supreme Court adopted the position of the Interior Department. So that was the way we resolved that.

The Veterans' Preference Affini Case arising from Massachusetts was one in which, I don't know if you recall, but the issue there was whether or not the state law of Massachusetts [was legal] which gave an absolute preference to veterans for government jobs in Massachusetts, regardless of anything else, assuming they meet the fundamental requirements. In practical terms, [the law] worked very strongly against women who had not been a part of the armed services, anywhere near the number as men. And yet the Justice Department said that this is true; our administration's position is not to go along in this absolute preference even if the federal government had never had an absolute preference. It had given preferential points to help veterans somewhat in overcoming, I mean where they could get some advantage, but not an absolute preference. But the Justice Department said that that's true, but we feel very strongly that it's not a constitutional law question here but a legislative question, and yet the attack on the Massachusetts law was on constitutional grounds. And so finally we did not feel we could argue with the legal position of the Justice Department in that case; we reluctantly agreed that it was sound. But we had a very strong administration position we wanted presented, so finally what was done was that womens' organization groups were authorized by the Attorney General to file independent briefs along with Justice's briefs in the Supreme Court and argue that point even though we had to stick to the constitutional law aspect of it, conceive that the effect of the constitutional thing, if that was all that was decided, would really be against administration policy. In that case the Supreme Court ruled that it was not a constitutional question; it was legislative. And we did our best to present our policy position but not to overrule the Justice Department on a clearly strong legal position which they were proved to be right on. And the Weber case had some similar issues; we really didn't have an differences there as to how to present it; we presented in the way that was commonly adopted by the Supreme Court.

Another area that I worked a lot with the Judge on was judicial selection, particularly under this bill. The Justice Department, of course, took a lead role in processing these applications, and, of course, made recommendations. In the case of the circuit courts, we had commissions that were appointed by the President. In the case of the district courts, we worked closely with the Senators, had to. When the Justice Department would do its processing, then we had a group here at the White House that reviewed all of these before making a recommendation to the President. That group consisted of the Attorney General and myself and Frank Moore to get the congressional perspective and

Tim Kraft to look at the political ramifications and Hamilton Jordan somewhat participated, not as much, but he did participate, and also looking at the overall particular political ramifications. And specifically, I took the lead role on the affirmative action aspect of things, because we all knew what the President's position was, but we found early on that unless someone really got heavily involved in the case-by-case attempt to do something about affirmative action, it was too easy for people to come up with what they consider the, quote best qualified end quote, person for particular judgeships and end up with all white males again because of the fact that women were less experienced; perhaps blacks were not as well qualified in most cases, most districts, more circuits as the outstanding white male, and we would never get anywhere on affirmative action.

So, we played a very major role--I played a major role with the help of Margaret McKenna and Doug Huron--in making certain that case-by-case, state-by-state, circuit-by-circuit, we really searched out for qualified women, qualified blacks, qualified Hispanics to make sure that the affirmative action goals of the President were met in practice. And I feel very good about that. We had a lot of tough times because it's not very difficult, in most places, to come up with a white male who has the credentials that exceed the credentials of almost any one of these other groups for the reasons I mentioned. And yet while we never wanted to take anyone who wasn't qualified to do the job, we did not feel that we had to let the degree of qualifications be the sole criterion for selecting; the President didn't want this. And, in practical terms, if affirmative action was going to work we had to accept the fact that we might get the second-best qualified or the third-best qualified provided that person was competent and qualified. So, that was a major role that I played in working with the Attorney General and the President. And then after we would go through these processes and the Attorney General and I would sit down with the President and review these, most of the times we had reached an understanding; sometimes we didn't. We'd submit it to the President for his decision. And I feel like that was one of the important things that I played a significant role in around here the last three years and specifically in a relationship with both the President and the Attorney General.

ALLEN: And certainly one of the most important impacts the Carter Administration will have is on the judiciary. The number of persons--

LIPSHUTZ: Well, I think that it not only will have a tremendous impact on the judiciary, but I really think it has a tremendous impact on society as a whole because if women, if blacks, if Hispanics cannot have adequate role models who have been given opportunities to be judges, like everybody else, then it's going to have a deteriorating effect on their enthusiasm and confidence and all in the whole system. And you have to start by doing something--theorizing is not enough; rhetoric will not instill confidence that lasts for any length of time. And so I think that it's very important to make this kind of a breakthrough, and from here on out maybe it won't be necessary to worry about affirmative action; maybe from now on out it will come naturally.

And particularly, I can tell you about the women's situation. There are so many women

now going into the law, who obviously have the competence comparable to all the males, but who don't yet have the experience. As more blacks go in, I think if they have confidence by going in they're not going to be automatically discriminated against in moving ahead whether in private practice or the [government], I think you will find that it has a very wholesome effect on society as a whole. It'll make more people feel comfortable that the system of justice is going to treat them the same way it treats everybody else, which certainly is not true today. So I think the success of this particular program of affirmative action in the judiciary has a very far-reaching effect, not only on the judiciary, not only on the legal profession, but on society. One interesting example I heard once was how among a group of judges in a circuit court--I won't mention which one--which has been all white males up until a black was suddenly put in the group, the private conversations among the judges suddenly became entirely different when they were talking about blacks among themselves. All these things have a tremendous meaning, I think. In a very personal way, in a very parochial way, one of the things that President Carter did in Georgia, even though we'd had a lot of so-called liberal governors in the past, he was the first governor to put Jews on the, both the appellate and trial bench; first one to put blacks on the bench; it was automatically barred to Jews and blacks in many parts of the country. That would sound astounding, not about the blacks, but he did that as a governor. And then when he came here he was determined to make affirmative action far-reaching, and did. And I think it had a lot of meaning.

ALLEN: You were involved in another area of selecting appointees, that of security investigations and conflict of interest...

LIPSHUTZ: Yes.

ALLEN: Clearances. Could you describe how that process worked?

LIPSHUTZ: Yes. Well, with all Presidential appointees, whether they're confirmed by the Senate or not, our office had the responsibility of reviewing FBI investigations which were the background investigations done by them. We would authorize the FBI to make the investigation and then we would get their report, and if we had some questions, go back for more information. And they would do what was called a full field investigation; they would send out agents who would have certain procedures--I don't know all the procedures--and render us a confidential report that would not only show negative things about people, but also show positive responses--how many people said these people were trustworthy, reliable, honest, able and so forth, so that we could judge, primarily if there were any really serious negative things in their background that should be known before the President proceeded with the nomination. That was one of the two major areas. The other that went parallel with this was to make certain that people whom the President appointed did not have conflicts of interest between their new job and what they carry into the job from their private life business interests, law practice interests. So to make sure that if there were potential conflicts those were eliminated or isolated in such a way that they would not prove to be conflicts. And we had some guidelines developed that we modified somewhat from time to time before we

ever had a law to back this up in which each person was processed that way. Patrick Apodaca was my associate who handled the day-to-day FBI investigation matters. Michael Cardozo handled the conflicts of interest. And as they developed more and more expertise in routine matters that...

ALLEN: We were just talking about the conflict of interest clearances and FBI clearances and you had just said, I believe, that you had set up these regulations before the new Ethics in Government Act [of 1977].

LIPSHUTZ: That's correct. John Moore, who later became the chairman of ExIm [Export-Import] Bank, and I worked together on developing the initial guidelines and regulations. This was even before the President was inaugurated. And then we continued to do so, and well, John, of course, went on and then Michael Cardozo began to work closely with both him and me, and we developed and would necessarily modify them some as we went along, both on what were conflicts and how to resolve them. In some cases the conflicts were resolved by insisting upon divestiture of stock interests or business interests or what have you. We always required a person who was a lawyer to sever and terminate completely his law firm [affiliation] and have no agreement to go back to that law firm either expressed in writing or otherwise. I don't mean he couldn't go back, but it would have to be something that came up after he left government. We did not always require divestiture, however, of investments. If there was no relationship between the investment and the job a person was taking, we generally would have no reason to ask for divestiture. Another technique, in the case of people with highly diversified stock and other interests, was to set up a blind trust so that they would not be aware of what their interests were in their new job and have a trustee who was really isolated from them. That was done in a limited number of cases, not a large number percentage-wise. So we had to, as I say, adapt the guidelines to the individual cases. There was no one simple answer to every situation. Our goal though, as I said at the beginning, was to remove any potential conflict of interest between the interest of the officeholder and the office he was going to be holding and the responsibilities he was going to be carrying out.

ALLEN: How did the legislation affect what you were doing?

LIPSHUTZ: Well I think the legislation has memorialized the guidelines that are really necessary, and also the regulations have gone far beyond just Presidential appointees. It's broader and I think this will be the consistent policy of this administration from here on out. I think that the legislation really incorporated much of what we had been doing, modified some degrees, as you can look back at some of the documents in legislation and see. We worked very closely with the Congress in developing the legislation in there. Our office took the lead from the White House, in that aspect of it, except for the special prosecutor provision which the Justice Department could [take the] lead in. And then when the question came of the Office of Government Ethics, which was established to monitor this, to administer it, and had to develop its own regulations, you know, to elaborate on the law itself, we worked very closely with them in trying to work that out and finally decided that some minor amendments were needed in the law and

that's what we were able to get Congress to enact earlier this year just before the law went into effect. Because we kept learning as we went along, and it may be that we'll learn as time goes on even more. There was not only the conflicts but also the revolving-door questions we were trying to work out.

ALLEN: I'd like to ask you about one other policy area and then ask some more personal specific things. Middle East policy, you've had a role in that. Would you describe what your role has been?

LIPSHUTZ: Well, I've had a great deal of personal interest in the Middle East situations, long before I came up here. I'm very active in the Jewish community at home and to a lesser degree nationally. I have some very strong feelings about the needs for long range stability in the Middle East and not only because of what I consider Israel's basic needs for stability, but I think for our country, it's critical that we try to eliminate and certainly minimize the constant wars and tensions that have been there for many, many years now.

So I had a great deal of personal interest in that and hopefully have a little insight and have had some insight into it. And so even though it's not in the normal function of this office, I did get pretty much involved in that; I spent a lot of time, not just with the President, but with Dr. Brzezinski and some State Department people, other people on Dr. Brzezinski's staff, Vice-President Mondale and, of course, a number of people outside of the White House, outside of the government. In trying to continuously get an insight and when I felt that I could make any contribution in the way of advice, I would do so. This came to kind of a climactic point which I like to think of as quite helpful during the negotiations. First at Camp David and then the trip the President took to the Middle East and in between so to speak, in which on a number of occasions, while these things were going on, when I felt that I had something to contribute to try to resolve dilemmas or come up with new ideas, I dealt with the President directly on those. And I think he would tell you that some of them proved to be very helpful in untying a few knots and getting through some tight spots during the negotiation process.

I also was very convinced that the President's policy towards the Middle East was correct, but it came under a lot of fire. He had a lot of fire, from time to time, from the American Jewish community leadership. And I would go out and give speeches to try to both explain and defend what the President and administration were doing and are doing and will continue to do so in the Middle East. So another aspect of it that I was on the firing line in that sense, most of all trying to explain. There are so many emotional issues, in this situation, that the facts sometimes don't catch up with the rhetoric and the emotion. And I felt that I could be just one person, at least, who would add something of enlightenment to non-governmental people. I got well acquainted with Egyptians as well as Israelis, much less so but somewhat...I spent a fair amount of my social life, I mentioned earlier, with Jordanians and Saudi Arabians--Try to again understand things better, not just talking within government, not just talking with Israelis from foreign governments but others. I talked to people with different persuasions in the United States, and I just wanted to make sure that I had as much enlightenment as was

available in forming my own judgements. But again, I suppose, that while the speeches may or may not have meant much, and the questions and answers that followed them, usually, they might have helped. I think in a few cases they did. I do feel very much, though, that the advice I gave the President on these occasions, during these negotiations and and at other times during particularly the last year-and-a-half have been very helpful.

ALLEN: Could you [give] some specifics or do you not feel comfortable?

LIPSHUTZ: No, not specifics, except that it related to the Peace Treaty. It related to the implementation of the Peace Treaty, the Camp David agreements and the Peace Treaty, related to the implementation of the Peace Treaty which incorporated the Camp David agreements. And I would hope that, from time-to-time, even though I'm not here every day, that I will be able to add some insight and I will certainly have access to the President--specifically, at his request and because of my interest to continue in this particular area.

ALLEN: To get into a different type of subject, I wanted to ask you about Mr. Lance and the first year or two of the administration when he finally left the directorship of the OMB. What are your personal memories of that period and that issue?

LIPSHUTZ: Well, I suppose the first exposure I had to any kind of a problem relating to Bert--Well, let me go back before all this started. I had gotten acquainted with Bert during the President's term as governor; we had not known each other really before. But both because of Governor Carter's relationship with Bert Lance and because of his lawyer who had happened to be a classmate of mine at the University of Georgia at law school, Beverly Langford being close to Bert Lance, and because I thought he was a good person, I supported him in his campaign to become governor of Georgia and worked with him as did a lot of Governor Carter's friends. And based on what I had learned about him and based on what he had done, really, in public life as well as private life, I felt that he would have been a very good governor for Georgia. I still think he would have been. But he was defeated. And so when he came up here, I thought he was an excellent selection of a person to serve in the administration. I didn't know enough about the particular jobs to know whether OMB was maybe the best place for him or someplace else. But certainly that he would be a very valuable asset to the President. And I think that in many ways he was, while he was here.

But anyway, going back to the first time I was aware of a problem was during the transition, and at that time I was just, I guess, the logical place to store, if you will, FBI reports on prospective nominees. And early on, he was one of the very first whose report came--at that time I really didn't know anything about FBI full field reports or what my role would be ultimately in that. John Moore was actually doing this, and I was just be[coming] familiar with it, but with the idea that probably I would eventually take it over, assuming that John--I mean at that time it was possible that John would have come with me and kept on instead of going to ExIm Bank--We talked about that. So John was in charge of that, but I was the custodian as a lawyer for the transition; I was

the custodian of FBI reports and did, from time-to-time, review some. And so some questions came up about Bert's report. And I, along with Hamilton and Jody, I believe--I know it was Hamilton--went back over Bert's report, and at that time looking at it as a lawyer, I did not feel that there was anything of a derogatory nature sufficient to ring any alarm bells. Maybe in, you know, three years later, maybe I would have gone deeper into it. I'd have gone back to the FBI for more information or otherwise. Or I would have recommended certain things to Bert on his financial statement which showed heavy debts. I was not as sensitive to that being a potential area of problems as I am today--That's not exactly our report, but that's his financial disclosure information. So that was my first exposure to it and then that was the end of it until the things began to come up months later during the administration. And the written analysis, written reports, which I gave to the President in some detail--I would rather let them speak for themselves, when people want to review the history of the Bert Lance situation in the administration and not try to elaborate on those at this point in time. I think that my legal analysis was correct. I think it was thorough and sound. I'm not sure that I, personally, gave enough attention to the political analysis, either because I wasn't qualified to or because I was a little bit subjective because of the relationship all of us had among ourselves--the President, Bert, myself, Hamilton, Jody and this long-term relationship. I'm not sure that adequate objectivity was given to the political analysis, as I'd say, I think the legal analysis, which is all in writing, the factual analysis of the reports we got, like from the comptroller of the [Treasury], were correct. But I'm not sure either that we can judge now the final effect of the Bert Lance thing. It may be that we can, but it may be that it'll still have to wait the outcome of future events, such as his trial.

ALLEN: I want to ask you, finally, about some memorable days--Some special days that stick out in your mind and one of them that was widely reported in the paper was a certain incident. A meeting you had with Bella Abzug and Hamilton Jordan. There were only three persons present at that meeting, and so far we've only heard Bella Abzug's account in the media. Can you say something about your memories of that meeting?

LIPSHUTZ: Well, first of all I wasn't quite clear as to why Hamilton even asked me to be there, he and the President basically. I didn't know whether it was the President's idea or Hamilton's that I be present, supposedly to give it a calming, judicial atmosphere, in anticipation that there might be some flare-ups between Hamilton and Bella. But the decision to go the way that we went, that is to proceed with the meeting that day with the women's group and not terminate Bella's chairmanship until after the meeting, was a deliberate decision made. It was a recommendation of the senior staff as a whole to the President, the President agreeing to it. As far as why did you do it this way and not do it another way, the alternatives were discussed such as terminating her earlier, such as not terminating her at all or such as, well you know, all kinds of things. But the decision was that the group was already in town; we'd already learned of this very derogatory press report that Bella, herself, although she denied it, and her staff had prepared to go out immediately after the meeting with the President. And the decision was made to go ahead and have the meeting; let everybody say what they wanted to say and try to keep it cordial and to terminate Bella afterwards so that the commission then could hopefully pick up the reins and proceed.

But anyway, I was present, as I said, in Hamilton's office, and Hamilton really took the lead conversation in telling Bella the reasons why the decision was made. The President decided to terminate her chairmanship of this commission. And it started out, and, for a good while, continued in a very polite debate between Bella, defending herself, saying that all these things that were being said about her just really weren't true. She was away; her husband was sick, and she had nothing to do with the things even though it was her staff, and she was solely in charge of it, in defending her position. And that she really was trying to be helpful. Well, the facts as we knew them, not just understood them, but knew them, were not consistent with that. This kind of...[inaudible]. Then she became defiant, threatening is really a better word. "You'll regret this. I've got a constituency out there etc. etc. Besides that you're making me a scapegoat for something else," and she kept repeating this theme that she was being made a scapegoat. Well, I did lose my judicial temperament finally over that, because, in my lifetime, the word scapegoat had been used to apply to Jews who are really, genuinely...

ALLEN: You were...

LIPSHUTZ: As I said, the word scapegoat has been applied to Jews who had really been made scapegoats out of historically over almost 2000 years, and it has a very great meaning to me when it's used, and in this case it was being used time and again. I finally said to her, which she had quoted accurately, "I guess the next thing you'll say is that the President is firing you because you're a Jew." Well to me, the use of the word scapegoat is synonymous with Jews. Obviously scapegoats have come from other places, but from my experience and her experience that was the way it had always been used. And she looked at me and said, "Well, Mr. Lipshutz, I'm surprised at you," and of course, that was one of the things she quoted when she got out. But anyhow, then she became threatening with Hamilton and me about her constituency, and we'd regret this and so forth. And it finally ended on that note, a very threatening, defiant note on her part. She was obviously shaken by it because she didn't have much to say when she first went out, but she did later on in her press conferences and all.

ALLEN: Do you recall other particular memorable days? The signing of the Peace Treaty, perhaps, here at the White House?

LIPSHUTZ: Well, that was certainly a very memorable day, a very meaningful thing. I suppose that the most dramatic thing I remember was during the trip to the Middle East with the President on his peace mission, both to Israel and to Egypt. And that whole series of events over a period of three or four days was extremely memorable to me, including one of those crises when I was able to make some recommendations which were utilized, and I think played a part in breaking a real impasse towards the end of them.

ALLEN: [It is] quite a thrill to be involved in something of that magnitude.

LIPSHUTZ: Yes. It really is and when you're there doing it you really don't quite

appreciate it as much as when you later reflect on it. But there was a contribution. Only the President and very few other people at this point are aware of it, which is fine because this is a one thing about being a lawyer, whether for the President or anybody else--You do not go around bragging about what you do or you don't tell people what your advice is to your client. And even today I don't want to be specific. I would rather let the President bring out the records when he wants to.

ALLEN: Are there any other areas that we haven't touched on that you'd like to, that you'd like to say something about?

LIPSHUTZ: Well, of course, there have been a number of types of things that have been certainly of interest to me. I think that I was able to play a meaningful role in settling the Concord airplane dispute, again in coming up with a combined legal and pragmatic, political, if you will, approach to a problem that had an impasse between two different objectives within the government about how to go about it. The State Department, on one hand, wanted to make sure that we did everything that we could to satisfy the British and the French; and the Department of Transportation and some others did not want to have us telling local airports who could land, did not want to get into that business. And finally what was recommended to the Justice Department as to how to handle it and which they did was to try to get the courts in the position of ordering what they did ultimately order. And that technique, if you will, is similar to how we were able in the South to accomplish desegregation. The politicians were not prepared anymore than the New York politicians were in the Concord case to do what was right. So, you went to the courts and the South went to the courts and the Concord gave them up in the courts. Had the court order, by the way the case was presented, ordered the things done properly, and it accomplished the policy objective but did not have to force the local politicians to do what they were unwilling to do, or try to force. That was interesting; it was not a long-range thing, but it was quite interesting and meaningful at the time.

One of the things that this office has had to deal with in the past, and we've had to deal with it, and we'll have to deal with in the future, until such time as, perhaps, the courts resolve it, is this battle that's ongoing and accelerating between Congress and the Executive Branch over the legislative veto question. It's being employed more and more by Congress; it's creating more and more concern within the Executive Branch, and it's a very very important constitutional issue. The Attorney General of the Justice Department has done a great deal of legal research, but there are no final, definitive cases yet. In most cases they have advised the President that it's unconstitutional. Congress has paid no attention to that and has accelerated the use of the legislative veto technique. I think it is a very important constitutional question that must be resolved ultimately by the Supreme Court. I, personally, have adopted the position of the Justice Department which would give the way, I feel, appropriate executive authority to the Executive Branch, as this is a historical confrontation building up between two branches of government that can only be resolved by, I think, the third branch which is the Supreme Court. That's...from a lawyer's point of view it's a fascinating battle and from a political point of view it has a lot of meaning. I've been peripherally involved in a

[variety] of interests, I say peripherally, a little bit more than that, in the whole development of the intelligence community, first Executive Orders and then later legislation which is now still going on. And that's an attempt to balance two sometimes irreconcilable points of view. On the one hand, you have the obvious need of adequate intelligence, information being made available to the government and, therefore, many things to be done to get that intelligence information. But, on the other hand, you have the desire to protect the rights of American citizens against improper infringements on those rights, and it's quite often that those two approaches come into conflict. It's hoped that this legislation has a sequel to the Executive Orders which are in play that will resolve that. But I think we are going to see that as an ongoing effort, and I think you are going to see modifications from time to time. But it has been an interesting, a very interesting matter to be involved in. Those are some of the areas that have, to me, been of most interest. We've handled a myriad of matters. I've got, personally, over 300 individual files of specific situations that, to one degree or another, I've been involved in here. But, obviously, some have taken a lot of time; some a minimum time; some have been of great significance; some have been relatively trivial.

ALLEN: I want to ask one final question, again about the President. You've had a long experience with him, personal knowledge of him. Would you describe him and characterize him as a leader, as a head of government in Georgia and in the nation?

LIPSHUTZ: I think that he has the characteristics that could ultimately prove, in historical terms, that he is a great leader. He has the intelligence, the willingness to work, the perseverance--all of these characteristics which are very helpful towards a person really becoming a great leader or a good leader. I think that when he sets his mind to it he also has the ability to sell himself and his ideas. It's been very difficult...maybe it's been difficult not only because of the time factor, but also the temperament of the men to constantly sell, with the different approaches to selling these ideas and programs. And I think that this is, perhaps, is something that I think is not up to perfection by a long shot--dealing, for instance, with the congressional people. Unfortunately, I think our system requires more of that than the President, so far, has demonstrated determination and to persevere in, whether in the state or at a national level. I think it's an unfortunate commentary on our times that it takes all of that to get 500 and something representatives--the Senate and House--to think in terms of the common interest. But, I'm afraid that that's the nature of our system; maybe it's human nature. But, if the President is re-elected, and I have every hope that he will be, I think that with a mandate of that type behind him with the experience that he's...will then have had of four years of governing, with no concern about a re-election but doing only what he thinks is absolutely the best thing for the country, without any compromises in view of re-election. I think in that way he can become a really great President because I think he has all the other characteristics it takes in which, if he's less inhibited by these tremendous restraints of the self-interested attitudes among the vast majority of Congress and therefore, you know, the reduction of the ability of a President, any President, to do the best job. Under those circumstances, I think he can become great. Should he not be re-elected, I don't know if history will treat him that kindly. I think it will treat him well. I think it will treat him better than, certainly, most. I won't say he

deserves better, but even though I think he does, but because that's kind of a sign-off.
But those are some of my attitudes.